HOUSE OF COMMONS DEBATES

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HOUSE OF COMMONS

Wednesday, April 13, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

LABOUR CONDITIONS

CAPE BRETON CONSTRUCTION INDUSTRY UNEMPLOYMENT—FEDERAL OFFER TO WORKERS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise once again to bring to the attention of the House the plight of the workers represented by the Cape Breton Building and Construction Trades Council. The Minister of Labour (Mr. Cadieux) will know that I addressed this issue on November 2, 1987, requesting that he take action with respect to an older workers' adjustment program.

In the last 24 hours it has come to my attention that the Minister is expected to offer workers approximately $1,020 a month exclusive of any other income they might have. The Government has not made a formal commitment on this matter, but the federal Minister of Labour has apparently given a Nova Scotia Cabinet Minister, the Honourable Edmund Morris, his word that the offer will stand.

I call upon the Minister of Labour to confirm to this House that the present offer to the Cape Breton Building and Construction Trades Council workers will stand. Should he be able to do this, it will alleviate many concerns and worries of the unemployed Cape Breton construction workers. I trust and hope that the Minister of Labour will respond favourably to this request.

* * *

RELIGIOUS AFFAIRS

SIKH RELIGION—ANNIVERSARY OF FOUNDATION

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, on April 13, 1699, the tenth and final Guru, Gobind Singh, laid out a code of conduct which established Khalsa in the Sikh religion. This new religion stressed the equality of humanity regardless of caste, creed, or sex. Each Sikh has a clear obligation to serve particularly the poor or oppressed. At the same time, Guru Gobind Singh established the distinctive dress code of Sikhs to remind them of their religious obligations each day.

There are approximately 200,000 Sikhs in Canada who have added significantly to Canadian life. Today in Parliament members of all political Parties will be meeting with Canadians of the Sikh religion. I am particularly pleased to bring to public notice, Mr. Speaker, that you are representing Parliament as guest speaker at today's reception.

I am sure that all Members of Parliament would wish to extend their best wishes to the Sikh community in Canada on the anniversary of the formal birthday of their religion.

* * *

RELIGIOUS AFFAIRS

SIKH RELIGION—ANNIVERSARY OF FOUNDATION

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, today Sikhs around the world are celebrating the anniversary of their faith, Baisakh. On behalf of my colleagues in the New Democratic caucus, I wish to speak in recognition of that great event.

• (1405)

It was on this day in the year 1699 A.D. that the tenth prophet of the Sikhs, Guru Gobind Singh, challenged a great gathering of Sikhs to rededicate themselves to the faith. His call brought forward the Five Beloved Ones in symbolic sacrifice. It also led to the institution of baptism into the Sikh faith, and produced the five Ks of commitment to the faith.

In the succeeding 289 years followers of the Sikh faith have become a distinctive community in many countries of the world. Canada is honoured to be the home of one-quarter of a million Sikhs.

On this Baisakh, I join with Canadian Sikhs in celebrating a New Year of dedication to their faith. May this be a year of good understanding like that manifested by the people of Woods Harbour, Nova Scotia, when they welcomed the Sikh refugee claimants to Canada's shores.

May this Baisakh call us to renewed regard for the lives of our fellows, and respect for the rights of their communities.

S. O. 21

IMMIGRATION

SENATE DELAY IN PASSING LEGISLATION

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, in the last couple of months I have canvassed many of my constituents concerning Bills C-55 and C-84. These are the two Bills that will restore some common sense to Canada's refugee determination system. These are also the laws that are being stalled by the unelected Members of the Senate.

Over 1,400 individuals from over 40 communities have contacted me to call upon the Senate to abide by democratic principles and end the confusion in Canada's refugee determination system. Their refusal to pass Bills C-55 and C-84 is nothing short of a disgrace which is condemned by my constituents, and I believe by all Canadians.

* * *

AGRICULTURE

POTATO STABILIZATION PROGRAM—DELAY IN PAYMENTS TO FARMERS

Mr. George Henderson (Egmont): Mr. Speaker, the potato farmers of Prince Edward Island have waited a long time for stabilization payments on their 1985 potato crop. On March 22 the Minister of Agriculture (Mr. Wise) told the House that the farmers should have their cheques by Easter. Some farmers are still waiting. We now know why.

Their cheques were sent by the Department of Agriculture to the Farm Credit Corporation. This is absolutely unfair.

Many farmers are in a financial crisis, especially our potato farmers who have had some very poor years. But to find out that their cheques were sent to the Farm Credit Corporation is the last straw.

Understandably, the farmers are very upset. Apparently the Farm Credit Corporation has agreed to send the cheques on to the farmers now.

I urge the Minister of Agriculture to investigate this blatant disregard for the dignity of our hard-pressed farmers and ensure that this never happens again.

* * *

ABORTION

NURSES FOR LIFE—INCLUSION OF CONSCIENCE CLAUSE SOUGHT IN NEW LEGISLATION

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, Nurses for Life is an organization which is concerned with the ethical issues in nursing from the perspective of respect for life and quality of care for all their patients. Therefore, to insist that nurses assist with procedures in which the main objective is to kill one of their own patients as in the performance of an abortion is illogical and thoughtlessly unprofessional.

Abortion is a violent act which is directly opposed to the philosophy and practice of nursing. Nurses for Life requests that a conscience clause be enacted whereby no doctor, nurse, or others involved in health care facilities, including hospitals, be required to counsel, assist, perform, or participate in any way in any treatment or procedure to which he or she has a moral, religious or personal objection.

Nurses for Life therefore calls upon the Government to bring forth legislation to enact conscience clauses to protect health professionals from being forced to abandon their principles or lose their employment.

* * *

ENVIRONMENTAL AFFAIRS

PRESENCE OF TOXIC WASTES ON INDIAN RESERVE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the most pressing environmental concern for many communities across Canada is that of toxic waste storage. Toxic wastes are a proven health hazard. Governments must do everything possible to ensure safe living conditions for all their citizens.

In remote northwestern Ontario, in the Nishnawbe-Aski Reserve community of Big Trout Lake, the people are very upset and frustrated by the delays in removing PCB wastes which are, ironically, the property of Environment Canada.

The Chief has physically removed these wastes from their present storage site and has threatened to fly them to storage sites in southern Ontario if the provincial and federal Governments do not move them quickly and act in accordance with existing regulations. The people of Big Trout Lake did not ask for these chemical wastes. All they are asking is that the PCBs be removed from the reserve.

I call upon the federal Minister of the Environment (Mr. McMillan) to show the leadership he has committed himself to in the past and immediately secure the necessary provincial approval for the transportation of these wastes off the reserve.

* * *

[*Translation*]

AGRICULTURE

VISIT TO ABITIBI DAIRY FARM WITH MINISTER

Mr. Guy St-Julien (Abitibi): Mr. Speaker, on March 29, 1988, the Minister of State for Agriculture (Mr. Blais) visited one of the most productive dairy farms in the Abitibi, the Tenhave farm in Val Senneville.

The Minister first went to the Val Senneville town hall, where he met Mayor René Paré and the councillors. The Minister and I then went to the Tenhave farm, where we donned overalls and helmets to tour the site.

This farm is one of the best known in the region for its rapid growth and the quality of its products. It has won many prizes for excellence, including one awarded last fall by the eastern Abitibi branch of the UPA for first place among Holstein growers.

Mr. Speaker, the Minister took the time for a leisurely conversation with Mr. and Mrs. Tenhave and their two sons, Paul and John.

This was an excellent meeting for the farmers; it gave them the opportunity to discuss with their Minister of State for Agriculture the future and the situation of dairy farmers in the country and in Quebec.

* * *

• (1410)

[*English*]

SOCIAL AFFAIRS

VIEWS OF MR. ROBERT CAMPEAU CRITICIZED

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, it has been said that there is no fool like an old fool. If the old fool is also very rich, that foolishness may be compounded.

It is reported that Mr. Robert Campeau, who became rich on government contracts with guaranteed returns—

Mr. Murphy: Liberal government contracts.

Some Hon. Members: Oh, oh!

Mr. Speaker: I am sure the House is waiting in anxious anticipation for the completion of the Hon. Member's remarks.

Mr. Penner: I hope that that is not taken from my time, Mr. Speaker.

It is reported that Mr. Robert Campeau, who became rich on government contracts with guaranteed returns, and who went on to greater and greater rewards, now admires the rugged individualism of the American republic and he thinks that there is too much social concern and humanity in Canada. He points with much disdain to our social security programs and our medicare system, and he calls on us to have them reduced.

I would say that the frankness of his views does help us in at least one respect. He has enabled us to understand better the parable of the camel, the rich man, and the eye of a needle.

S. O. 21

AIR CANADA

SUPPORT FOR PRIVATIZATION

Mrs. Mary Collins (Capilano): Mr. Speaker, 51 years ago the first Trans-Canada Airlines plane, a 10-seat Lockheed Electra, departed Vancouver's Sea Island on a flight to Seattle. Much has changed since that first flight. TCA became Air Canada, one of the world's major airlines with 22,000 employees.

Now, with great foresight, the Government has announced plans for its privatization. The naysayers in the Opposition, like an over protective parent, would have us keep Air Canada in the pampered and sheltered yoke of government control.

After 51 years in the public sector, Air Canada has fulfilled its mandate, and the time has come for the company to spread its wings. The Government's planned share offering will give Air Canada the flexibility that it requires to update its fleet and remain competitive into the 1990s and beyond.

Privatization works. With 13 Crown corporations sold or in the process of being sold, our policy is right on track, indeed, in full flight.

* * *

FISHERIES

GEORGES BANK—CALL FOR BAN ON OIL EXPLORATION DRILLING

Mr. Jack Harris (St. John's East): Mr. Speaker, the jig is up. The Minister of Fisheries and Oceans (Mr. Siddon), and the Minister of Energy, Mines and Resources (Mr. Masse), can no longer sit on the fence between the interests of the fisheries and the demands of Texaco Canada Resources on the issue of oil exploration on the Georges Bank. The Governments of Nova Scotia and New Brunswick, fishermen, fish processors, fishing communities, and the organization NORIG have all insisted on banning drilling and oil production in this most concentrated area of fisheries resource which is very vulnerable to environmental contamination.

In late February the Gulf of Maine Advisory Committee agreed, and wishes the Minister of Fisheries and Oceans to support amending Bill C-75 to ban drilling in this area which it calls a vast nursery of lobsters, scallops, cod, haddock, and other species of critical importance to the economies of southwest Nova Scotia and the south coast of New Brunswick.

No more stalling by the Minister of Energy! No more inaction by the Minister of Fisheries and Oceans! Amend Bill C-75, ban drilling on Georges Bank, and protect this vital fishery.

S. O. 21

IMMIGRATION

SENATE DELAY IN PASSING LEGISLATION

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, we cannot allow our immigration system in this country to deteriorate any further. This is precisely why Parliament was recalled in August to deal with this urgent problem of our refugee determination system, a system under siege.

Everyone agrees that Canada's refugee policy needs an overhaul. The policy of our Government is to increase legitimate immigration; provide a safe haven for genuine refugees; establish a fair and expeditious refugee determination system to eliminate queue-jumping and bogus refugees; and follow the due process of law.

The solution to this problem is obvious—the passage of Bills C-55 and C-84. This seems easy, right? Think again! The Liberal dominated Senate has stalled these Bills in the Upper Chamber because it is motivated by political rather than by humanitarian reasons.

I think it is time the Senate came down off its high horse, respected the will of the elected House, and passed this legislation so that we can begin to rid our country of its antiquated immigration system, its inadequacies, hypocrisy, and long delays.

* * *

• (1415)

RELIGIOUS AFFAIRS

SIKH RELIGION—ANNIVERSARY OF FOUNDATION

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, I rise today because I, like yourself, have come to know and appreciate the very special contribution made by the Indo-Canadian community, particularly in British Columbia and the Fraser Valley.

This special day, April 13, is Baisakh, the first day of the new year for Hindus, Sikhs, Jains, and Buddhists here and around the world.

Baisakh is of particular importance to members of our Canadian Sikh community because on this day in 1699 the Sikh religion or "Brotherhood of the Pure" was created.

The festivities associated with welcoming in a new year are also a reminder of the rich and enduring spiritual heritage of these groups, a heritage that the celebration of a new year strengthens and reaffirms. It is a heritage which encourages strong family ties, community involvement, and peaceful coexistence. Of course these are values understood only too well by Canadians.

Their communities are helping to enrich the country's multicultural identity in many different ways. I would therefore urge all Hon. Members to join me in extending best wishes for a prosperous and happy new year to Canadian Hindus, Sikhs, Jains, and Buddhists, and to all Indo-Canadians who are part of our diverse Canadian family.

* * *

[*Translation*]

SCIENCE AND TECHNOLOGY

FUNDING—QUEBEC SHARE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, yesterday Quebec's External Trade Minister, Pierre MacDonald, published figures clearly showing that under a Conservative Government, Quebec does not receive its fair share of funding for research and high technology projects. The figures show a shortfall of $1.3 billion. I would like to ask all Hon. Members from Quebec to put pressure on the Prime Minister (Mr. Mulroney) and the Conservative government so that in future, Quebec receives its fair share and also on all Conservative members from Quebec to put pressure on the Prime Minister for him to respect his commitment to have the space agency in Montreal.

* * *

[*English*]

PORTS

PORT OF CHURCHILL—NON-ATTENDANCE BY CANADIAN NATIONAL AT ANNUAL CONFERENCE

Mr. Rod Murphy (Churchill): Mr. Speaker, this week I attended the forty-fifth annual conference of the Hudson Bay Route Association. This group, composed of representatives of many communities in all prairie provinces, has a long history of working to promote the use of the Port of Churchill.

I was disappointed to discover that CN no longer shares my high opinion of the Hudson Bay Route Association and its commitment to the use of the port. CN, as the railway responsible for the maintenance and use of the Bay Line, the only land based shipping route connected to the port, has been in regular attendance at meetings of the Hudson Bay Route Association throughout most of its existence. By declining to attend the Hudson Bay Route Association conference this year, CN has taken a further step in its campaign to close the Port of Churchill and has closed off contact with a major group which is defending the port.

This action is only the latest in a long series of betrayals of the port which have occurred in the last couple of years. We have seen provincial Tory Governments in Alberta and Saskatchewan cut off funding to the Port of Churchill Development Board. We have listened to Otto Lang, a former Liberal Minister of Transport, malign the port time after time.

We have watched federal Conservative Members of Parliament and cabinet Ministers use the anti-port arguments and half-truths of the grain elevator companies and CN.

Now it is time for the new Minister of Transport (Mr. Bouchard) to declare his support for the Port of Churchill and to fight against the attempts by CN and others that are trying to close the port.

ORAL QUESTION PERIOD

[*English*]

AIR CANADA

SALE OF SHARES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. At 11.51 yesterday morning in the House of Commons the Deputy Prime Minister made the following statement:

> The legislation will permit the transfer of all Air Canada shares to the public.

At 2.18 yesterday afternoon in the House of Commons the Prime Minister made the following statement: "There is a possibility that shares in Air Canada will be sold to the public, but the Government would certainly retain the majority interest".

One of the two statements made to the House of Commons yesterday is false. The question the public—

Some Hon. Members: Oh, come on!

Mr. Turner (Vancouver Quadra): It is right on. The question the Canadian public is asking is: who is speaking for the Government? The Prime Minister—

• (1420)

Mr. Speaker: I am sure the Right Hon. Leader of the Opposition means that a statement is incorrect. I ask that he conclude his question.

Mr. Turner (Vancouver Quadra): Who, then, is speaking for the Government—the Prime Minister or the Deputy Prime Minister? Will the Government retain majority control and the majority of the shares of Air Canada, or are all the shares up for sale and is this a total sell-out of the airline?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I wish the Right Hon. Leader of the Opposition would stop being so silly and childish, indeed irresponsible. If he wants an explanation he can come into my office right after Question Period and I will explain it to him. He should read the whole statement. It is very clear. Legislation will in fact be brought before the House and then he can see precisely what we will be doing.

Mr. Turner (Vancouver Quadra): Obviously the Deputy Prime Minister has a weak case. If he wants to tell me in private, I say tell me in public right here on the floor of the House of Commons.

[*Translation*]

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in January 1985 the Prime Minister said: "Air Canada is not for sale". Yesterday, Canadians realized that he really meant Air Canada was not for sale just then. Yesterday, the Prime Minister said the Government would certainly retain a controlling interest in Air Canada. Today, it seems the Government will do so but only for the time being.

If the Government is really determined to sell Air Canada, which I think is a poor decision, it should come right out and admit it, as it should admit that the Prime Minister of Canada misled Canadians in 1985 and again yesterday, here in the House.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we just heard the distorted truth, the distorted reality from the Leader of the Opposition. He said: "The Prime Minister stated Air Canada was not for sale". However, on January 15, 1985, the press quoted the Prime Minister as follows: "There is a possibility that Air Canada shares will be sold to the general public, but the Government would certainly retain a controlling interest".

[*English*]

And in English: "Prime Minister Brian Mulroney said Monday—" this was on January 15, 1985, "—that Air Canada is not for sale but did not rule out selling a minority interest". What is taking place is exactly consistent with what I indicated at the time, with the needs of Air Canada. We are talking about the future, of making Air Canada an important instrument of growth and unity. We are strengthening Air Canada.

We want to talk about the future. I invite the Right Hon. Leader of the Opposition to focus on the future and the needs of Air Canada and Canadians. We will take him on on that any day of the week.

Mr. Turner (Vancouver Quadra): The Prime Minister once said that Air Canada is not for sale. Now he says not at this time.

CONTROL OF CORPORATION—RETENTION OF MAINTENANCE FACILITIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday the Prime Minister said that the Government would retain a majority of the shares, but the Deputy Prime Minister said no, all the Air Canada shares are available to the public. That is what he said yesterday morning.

Mr. Andre: False.

Mr. Tobin: True.

Mr. Turner (Vancouver Quadra): I do not know how the two gentlemen reconcile those two statements. They certainly have not succeeded this afternoon.

Yesterday the Prime Minister and the Deputy Prime Minister also assured Canadians that Air Canada would keep its maintenance facilities at Winnipeg, Montreal, and Toronto. However, Canadians were also told by the Deputy Prime Minister yesterday morning that the Government's shares in Air Canada would be voted in accordance with the wishes of the private sector shareholders. Therefore, the Prime Minister and the Deputy Prime Minister know that they have no way of knowing or guaranteeing that the maintenance facilities will be kept in Winnipeg, or in Toronto or Montreal for that matter, because they have yielded control over the voting preferences of the shares they retain, if they retain them.

Why did the Government make a promise yesterday to the people of Winnipeg that the maintenance facilities would be kept there when it has already abandoned the power to control the voting of the shares?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I do not think I have to repeat to the House again the commitment that Air Canada has made on behalf of the people of Winnipeg. The Right Hon. Leader of the Opposition was very rarely interested in this subject, but I guess because there is an election going on in Manitoba he chooses to raise the issue in an attempt to politicize it.

• (1425)

The fact is that there have been a number of Crown corporations which have been privatized to which conditions have been attached. I invite the Right Hon. Leader of the Opposition to go back and look at the series of them, some 13 of them. Each and every one of those Crown corporations had one or more conditions attached, and there is no reason to prevent that from happening in this case as well.

FUTURE OF MAINTENANCE BASES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Deputy Prime Minister. The House should be clear on what the Government is telling us. The Government is now saying that it can give no assurances to the people of Winnipeg, Montreal or Toronto, and that it can only repeat the assurances of Air Canada officials. The Government is saying that, having recognized that Air Canada officials, and particularly the chairman of the board, will be directed to vote their shares in accordance with the majority of the private shareholders. That is what the Government has admitted.

Again I would tell the Deputy Prime Minister, whether there is an election going on in Manitoba or not, perhaps now is the time to come forward with the full facts, not with fantasy.

How can the Government, given its own privatization plan and its own determination to give up its voting control and direct it to private shareholders, give assurances, either directly or through the management who will give up their 55 per cent share block, that Winnipeg, Toronto, Montreal, or Stephenville, Newfoundland, will not be negatively affected by this privatization venture?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the best way to secure the success of Air Canada and its continued operation and expansion in Winnipeg is for it to be a healthy airline, and we are giving it the mechanism and the facilities to become a healthy airline.

As I said earlier, there were conditions attached to the privatization of Canadair and they were upheld.

Hon. Members opposite, if I recall correctly, talked about the loss of thousands and thousands of jobs when de Havilland was sold to Boeing. We have not heard a peep lately because 1,000 or 1,100 new jobs have been created—

Some Hon. Members: Hear, hear!

Mr. Mazankowski: The Hon. Member can dwell on the past and support his own ideology, but he should listen to some of the workers of Air Canada. Yesterday on the CBC news an unidentified worker said:

> It's a profitable company right now and when employees have a share in their company then I believe that they will take care and more care in what they actually have.

Another one said:

> I think it is a fantastic investment. The employees will care more and I think there'll be a lot more profit potential within the company.

Another one said:

> —we're in the alliance, we're in the service business, it must be competitive and by being privatized it just might become a bit more competitive.

They are living in the real world. Those guys across the way are in fantasyland.

CONTROL OF SHARES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, of course that begs the question, where was the Hon. Member for St. John's West, the former Minister of Transport, living? He said a year ago that it would be best to sell all of it or sell none of it, and he said two months ago that the Government should put $300 million worth of capital into Air Canada because it is basically a fundamentally sound and healthy company.

Yesterday, David Cape of Ryerson Polytechnical Institute in Toronto, a transportation economist, said that given the structure of this privatization and given this half-baked scheme, it is possible that, "In practice, a control block of

stock can be quite small. About 5 per cent or 6 per cent can give effective control".

Given that the Government will make 25 per cent of the shares available to foreign owners in time and 11 per cent available to foreign investors immediately, I ask the Deputy Prime Minister how the Government can assure Canadians that Air Canada is not on its way to becoming Air America.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker—

Mr. Turner (Vancouver Quadra): Maz Air.

Mr. Mazankowski: The Right Hon. Leader of the Opposition and his colleague have to dramatize things because they know they have not got a case. I would rather listen to the workers, and this is what the workers say. Nicole Lanctot from Montreal has said: "This is great, good news. If I were rich, I would buy shares. Maybe I will buy shares if they aren't too expensive".

Mr. Tobin: "If I were rich, I would buy shares". Right on.

Mr. Mazankowski: Wait a moment—

Some Hon. Members: Oh, oh!

Mr. Mazankowski: "I will buy shares if they aren't too expensive".

Second, Joyce Carette has said: "I would buy shares. I'm very excited." Ruth Kershaw said: "The public will benefit in the long run". Glen McLaren said: "I'm delighted, absolutely delighted". The Chairman of Air Canada, who has spent 40 years with this company, said: "This is welcome news indeed".

• (1430)

SALE OF SHARES—PRIME MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, Canadians expect their Prime Minister to be straightforward with them. They expect the Prime Minister to be honest and to indicate clearly where he stands on important national issues.

Mr. Andre: They expect responsible opposition too.

Mr. Riis: On January 15, 1985, the Prime Minister said very clearly that Air Canada is not for sale.

Mr. Andre: Read the whole thing.

Mr. Riis: Yesterday he indicated that that is not quite what he meant. He went on to explain. He said that Air Canada is for sale but he did not rule out selling a minority interest. The Government then indicated clearly in this House yesterday that the legislation, when brought forward, will permit the transfer of all Air Canada shares.

My question is for the Right Hon. Prime Minister. Why was he not honest with the people of Canada in 1985?

Some Hon. Members: Order!

Some Hon. Members: Sit down!

Mr. Riis: Why did he not say at that time that his intention was to sell off all of Air Canada?

Some Hon. Members: Order!

Mr. Speaker: There are different ways to stray very close to what is not accepted. I know that the Hon. Member would want to make it clear to the Chair and to the House that his question is, would the Prime Minister please explain what seems to be, in the mind of the Hon. Member, a difference in one statement compared to another.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend says that Parliament is entitled to a responsible position from the Prime Minister. He is quite right. It is also entitled to a responsible position from the NDP. As a beginning, if my hon. friend is going to quote the Prime Minister or any other Member of the House, I hope that he would have the decency and the integrity to make that quote complete, because the manner in which he quoted is false and misleading.

[*Translation*]

I will give him the quote as reported in *The Gazette* and *La Presse*. I wish he would either quote everything I said or stop misquoting me here in the House. The quote is as follows: There is a possibility that Air Canada shares will be sold to the general public, but the Government would certainly retain a controlling interest. There may be good reasons for selling Air Canada.

And the same day, in English, in *The Gazette* . . .

[*English*]

> Prime Minister Brian Mulroney said Monday in Montreal that Air Canada is not for sale but did not rule out selling a minority interest.

This is perfectly consistent with not only the interests of Air Canada but what I have said and the position which the Government has adopted. If the Member wants to quote me or any other member of the Government, let him have the decency and honesty to quote fully and completely. He should stop distorting what I said.

Some Hon. Members: Hear, hear!

Mr. Riis: Mr. Speaker, I want to remind the Prime Minister that he not only has an obligation to be straightforward with the Parliament of Canada but also has an obligation to be straightforward and honest with the people of Canada.

Some Hon. Members: Order, order!

Mr. Riis: It is time that he started to do just that.

Mr. Shields: I would ignore that.

Mr. Murphy: That's all right, you lied to pensioners too, all of you. All of you lied to pensioners right across the country.

Mr. Shields: Union tactics, that's what it is. We know all about that.

Mr. Speaker: Order. I ask Hon. Members, in putting questions, to lay the facts upon which a question is to be asked, to use the preamble for the appropriate purpose. I would ask Hon. Ministers, when replying, not to stray unduly into argument. The Hon. Member.

DECISION-MAKING POWERS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is also for the Right Hon. Prime Minister. The Prime Minister just indicated, in extensive quotes, what he said at one time or another. He indicated that he would ensure that the Government of Canada would maintain majority control of Air Canada. That is what he just said in the House of Commons.

What kind of a business transaction would give complete decision-making powers to a group of minority shareholders? Why did the Government not at least have the consideration to do what the British did? They maintained a golden share so that the British Government would always have, in the final analysis on critical matters, complete decision-making. Why is the Prime Minister prepared to give over the decision-making rights for Air Canada to a minority set of shareholders?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend asks an entirely appropriate philosophical question. There can be an important philosophical disagreement as to the manner in which this ought to be handled. It is no secret that this Chamber represents different political ideologies and they will find an expression, no doubt, in the fundamental debate and the approach to this matter. I will be happy to engage my friend in debate on this at any time.

Last night, for example, on the CBC Allan Gow, the labour reporter, said:

> Most of the workers here think that privatization is a great idea. The union leadership, though, has quite a different view.

He then quoted Bob White who said:

> I think it won't stand the test of time.

Here is where the ideology enters into it and where the differences appear. Bob White is a Vice-President of the NDP and I understand his point of view. However, Mr. Gow concludes:

> Union leaders will have a hard time convincing anyone that privatization of Air Canada is anything but good. Their members are already anxious to get a piece of the action and the general public will continue to hear from the Government that privatization will mean a more efficient airline.

There is a fundamental point of view. The NDP disagrees with it. We will debate it in the House of Commons and allow the people to decide whether this is the proper way to go.

Some Hon. Members: Hear, hear!

PRESERVATION OF JOBS—REQUEST FOR LEGISLATIVE GUARANTEE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, when the Prime Minister indicates what this particular initiative will do to the men and women working for Air Canada, he ought to be reminded of the experience in Britain with the privatization of British Airways. Twenty-three thousand men and women lost their jobs as a result of the privatization process.

The Prime Minister knows that the previous comments by the Deputy Prime Minister about the situation of Air Canada today do not hold for the future because the decision-making will be done by a minority group. If the Prime Minister is committed to preserving those jobs for the men and women who presently work for Air Canada, will he indicate that he believes what he says and, as a result, when the legislation is brought forward, if it is in fact ever brought forward, it will include provisions to guarantee the jobs for the men and women who presently work for Air Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I did not say what the workers said; they said it themselves. The CBC quoted the workers directly saying that they thought that privatization is a great idea.

We listened to my hon. friend and the NDP when the privatization of de Havilland was debated. We heard the predictions of doom and gloom and they are on the record of the House. When Fisheries Products International was debated, it too was supposed to go down the chute. It is bringing prosperity to the fishermen of Newfoundland.

De Havilland has been a success story and Fisheries Products has been a success story. Every company that we have privatized has been a success, as Air Canada will be, because this initiative meets with the general desire of the workers and will strengthen both Canada and Air Canada as a corporation.

* * *

● (1440)

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

REQUEST THAT MINISTER ANNOUNCE PROGRAM FOR QUEBEC

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Today we read that the provincial Minister responsible for research and development accused the federal Government of being $1.3 billion behind in real spending and that Quebec was suffering the consequences.

We know that, as far as regional economic development is concerned, for the past year the Government has made several announcements about setting up agencies in Western Canada, Atlantic Canada and Northern Ontario, and there again, Quebec was left out in the cold.

I want to ask the Minister when he intends to announce a real program for Quebec?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I can inform the Hon. Member that as far as regional economic development is concerned, Quebec is certainly not lagging behind other regions in this country.

In fact, when we consider the contribution made by this Department in Quebec in recent years, it is clear that it constitutes a very adequate percentage, and the same applies to research and development.

PHASE II OF EASTERN QUEBEC DEVELOPMENT PLAN—MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have a supplementary. That is all very well, but we know that as of March 31, for instance, Phase II of the Eastern Quebec development plan expired, and that the Minister promised to make an announcement before that date. Today, there is still no news, and although the Minister responsible for the region kept saying the announcement would be made by March 31, nothing has been done.

Could the Minister please explain why he is dragging his feet?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, for the first time, unlike the previous Government, we are setting up a comprehensive development plan for the entire province of Quebec. Unlike the previous Government, we have respected the constitutional jurisdictions of both levels of government. We have been engaged in active discussions with Quebec for the past six weeks, with a view to reaching a joint agreement that will help peripheral areas, central Quebec, the Montreal metropolitan region and in fact the entire province.

As for the date of the official announcement, I can inform the Hon. Member that we intend to extend the plan for Eastern Quebec. There is no doubt about that. However, we do not want to restrict our regional development initiatives to a specific region. We will have a comprehensive plan with sub-plans, and the announcement should be made very shortly. We are waiting until discussions with Quebec have been concluded.

[*English*]

AIR CANADA

JOBS—POSSIBILITY OF DOWNSIZING

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and it concerns employment guarantees at Air Canada.

The Government has indicated it will instruct the Chairman of Air Canada to vote with the majority of public shareholders. Given that, what protection is there for the workers in various centres across Canada, including Winnipeg, that under this new situation, should it be approved by this House, the minority shareholders will not direct Air Canada to downsize, consolidate maintenance facilities, and reduce services? What will prevent that from occurring if the Government is prepared to give full control of Air Canada to that very small group of people who may buy shares?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Hon. Member would agree that what is desirable and what is required from the airline is that it be a healthy, productive and growing airline. We will be giving it the mechanisms to do just that. As the Chairman of Air Canada indicated at the press conference yesterday, and I think I quote him correctly, this initiative will be good for the employees—

Mr. Waddell: It will be good for him.

Mr. Mazankowski: —good for customers, good for communities and good for Canada.

I hear some smart remark to the effect that it will be good for him. I think that is a great disservice to a man who has distinguished himself and provided over 40 years of dedicated service from the bottom right up to the top. I think, rather than snarky remarks like that, the Hon. Member should be praising the man for the leadership and inspiration he has given.

Some Hon. Members: Hear, hear!

Mr. Angus: Mr. Speaker, it is clear from the Minister's answer that the Government is not prepared to provide any guarantees. In his own words, it will be a clear arm's length relationship and there is no way to protect existing employees, routes, and facilities because the Government will let that small group of shareholders tell Air Canada what to do.

REQUEST FOR LEGISLATIVE GUARANTEES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, is the Deputy Prime Minister prepared to stand in this House today and indicate that in the legislation he is bringing forward there will be a clause that will guarantee existing facilities, routes, and services? Is he prepared to make that guarantee?

Mr. Hnatyshyn: Was this question planned, Nelson?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): A little more fear mongering from members of the NDP.

Let us put this in perspective. We have debated privatization in this House on a number of occasions.

Mr. Shields: And they say the same thing every time.

Mr. Mazankowski: It is really unfortunate that the NDP do not get their act together. They talk about intellectual honesty. We have another nice little quote here by the Hon. Member for Vancouver—Kingsway. One of these days the NDP are going to have to stand up and be counted. They cannot be all things to all people. This is what the Hon. Member said about privatization on February 13, 1987, as reported at page 3426 of *Hansard*:

> I wish to reiterate what I have stated. I do not think that all companies need to remain in the public sector. There could be room for privatization. The argument has to be made, and the onus is upon the Government. It has to tell us whether it is a practical reason.

We have told you that this is a practical reason.

Some Hon. Members: What is the reason?

Mr. Crosbie: That's the way, Waddell. We want Waddell!

Mr. Mulroney: Why would a good man like that lose his seat?

Mr. Mazankowski: Give him a seat in Alberta.

Some Hon. Members: What is the reason?

Mr. Speaker: The Hon. Member for The Battlefords—Meadow Lake has the floor.

* * *

EXCISE TAX ACT

FARM FUEL REBATE—ALLEGED DELAY IN PASSING BILL C-117

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, my question is directed to the Minister of State for Finance. I understand that Bill C-117, presently stalled by the opposition Parties, provides an additional rebate of one cent a litre on farm fuels for farmers across the country. As they are doing the spring seeding now, could the Minister tell us if a delay in passing the Bill will mean farmers will be delayed in collecting their much needed rebates?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I thank the Hon. Member for his very pertinent question. The Government of Canada has rebated sales and excise taxes to farmers in the past. This is worth $200 million a year to the farmers and we want to do it again through Bill C-117. The sooner we can pass it, the better. Until we do, the farmers will not get their rebates. So I urge the Liberals and NDP to pass the Bill as soon as possible.

[*Translation*]

OFFICIAL LANGUAGES

QUERY WHETHER PRIME MINISTER WILL ASK SASKATCHEWAN PREMIER TO WITHDRAW BILL 2

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. I understand that he will travel tomorrow to Western Canada and will probably meet the Saskatchewan Premier, Mr. Grant Devine. In view of the reaction of several groups to the fundamental issue before us, Bill 2 and the impact it may have had on national unity, would the Prime Minister be prepared to stand up in his place today and tell us that he will ask Mr. Devine to withdraw his Bill?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I hope to meet the Saskatchewan Premier tomorrow and have discussions with him to advance this difficult but so very important issue for Canada and Saskatchewan. Accordingly, I intend to discuss the matter with him tomorrow and I will report with pleasure to my hon. friend here in the House as soon as possible.

NON-NEGOTIABLE RIGHTS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I have a question for the Prime Minister. Yesterday, Mr. Speaker, we were told that negotiations were in progress between the Federal Government and the Saskatchewan authorities. I trust the Prime Minister will agree with me that basic and vested rights are not negotiable. We have in Canada a national policy on official languages and it is out of the question to negotiate existing vested rights. I ask the Prime Minister to repeat . . .

Some Hon. Members: Hear, hear!

Mr. Gauthier: . . . and tell Mr. Devine on behalf of the Canadian people that basic rights such as those he tried to set back with Bill 2 are not negotiable and must be maintained.

Right Hon. Brian Mulroney (Prime Minister): In fact, I have already indicated to my hon. friend that I fully share his views. There are no differences between the Hon. Member and myself. I have already emphasized the fact that in 1982, I think, the Hon. Member for Ottawa—Vanier had felt it necessary to vote against the last constitutional initiative because in his view some of the Ontario Francophones' rights were not protected.

Problems exist in Ontario, in Saskatchewan and elsewhere and it is our duty to try to build a society which better respects the rights of linguistic minorities wherever they exist, whether it be the Anglophones in Quebec or the Francophones in Manitoba or elsewhere. That is, I think, the objective of the Parliament of Canada and it is certainly my own objective.

• (1450)

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EMPLOYMENT PROJECTION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister for International Trade whom I would like to congratulate on his new position. I would also like to ask him about the Economic Council report this morning. That report showed a reduction from 189,000 jobs to only 76,000 jobs in its analysis of direct 10-year effects from the trade agreement. Does this not show that Canada in fact got a worse deal than the Economic Council expected last summer, and that in fact we were badly out-bargained by the United States?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I want to thank the Hon. Member for his kind words with reference to myself. He and I must be reading from different news releases. I have here in my hands a news release from the Economic Council of Canada.

The Council cautioned against Canada repudiating the agreement because U.S. protectionist forces would probably succeed in having new trade actions launched against this country. That is one of its statements.

At the end of its second release the Council noted that Canadians should not focus on the precise numbers of the projections but on the general thrust of the results.

> The projections "tell a consistent story" that approving the free trade agreement will promote economic growth and employment in Canada..

All across Canada. That is the important thing. It is a very positive report.

Mr. Langdon: Mr. Speaker, may I suggest next time that the Minister read the report rather than reading the press release.

[*Translation*]

FORECAST BY ECONOMIC COUNCIL OF CANADA—MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): I have a supplementary for the Minister. Does he agree that according to this analysis, the five or six cent change in the value of the dollar means that the figures of the Economic Council are no longer valid

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, all studies and forecasts are based upon assumptions. Therefore, the results depend on the assumptions one makes. The hon. gentleman, I believe, was connected with the academic world before he entered the House. We can tell because he makes many assumptions himself and they are all unfavourable to the Government. For example, the Council says:

> . . . that it expects the accord will lead to an additional increase in employment of . . . about 250,000 jobs . . . if productivity grows as strongly as it should.

It says:

> Under the most probable scenario, all provinces and most industries would gain in employment and output.

This is what the Council says. It says that the reason for the difference between its former projections and the projections now was that we did not get access to American procurement to as great a degree as previously had been thought. This explains its projections. It says:

> If the trade pact is not approved, Canada might lose rather than gain jobs and investment as the United States might react by imposing new protectionist measures against Canadian exports.

The hon. gentleman shows every day his fear about U.S. protectionism. Why doesn't he support this protection against U.S. protectionism?

* * *

[*Translation*]

EXTERNAL AID

FOOD AID FOR ETHIOPIA—MINISTER'S POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister for External Relations. Does the Minister realize that famine may again strike thousands of Ethiopians, and could the Minister therefore explain to the House why generous amounts of Canadian aid routed to this country were sent exclusively to the South? Finally, what does the Minister intend to do to ensure that food aid is sent as soon as possible to the North, at least before the rains start, which is in about six weeks?

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I want to thank the Hon. Member for his question. I can inform him that the Government and I are also very concerned about the present situation in Ethiopia. As the Hon. Member is probably aware, I visited Ethiopia in February and reported at the time to the House. Of course, the situation has changed since then. We know that the war going on in the North is a threat to many millions of lives because it may prevent the food from reaching these people. However, I can inform the Hon. Member that food has been delivered in the North and that all Canadian commitments have been delivered so far, except for two shipments. One is expected to arrive in a matter of days, and its delivery is guaranteed. As for the other shipment now under way, we are looking at various alternatives to find out whether the shipment can be delivered to the people. I can assure the Hon. Member that we are concerned about the situation and that together with other donor countries and multilateral agencies, we are looking at

various alternatives to ensure the population is not penalized by the present situation in Ethiopia.

QUERY CONCERNING MEASURES NECESSARY TO ACHIEVE CEASE-FIRE

Hon. André Ouellet (Papineau): Mr. Speaker, I appreciate what the Minister said, but she herself must admit that despite all the efforts and all the good will of Canadians who have responded very eagerly and with exemplary charity, food aid is not going where it should. And the reason the famine is raging again is the war, this unspeakable war that is continuing. Can the Minister tell us on behalf of the Canadian government what Canada can do concretely to work for a ceasefire as soon as possible in that country?

Hon. Monique Landry (Minister of External Relations): Mr. Speaker, I would first like to tell my colleague that so far, until a few weeks ago, food reached the affected populations. I was able myself to observe the delivery of food in northern Eritrea and Tigré. Now, I agree with the Hon. Member that the new situation, namely the state of war, that exists of course threatens the delivery of food to the affected populations. As I was just telling you, the multilateral agencies and donor countries are now consulting each other and we are now, to begin with, of course putting pressure on the Ethiopian Government to ensure that international agencies can return to the northern part of the country and supply food.

Also, the United Nations Under Secretary General's mission is now in Ethiopia. We are counting a great deal on this mission and hope that it will result in a more favourable situation and commitments from the governments involved.

* * *

[*English*]

CANADIAN HUMAN RIGHTS COMMISSION

REQUEST FOR GREATER POWERS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Justice. Max Yalden, the Chief Commissioner of the Canadian Human Rights Commission, in his recent annual report called upon the Government to give the Commission greater powers to enable it to play a more active investigatory and regulatory role on pay equity for women. He also wants tougher powers to deal with discrimination against the disabled and visible minorities, instead of responding on a complaint by complaint basis.

Will the Minister of Justice respond positively to these important recommendations in the very near future in order to promote full equality for Canadian women and for Canadian minorities?

• (1500)

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I was very pleased to receive the first report of the commission under its new Commissioner, Mr. Yalden, for whom I have, the very greatest of respect, and this view is shared by the Government. I wish him well in the performance of his responsibilities.

I can only say that I am waiting for the detailed recommendations with respect to the matters raised in the report. I will give them the attention that they obviously require. When I receive these matters I will have a chance to respond to the House at the earliest possible date.

REQUEST THAT ATLANTIC CANADA BE REPRESENTED ON COMMISSION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is for the same Minister. The Minister says that he will wait. For nearly six months there has been no representative whatsoever from Atlantic Canada on this important national commission, despite repeated pleas by Max Yalden for the Government to move finally to fill that vacancy. In fact, there is no one on the commission from east of Montreal.

When will the Minister finally move to fill this vacancy? How much longer will he wait before ending this insult to the people of Atlantic Canada?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have to give the Hon. Member marks for originality. That is the same question he asked me in committee two weeks ago.

Mr. Robinson: That's right.

Mr. Hnatyshyn: The fact of the matter is that I responded to him at that time to point out that the vacancy on the commission was as a result of the transfer of Mr. Fairweather, who represented that area very effectively, of course, as the commissioner at the time. I am looking now at a list of very important and impressive candidates. I will make sure that this position is filled—

Mr. Mulroney: The Hon. Member may be a candidate.

Mr. Hnatyshyn: The Hon. Member would not qualify on a number of counts. One is that he does not come from that area.

I will make sure that we get a good candidate. I will want the support of the Hon. Member when I make the announcement.

Mr. Speaker: The Hon. Member for Algoma on a single question.

TRADE

PROCESSED FOOD IMPORTS FROM UNITED STATES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister for International Trade. The special advisory group to the Government on international trade for agriculture and food recommended that where imports of processed foods from the United States contain more than 10 per cent of ingredients produced under our supply-management system in Canada, that is, marketing boards, they be placed on the import control list. The free trade deal makes no provision such as that.

Will the Minister go ahead to implement that provision which was recommended by his own advisory group, and which has been recommended by practically all agriculture groups in Canada, even though it is not in the free trade agreement?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's question. He will know that there are ongoing discussions between industry people, international trade people, and representatives of Agriculture Canada. We will continue those discussions until we reach an agreement, a mutually agreed upon solution. Of course, we will then implement it.

I remind the Hon. Member that some time ago we had similar ongoing discussions with people in the dairy industry. When we concluded those discussions and reached an agreement we followed through with the commitment we made earlier that we would in fact shift certain commodities from the tariff list to the import-export list. We did that for the dairy industry. I expect that we will be doing the same thing with other industries under supply management.

Mr. Speaker: The Hon. Member for Churchill on a single question.

* * *

INDIAN AFFAIRS

SASKATCHEWAN AND MANITOBA LAND CLAIMS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of Indian Affairs. During the state of severe unemployment on Indian reserves in western Canada, and the fact that native people need a secure land base in order to develop their opportunities and get away from the welfare cycle that exists, why has the Minister reneged on the Saskatchewan formula as it applies to the provision of land and entitlement lands to the bands in that province? Why has he reneged on the agreement with the Manitoba chiefs and the Manitoba Government which was initialled by his officials over a year ago which would have provided the land base which those people so badly need?

Point of Order

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, there are two parts to that important question.

The Saskatchewan formula, which has been in effect since 1979, has only seen two transfers of land take place. The entitlement bands in Saskatchewan have changed their decision from that originally of land to land and, in some cases, cash, and to some land which is not rural but urban. To calculate the quantum to those changes, it was necessary to review the policy of the Government of Canada.

The date of first survey is still in place. Without prejudice, the Government of Canada will meet that date of first survey entitlement.

With respect to Manitoba, the Manitoba Government initialled a memorandum among officials that allowed for the Government of Canada to purchase in southern Manitoba all the land necessary for entitlement, completely excluding any responsibility by the Government of Manitoba to provide much needed land to Indian entitlement bands in that province.

Mr. Speaker: The Hon. member for Humber—Port au Port—St. Barbe rises on a point of order.

* * *

POINTS OF ORDER

WITHDRAWAL OF UNPARLIAMENTARY WORD

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, yesterday in responding to an answer by the Deputy Prime Minister (Mr. Mazankowski) I said: "—that selective quote, I am sure, will be answered by the Hon. Member for Winnipeg—Fort Garry for the deliberate mistruth that it is."

I want to withdraw the word "deliberate". I would not want to suggest that the Deputy Prime Minister, even when he is dealing with faulty information, would deliberately convey that information to the House of Commons.

Mr. Speaker: I appreciate the Hon. Member's gesture without having to be asked. I know that that still leaves a difference of opinion between the Hon. Member and the Hon. Minister.

CORRECTION TO STATEMENT

Miss Aideen Nicholson (Trinity): Mr. Speaker, I rise on a point of order. It arises out of a question placed by a Conservative Member to the Minister of State for Finance (Mr. Hockin) concerning Bill C-117.

I am sure the Hon. Member who put the question would not want to mislead the House. He spoke of the Bill being delayed by members of the Opposition. I should point out that the Bill was brought on by the Government for only two days of

debate. In fact, those were not two full days. This was just before the adjournment.

Six members from my Party, including myself, spoke on the debate. I believe an equal number of members from the New Democratic Party spoke on the debate. For some reason Conservative Members chose not to participate in the debate.

I am sure that the Hon. Member would not want to mislead the House by suggesting that two days of debate and 12 speakers on a major tax Bill constitutes undue delay as opposed to responsible comment.

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, in response to the Hon. Member's point of order, it was certainly not my intention to mislead the House. I think that if she were to check the "blues" she would find that the words which she has attributed to me about delay are indeed true. I talked about being delayed by the Opposition in general terms. I did not use a term such as "undue delay" or the sort of words that she has described.

My concern about this Bill, and I acknowledge it is a significant tax Bill, is that the clause to which I have expressed a concern is the clause that deals frankly with the fuel tax rebate. In my part of the country, as in all agricultural areas of Canada, there is a considerable interest in ensuring that federal fuel tax rebates are prolonged and extended by the Government. That was my reason for asking the question. I was concerned.

Mr. Speaker: I might indicate that this is perhaps straying beyond a point of order, but out of respect for the Hon. Member for Trinity I will hear her briefly.

Miss Nicholson: Mr. Speaker, I do not want to prolong this matter. I cannot help but comment on the fact that if the Government had not imposed the additional tax there would not be a need for the rebate the Hon. Member talks about.

Some Hon. Members: Hear, hear!

Mr. Speaker: It is perhaps time to close off this exchange.

CORRECTION TO STATEMENT

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I rise on a point of order. Yesterday, during the Adjournment Debate as reported at page 14407 of *Hansard* I referred in the closing paragraph to Bill C-84. The Bill should be Bill C-79. If our permanent record were to reflect that fact, then future historians would have a better record of what we were talking about.

ROUTINE PROCEEDINGS

[*Translation*]

TELESAT CANADA

TABLING OF 1987 ANNUAL REPORT

Mr. Roger Clinch (Parliamentary Secretary to Minister of Communications): Mr. Speaker, pursuant to Standing Order 67(2), I have the honour of tabling the 1987 Annual Report of Telesat.

• (1510)

[*English*]

According to Standing Order 67(4) the report is to be referred to the Standing Committee on Communications and Culture.

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PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 33 petitions, Nos. 332-3944, 332-3983, 332-3984, 332-4041 to 332-4046 inclusive, 332-4102, 332-4104, 332-4143, 332-4147, 332-4148, 332-4163, 332-4164, 332-4229, 332-4237 to 332-4239 inclusive, and 332-4285 to 332-4297 inclusive.

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STRIKING COMMITTEE

PRESENTATION OF FIFTY-EIGHTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the fifty-eighth report of the Striking Committee.

If the House gives its consent, Mr. Speaker, I intend to move concurrence in the fifty-eighth report later this day.

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

* * *

PETITIONS

CALL FOR END TO HOSTILITIES IN ETHIOPIA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a petition I would like to present on behalf of

myself and the Hon. Member for Papineau (Mr. Ouellet) representing 1,200 signatures from Vancouver and across the country.

The petitioners pray that the Canadian Government exercise leadership in furthering the long-term development in Ethiopian response to a heart-rending famine, and also calling upon the Canadian Government to spearhead an international development and peace initiative for the immediate cessation of hostilities and the internal violence in Ethiopia.

Mr. Speaker: With the consent of the House, I would like to revert back to the Hon. Member for Ontario (Mr. Fennell).

* * *

STRIKING COMMITTEE

CONCURRENCE IN FIFTY-EIGHTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): My apologies, Mr. Speaker, I thought there was a slight error and I brought it to the attention of the Table.

If the House gives its consent, I move, seconded by the Hon. Member for Lévis (Mr. Fontaine) that the fifty-eighth report of the Striking Committee presented to the House earlier this day be concurred in.

Mr. Speaker: Does the Hon. Member have the unanimous consent of the House to move the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

[*Translation*]

PETITIONS

CALL FOR GOVERNMENT SUPPORT FOR INTERNATIONAL DEVELOPMENT AND PEACE IN ETHIOPIA

Ms. Carole Jacques (Montreal—Mercier): Mr. Speaker, it is a pleasure to table in the House today a petition signed by more than 1,300 Canadians who are asking the Government to propose a plan for international development and peace in Ethiopia, including an immediate ceasefire, and to take the necessary measures to put a stop to the famine that threatens the people of Ethiopia.

[*English*]

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my distinct honour to present a petition pursuant to Standing Order 106 on behalf of a number of constituents who are very concerned about the Government's trade deal with the United States. The petitioners believe that the United States trade deal would have a fundamental impact on Canada's economic, cultural, and political independence. They believe that the trade deal will result in a massive loss of jobs, not only in many sectors of the economy, but in many regions of Canada.

Therefore, the petitioners are asking that the Parliament of Canada obtain a clear mandate from the people of Canada through a national debate on this deal, and that this debate result in a national election prior to the signing of any such agreement.

CALL FOR END TO HOSTILITIES IN ETHIOPIA

Mr. Howard McCurdy (Windsor—Walkerville): Madam Speaker, as a Member of Parliament I have the distinct honour to submit a petition which has been gathered by the rather spectacular efforts of one Cheryl Verney.

The petition consists of some 1,200 signatures of Canadians who ask this Parliament to demand of the Government that it use its good offices to secure a peace settlement in Ethiopia, in order that the needs of the people in that tragic country can be met with respect to food, and ultimately to accomplish the long-term development there which will provide the security and the long-term survival of the people of Ethiopia.

CHARGE THAT ISRAEL WITHHELD FOOD TO CONTROL RIOTS

Mr. Peter Peterson (Hamilton West): Madam Speaker, I would like to present a petition signed by numerous residents of the Hamilton area. The petitioners are concerned about recent statements made by the Secretary of State for External Affairs (Mr. Clark) with regard to the situation in Israel, especially the claim that Israel was using food as a weapon to control the riots in both the West Bank and the Gaza Strip.

The petitioners believe that there is irrefutable evidence that such is not the case. They call upon the Minister to provide them with evidence to support his charges.

[*Translation*]

CALL FOR GOVERNMENT SUPPORT FOR FOOD AID TO THIRD WORLD

Mr. Carlo Rossi (Bourassa): Madam Speaker, I have the honour of presenting a petition signed by people in the riding of Bourassa, from the parish of Sainte-Gertrude in Montreal North, who are asking that food aid be sent to Third World countries only in emergency situations. And your petitioners humbly pray Parliament to set a priority on food production in Canadian aid programs and start by helping small farmers in Third World countries.

And as in duty bound your petitioners ever pray.

Order Paper Questions

[*English*]

NORTHERN TAX ALLOWANCES

Mr. John Parry (Kenora—Rainy River): Madam Speaker, pursuant to Standing Order 106, I have the honour and privilege to present two petitions.

The first petition is signed by residents principally of the communities of Keewatin and Kenora in my riding. The petitioners call for the Government to remedy the inequitable and bizarre situation that has been created by the application of the northern residents' tax allowance whereby some people have been granted the allowance, and others, their very neighbours even, have been denied the allowance.

The petitioners humbly pray and call upon Parliament to provide a remedy by designating all communities that are placed in Tier III ridings as eligible for the deduction.

The second petition is signed by some 40 residents of the community of Ignace, Ontario. It is in the same vein and it seeks the same remedy, namely, that all communities that are remote and isolated should be designated as eligible for the northern residents' tax deduction.

• (1520)

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Madam Speaker, I have the honour to present petitions from the ridings of Trinity, Spadina, and other parts of Toronto, from people who say that since Canadian sovereignty is threatened by the proposed trade deal between the Prime Minister (Mr. Mulroney) and the President of the United States, for which the Prime Minister had no mandate from the Canadian people, and because this would reduce Canada's ability to plan our economic, social, and cultural programs and will integrate Canada further into the North American defence industrial base, therefore the undersigned ask the House of Commons to ensure that a national debate takes place on the Mulroney-Reagan trade deal, and that this debate result in a national general election before any agreement is signed.

NORTHERN TAX ALLOWANCES

Mr. Rod Murphy (Churchill): Madam Speaker, I have the honour to present a petition on the same subject matter as the one presented by the Hon. Member for Kenora—Rainy River (Mr. Parry) relating to the taxation of northern benefits.

In my riding the communities of Thompson and Bowden will not receive this tax benefit. The Government, through its rules and regulations, has deemed these communities which are over 700 kilometres north of the City of Winnipeg to be southern communities as far as it is concerned. People in the riding object strongly to the classification they have been given.

This petition has been signed by a number of people, many of whom work for the federal Government.

A similar petition was signed by over 4,500 residents of these two communities and was ruled ineligible by the Clerk of the House because it was not in proper form. However, it signifies that a very large percentage of people living in these two communities object to the discriminatory ruling of the federal Government and are very concerned about the issue.

I should also point out to the House that a number of people in the City of Thompson are deliberately going to misfile their tax forms as if they were northern residents, which they believe they are.

It is a very serious situation that the Government of Canada has created.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 241, 252, 268, 282, and 299.

[*Text*]

GOVERNMENT GRANTS FOR ALLARCOM LTD.

Question No. 241—**Mr. de Jong:**

Within the last four years has (*a*) Allarcom Ltd. (*b*) Cathton Holdings Ltd. of Edmonton received any government grants and, if so, in each case (i) when (ii) under what programs (iii) in what amounts?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): In so far as the Department of Regional Industrial Expansion is concerned, the answer is as follows:

(*a*) Allarcom Ltd. (i) On April 22, 1987, the company accepted an offer of assistance of $1,109,394 toward the planned development of a $6.9 million motion picture and television production studio in Edmonton. This would assist in the efforts to diversify manufacturing and non-resource based industry in Alberta; (ii) Western Transportation Industrial Development Program; (iii) As of January 18, 1988, no payments have been made.

(*b*) Cathton Holdings Ltd. (i) (ii) (iii) Nil.

DPW—GRANTS TO CORPORATIONS IN METROPOLITAN TORONTO AREA

Question No. 252—**Mr. Redway:**

Since September 4, 1984, did the Department of Public Works make grants and/or loans to persons or corporations, non-governmental organizations and governments within Metropolitan Toronto and, if so, in each case, in what amount and for what purpose?

Hon. Stewart McInnes (Minister of Public Works): The Department of Public Works has made the following grants in lieu of taxes (municipal grants) to local governments in

metropolitan Toronto from fiscal year 1984-85 to February 29, 1988:

Statutory grants in lieu of taxes — (municipal grants)
Actual Expenditures in dollars

Metro Toronto (by city)	1984-85	1985-86	1986-87	1987-88 to Feb. 29
Etobicoke	269,276	166,830	110,865	118,360
North York	6,048,264	3,700,000	5,150,224	9,276,094
Scarborough	455,058	490,388	140,269	294,462
Toronto	11,178,632	8,000,000	7,249,000	7,903,807
York	143,285	87,691	—	—
East York	—	—	—	—
	18,094,515	12,444,909	12,650,358	17,592,723

The Department has also made contributions to the following organizations:

	1984-85	1985-86	1986-87	1987-88
Canadian Standards Assoc. 178 Rexdale Blvd. Rexdale, Ontario	12,000	12,000	12,000	12,000
Construction Management Development Institute* Suite 901, 5799 Yonge St. Willowdale, Ontario	60,000	—	50,000	40,000

* This contribution is not made directly to CMDI but does through DRIE who co-ordinates the contributions.

The Department has made no loans.

CSC—NORTHERN PSYCHIATRIC TREATMENT CENTRE

Question No. 268—**Mr. Kaplan:**

1. Has the government conducted any studies, on its own or in conjunction with the government of Ontario, into the impact on Sault Ste. Marie of locating the Northern Psychiatric Treatment Centre within the city limits of that community?

2. Did the Correctional Service of Canada (C.S.C) select the particular site in Sault Ste. Marie for the construction of the Northern Psychiatric Treatment Centre and, if not, did the C.S.C. or any other branch of the government object to the construction of the Centre in close proximity to a public school and a residential area of Sault Ste. Marie?

3. Does the Northern Treatment Centre Agreement entered into by the Correctional Services of Canada and the Ontario Ministry of Corrections provide (*a*) for the future construction of additional correctional institutions in the Sault Ste. Marie area (*b*) for the citizens of Sault Ste. Marie to become directly involved in the treatment and re-integration into the community of the Centre's inmates?

4. Will copies of the Northern Treatment Centre Agreement be released to the public and, if so, on what date?

Hon. James Kelleher (Solicitor General of Canada): In so far as the Correctional Service of Canada is concerned:

1. The cost of establishing and maintaining the Northern Treatment Centre will be shared by the federal and provincial correctional services. However, the Centre will be constructed and managed by the provincial Government. Therefore, the establishment of the Centre, including site issues, is the responsibility of the provincial Government who, since the beginning, has been making various decisions concerning the Centre in accordance with its normal practices and policies.

Consequently, no federal impact studies have been conducted, nor has the federal Government participated in any provincial studies related to the Northern Treatment Centre.

2. The Correctional Service of Canada did not select the particular site for the Northern Treatment Centre. Given the security safeguards provided by the Centre design, the Correctional Service of Canada does not consider there is any need to object to the site selected.

3. (*a*) The Northern Treatment Centre Agreement does not speak to future construction of additional correctional institutions in the Sault Ste. Marie area.

(*b*) The Northern Treatment Centre Agreement does not speak to the question of community involvement. Since the operation of the Centre will be managed by the provincial government, requests for specific details on the provincial policy on volunteer programs should be directed to the Ontario Ministry of Correctional Services. Generally speaking, however, the federal and provincial correctional systems encourage the involement of the community on a volunteer basis.

4. Copies of federal-provincial agreements are not available until all formalities have been concluded. It is anticipated that these formalities will be concluded in the near future.

CENTENNIAL FLAME

Question No. 282—**Mr. Boyer:**

1. Are the coins in the Centennial Flame fountain retrieved by employees of the government and, if so, what is their average yearly value?

2. Has the government any plans to rebuild the present structure of the Centennial Flame, originally intended to be temporary, or to replace it with a new one?

Hon. Stewart McInnes (Minister of Public Words): 1. The coins in the Centennial Flame fountain are retrieved by an employee of Public Works Canada. They are counted, weighed and given to the Finance Branch of Public Works to be deposited in a bank account in the name of the Government. These funds are donated annually to charity as designated by Secretary of State.

The amounts retrieved yearly are in the order of $1,000.

2. There is no actual plan to rebuild the present structure of the centennial flame nor to build a new one.

JUSTICE THOMAS R. BERGER

Question No. 299—**Mr. Kaplan:**

Since Thomas R. Berger's retirement from the Bench, has he been paid any periodic amount *ex gratia* by the government?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): No.

[*English*]

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

The Acting Speaker (Mrs. Champagne): The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, I ask that all remaining Notices of Motions for the Production of Papers be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all Notices of Motions for the Production of Papers stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

NORTHERN CANADA POWER COMMISSION (SHARE ISSUANCE AND SALE AUTHORIZATION) ACT

MEASURE TO ENACT

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development) moved that Bill C-125, an Act to enable the Northern Canada Power Commission to issue shares, to authorize the sale of those shares to the Government of the Northwest Territories, to repeal the Northern Canada Power Commission Act, and to provide for related matters, be read the second time and referred to a legislative committee.

He said: Madam Speaker, I should like the indulgence of the House to take one or two minutes to speak to this very important piece of legislation respecting the Northern Canada Power Commission (Share Issuance and Sale Authorization) Act, which will transfer the assets and the authority of a very important utility to some 13,000 consumers and the duly elected legislative Government of the Northwest Territories.

In keeping with that I will conclude my remarks and ask that the Hon. Member for Western Arctic (Mr. Nickerson), who is one of those 13,000 consumers and one of the electorate in the Northwest Territories, be allowed to continue debate.

The Acting Speaker (Mrs. Champagne): Is that agreed?

Some Hon. Members: Agreed.

Mr. Dave Nickerson (Western Arctic): Madam Speaker, first I should like to thank the Minister for allowing me to make the remarks which he would have made this afternoon. I am going to sandwich them between a prefix and a suffix of my own making. I should also like to thank the opposition Parties for allowing the matter to be dealt with in an expeditious manner this afternoon.

My part in the process goes back some 15 years. This is how long we have been working on this transfer. This measure today restores my faith in the parliamentary process, the Canadian political process, in that this is taking place. It shows that in this country if one has good ideas, and if enough people are persuaded of the rightness of those ideas and work collectively to put them into effect, this can be accomplished.

The history goes back many years. One could perhaps single out 1973-74 as the start of the process when a committee of the Legislative Assembly of the Northwest Territories, under the chairmanship of Tom Butters who was then and is now the MLA for Inuvik, did a study of those areas of jurisdiction which at that time were under federal control but which normally were under provincial control. A list was made, and since that time we have made a lot of progress on transferring items from that list, from the responsibility of the federal Government to that of the territorial Government where they rightfully belong.

The idea of transferring the responsibility for electrical power was endorsed by the three political Parties within the Northwest Territories. If anything we were vying between ourselves as to who was the most forceful in recommending that the transfer take place. I guess the big difference between the Parties is that local Conservatives were listened to by the national association, and this might not have been the case with at least one of the other Parties.

Another major step came in 1980 when the report of the Prime Minister's special representative on constitutional development in the Northwest Territories, the Hon. Bud Drury, was tabled in the House. It addressed itself to this very question and to many others.

Very good work was done on this question in the early 1980s by the House of Commons NCPC subcommittee of the Standing Committee on Indian Affairs and Northern Development chaired by our good friend, the Hon. Member for Cochrane—Superior (Mr. Penner). It is interesting to note that many of the recommendations in that report have been acted upon over a period of time, and the major recommendation is now being acted upon.

In 1985 there was a memorandum of understanding agreed to by the Government of Canada, by the then Minister of Indian Affairs and Northern Development, the Hon. Member for Rosedale (Mr. Crombie), and the Governments of the Yukon and the Northwest Territories which put into effect the guidelines for negotiations leading to the transfer.

In 1987 the Yukon part of NCPC was transferred to the responsibility of the Government of the Yukon. That was a good move. It was supported by all Parties in the House and dealt with in an expeditious fashion.

That brings us to today where, following the February 8 agreement signed by the Minister of Indian Affairs and Northern Development (Mr. McKnight) and the territorial Minister responsible for energy, the Hon. Nellie Cournoyea, we have before us Bill C-125 which will actually put the transfer into effect and authorize the disposition of the shares.

Now I come to the meat of the sandwich—the speech which would have been given by the Hon. Minister. On February 8 this year in Yellowknife, the territorial Minister of Energy, Mines and Resources, the Hon. Nellie Cournoyea, and the Minister of Indian Affairs and Northern Development signed an agreement in principle for the sale of the Northern Canada Power Commission to the Government of the Northwest Territories. The legislation which is in front of us is designed to authorize the sale.

It means that for the first time residents of the Northwest Territories will have full ownership and control of their own electric utility. Along with ownership will come responsibility, something which northerners have long sought and long deserved. The Northern Canada Power Commission is a federal Crown corporation and the principal producer of power in the Northwest Territories. In 1987 it sold some 385 million kilowatt hours of electricity to some 13,000 customers.

• (1530)

Until a year ago, NCPC was also the principal supplier of electricity in the Yukon. However, in March of last year this House gave all-Party support to Bill C-45 which provided for the sale to the Yukon Government of NCPC's Yukon assets. Today we are proposing the sale of NCPC to the Government of the Northwest Territories through legislation equally deserving of all-Party support.

Also, Members will be happy to learn of the realization of a critical objective, the right of all employees of NCPC to continue their employment with the new utility to be formed by the Government of Northwest Territories.

We are eager to complete this sale for a number of reasons. For instance, this transfer is entirely in keeping with the federal Government's northern framework, the policy which guides this Government's approach to northern economic and political development issues. Among the Government's principal goals under the framework are the goals to assist northerners in achieving economic independence and to aid in their attainment of more responsible government.

In order to achieve this, we are committed to transferring responsibility for provincial-type programs to the territorial Governments. In this regard, the Government has recently transferred to the Government of the Northwest Territories responsibility for forest management and forest fire fighting, and we are in the process of transferring the residual health care responsibilities from the Department of National Health and Welfare.

The ability of residents of the territories to manage and develop their utility has been a growing concern for some time. In 1982, a subcommittee of the Standing Committee on Indian and Northern Affairs recommended that the Northern Canada Power Commission be transferred to the territorial Governments. The step we are taking today completes the response to the recommendations of that subcommittee.

Again, we have to acknowledge the hard work of the subcommittee and especially the Chairman, the Hon. Member for Cochrane—Superior.

The Government of the Northwest Territories has expressed a willingness to assume responsibility for the utility and has indicated its capability to operate the facility under a territorial corporation to be called the Northwest Territory Power Corporation. It will be the responsibility of the Government of the territories to ensure that the affairs of the corporation are managed for the best possible benefit of northerners.

The transfer of the Northern Canada Power Commission will be accomplished by means of a sale of its shares to the Government of the Northwest Territories. Bill C-125 will authorize NCPC to convert $43.1 million of its total debt of some $96.1 million owing to the federal Government into share capital. The remaining $53 million will stay as debt on the NCPC accounts.

This legislation will permit the federal Government to sell these shares and the debt with a total worth of $96.1 million for a cash price of $53 million to the Government of the Northwest Territories. While it is a little more complicated when one reads the fine print, that is the gist of the deal. This deal will enable the utility to operate in a viable and efficient manner, and allow the Government of the Northwest Territories to assume its social responsibilities to protect customers.

This is another example of the ability of the Government to act responsibly and co-operatively. I am proud to advise the House that as a result of the sale and transfer of NCPC, all NCPC employees will continue their present employment with the new utility, uninterrupted. They will also continue to participate in the federal pension plan. We have also ensured that the benefits package employees will be entitled to is comparable to the one they now enjoy. There will be additional benefits available to them through a dental plan and improved maternity leave arrangements.

As I said at the outset, the sale of NCPC is consistent with the federal Government's northern framework, which includes the goal of transferring programs and responsibilities of a provincial nature to the territorial Governments. Northerners are eager that this occur—I can personally vouch for this—and the territorial Governments are ready and able to take on the job. Proof of this is to be found in the successful transfer I mentioned earlier. Bill C-125 is an important step in the transfer process.

The territorial Government is off to a good start. It had its legislation in place before the March 31 deadline while we are a couple of weeks late. It is establishing the Northwest Territories Power Corporation, a territorial Crown corporation, and has already named the new board. It is a very good new board, and I recognize a number of the names, particularly that of the Chairman, Mr. Jim Robertson of Inuvik. I am sure they will do a good job.

One of the first jobs they will be called upon to perform is the selection of a new president, or chief operating officer. That will be a very important decision, and while we are on the subject, we should render our compliments to Mr. Jack Beaver, who, despite rather ill health, agreed to stay on. While he thought it would only be for a matter of months, it turned out to be somewhat longer. He agreed to stay on to make sure that the transition went smoothly. Mr. Beaver has done an excellent job over many years and we in the North thank him for that.

There will be a number of other decisions to be made, one of which will be the location of the head office. Presently it is in Edmonton and will have to be moved north. As we all know, there is considerable debate as to where it should go, and, in a way, I am fortunate that it will now be a territorial decision rather than one in the hands of federal representatives.

When the head office is transferred, we will have to take special notice of the Edmonton employees, many of whom will not want to move north. Generally speaking, I think we have done a very good job with the employees of NCPC, although some of them are still not quite sure where they stand. That will have to be made known to them. In particular, the new owners will have to devote some attention to the Edmonton employees.

The new corporation will be faced with some rather serious problems, including upgrading the facilities. Some of the facilities are in need of renewal. I understand it has already started on a new power line and is already doing the clearing for a new power line from the Snare Hydro site to the City of Yellowknife. The corporation is faced with the loss of its biggest customer, Pine Point Mines. That will cause some problems which it will have to overcome.

The territories will also have to take over what we might call a social responsibility. As this sale takes place, the federal Government will no longer be providing subsidies to very remote areas. That will become the responsibility of territorial authorities. Of course, there will be an ongoing debate as to whether a territorial Crown corporation, *per se*, is the best way to provide electrical energy to consumers in the region. Perhaps we could look at the Yukon model, which is a kind of a joint system between private investors and a territorial Crown corporation. We could look at other ways for investor involvement perhaps to occur. There are a number of other models and maybe some completely new ideas that ought to be looked at. As well, the territories will have to reassess the functions and authorities of the public utilities board.

• (1540)

All in all, I think that this is an excellent move on the part of the Government. A lot of hard work has gone into this on the part of people who have been involved in the negotiations including those with NCPC, those with the federal Government and those with territorial Governments. It has been a long, hard road to slog, but we have now reached the goal. It deserves the support of all Hon. Members so that northerners might soon realize the same economic control over their destiny enjoyed by their counterparts south of sixty.

Mr. Keith Penner (Cochrane—Superior): Madam Speaker, I am certainly very pleased to participate in this debate because we are doing something today that is positive and helpful for the development of Canada's great North. Bill C-125 authorizes the Northern Canada Power Commission, a federal Crown corporation, to be sold to the Government of the Northwest Territories.

As has already been indicated by my friend from Western Arctic, this Bill is really a piece of companion legislation to one with which we dealt last year, Bill C-45, which permitted the Yukon assets and operation of the Northern Canada Power Commission to be transferred to the full ownership and control of Yukoners. Bill C-125 which is now being considered and Bill C-45 which has already been passed are, in general, though not in every specific point, in keeping with the recommendations of a report prepared for Parliament by a subcommittee of the Standing Committee on Aboriginal Affairs and Northern Development. That report is entitled *Electrical Power North of Sixty Degrees*. It was certainly a great pleasure for me to work on that subcommittee along with my good and able friend from Western Arctic.

In examining the organizational arrangements of the Northern Canada Power Commission, the subcommittee to which I have referred found that the territorial Governments had almost no legislative and regulatory jurisdiction over the Northern Canada Power Commission as a federal Crown corporation. This was a bone of contention. It was a grievance that existed in the North.

Second, in examining the organizational arrangements, the subcommittee found that the federal Government's powers, decision-making and budgetary processes do not make the Northern Canada Power Commission fully accountable to the people it serves. When accountability is remote, as it was

under the NCPC arrangements, there are bound to be problems, and that was exactly the case.

These findings caused the committee to recommend that the federal Government enter into discussions with the territorial Governments for the purpose of creating separate territorial Crown corporations to assume present NCPC responsibilities. In 1985, the then Minister of Indian Affairs and Northern Development reached a memorandum of understanding with the Government of the Northwest Territories. This MOU led to negotiations between the federal Government and the Government of the Northwest Territories and resulted in an agreement in principle. That agreement in principle was signed on February 8, 1988.

The principles which governed the sale and transfer of NCPC to the Government of the Northwest Territories called for a speedy process. The agreement in principle actually mentioned a date of March 31. As has already been noted, we have missed that target date because of the Easter recess of Parliament, but not by very much. We in this Party support in principle the thrust of this Bill and we want it to be passed quickly. The Northwest Territories Legislative Assembly passed its legislation on the target date, March 31. Its resolution has now received assent from the territorial Commissioner.

After the transfer, the Government of the Northwest Territories will continue to operate the utility on a commercially viable basis. The objective of the transfer is to achieve a fiscally responsible, self-financing and dependable utility operation providing power to the North at reasonably stable rates. Viability, however, will not exclude certain social obligations of the Government of the Northwest Territories, and I will return to the social obligations a little later.

The agreement does not write off totally the existing debt of the Northern Canada Power Commission as the subcommittee had recommended, but NCPC's long-term debt of some $96 million will be replaced by a new capital structure. This capital structure will be composed of a promissory note of $53 million and share capital of $43 million. These two items, amounting to $96 million, will be sold to the Government of the Northwest Territories for $53 million in cash. However, the Northern Canada Power Commission has some retained earnings of $25 million, and these, I understand, are included in the transfer price. Therefore, if my arithmetic is correct, the total cost to the Government of the Northwest Territories would be about $28 million, and on top of that there is to be some Public Works housing transferred to the Government at no cost, and I will return to that a bit later.

The rate of return on this $43-million worth of shares will allow the Government of the Northwest Territories to continue its program of subsidies for remote communities. The federal Government's obligation for those power subsidies will be discontinued. This is an important concern to me because these remote and isolated communities depend on electricity produced by oil-burning generators. The cost is high to these people. There is the maintenance factor to be taken into account as well. At times, the climate is extremely cold. Many of the people who live in these communities are living in or very close to poverty.

The agreement also recognizes the desire of the Government of the Northwest Territories to relocate NCPC's head office from Edmonton to the Northwest Territories. The background paper from the Minister notes that the head office employees in Edmonton will eventually be relocated to the Northwest Territories, so there still seems to be a delay factor there. My friend from Western Arctic, however, has pointed out that where the headquarters are to go is now no longer in the hands of the Government of Canada but is up to the Government of the Northwest Territories itself.

I am curious, and I have not found the answer anywhere, about where exactly the revenues from the sale of the headquarters in Edmonton will be directed. I assume for the moment that they will go into that big drawer that we have here in Ottawa called the Consolidated Revenue Fund. When I first came to Parliament, I had the idea that money was actually divided up in different places. Then someone told me that that is not true, it is all in one big drawer called the Consolidated Revenue Fund, and all of that reference to envelopes is really a good deal of mythology.

The agreement in principle, and this is absolutely the most important part of the legislation and the agreement, called for the equitable treatment of Northern Canada Power Commission employees. To the best of my knowledge, having studied the Bill with some care, I think that concern is reflected in Bill C-125.

• (1550)

All employees of NCPC will become members of the Northwest Territories Public Service. They will maintain their current positions within the utility if they so wish. Those employees who are unionized will continue to have their own bargaining unit but at the same time they will become part of the union of northern workers. Wages and benefits will be comparable to those now enjoyed. In fact, I believe they are going to get some additional benefits, including a dental plan and maternity leave. Past service will be recognized for purposes of severance, seniority, and pensions.

The agreement in principle also made reference to housing, and I referred to that a moment ago. They saw housing as being necessary for the continued operation of the utility, so Public Works Canada housing will be transferred to the Government of the Northwest Territories at no cost. That is part of the deal. This will be an important factor for those employees of NCPC who decide to relocate to the North and become N.W.T. public servants. They will want to be assured that they will have good and affordable housing.

The agreement envisages the possibility of a role for the private sector. The Government of the Northwest Territories

will develop some options for involving companies or individuals in the provision of electricity in the Northwest Territories. That may involve, for example, a private utility taking an equity position at some future time. The Government of the Northwest Territories wants to determine whether the private sector could finance, develop and own future electrical projects in the Northwest Territories. Once again, that will be their decision, just as the decision was taken in the Yukon to involve the private sector.

The Yukon did it in a slightly different way. It was not an equity position. It was not development or ownership. In fact, the Yukon Government decided that the best approach was to combine on the one hand public sector ownership and, on the other, to have efficient and effective management from the private sector. What they did was to negotiate a management contract with the private sector and, to the best of my knowledge, that arrangement is working well.

The agreement in principle noted that after the transfer the electrical utility operations will be subject to regulation by a regulatory agency appointed by the Government of the Northwest Territories. However, the background notes from the department say that the N.W.T. Power Commission will eventually, after a transition period, be regulated by the N.W.T. Public Utility Board. I must express to the Minister and the House a modest degree of concern about this eventuality. I believe that the regulatory powers should be in the hands of the N.W.T. Public Utility Board as quickly as possible.

I want to say that we in the Official Opposition support the Bill. I certainly want to commend the Minister for carrying forward recommendations from a parliamentary committee even though the work was done in a previous Parliament. I just want to make reference again to committees in case it is missed along the way because I always take pride in the way in which parliamentary committees can contribute to the process of Government. I think there is too little of that in our system. Our parliamentary committees could do so much to give us better Government. Often, what they recommend is put aside, and I sometimes wonder why. I often feel that there is some jealousy on the part of official policy makers, some feeling that parliamentarians are out of their league in the formulation of public policy. Not at all. We have here a case in point.

It was a subcommittee of the standing parliamentary committee on northern affairs that in 1981 recommended that complete federal devolution to territorial Crown corporations be accepted quickly, along with forgiveness of federal debt, and the commencement of a process of discussion by the territorial Governments involving private utilities as well as the NCPC. This recommendation reflected the findings of the subcommittee that the federal Government's powers, decision-making and budgetary processes, do not make the NCPC fully accountable to the people it serves, and that the territorial Governments have almost no legislative and regulatory jurisdiction over NCPC.

Over the last few days I checked with the Government of the Northwest Territories, its Minister of Energy, and her officials, and they tell me that they have examined the Bill and they find it fully acceptable and in keeping with the agreement in principle to which I have been referring. Therefore, my concerns are modest in nature.

I really want to know how long the Minister thinks it is going to take before the headquarters are transferred from Edmonton, and where those particular assets will go. I wonder why there should be a delay in transferring regulation to the Northwest Territories Public Utility Board.

I cannot help but note as well that the recommendation of the subcommittee that there be a full write-off of the debt was not accepted. However, I must assume there was some hard bargaining in the negotiations between the Government of the Northwest Territories and the federal Government, and that the Government of the Northwest Territories got the best possible deal consistent with the realities that we here in Ottawa face with a consistently and persistently high federal deficit.

I want to commend the Government of the Northwest Territories for its abiding concern for its employees. I wish them well as they take another step in the direction of devolution of full responsible Government. As this process continues, I do have a lingering question about the future role of the Department of Northern Development with its approximately 800 person-years. When the Minister meets the Standing Committee on Aboriginal Affairs and Northern Development with his Estimates, I want to probe further as to why this Department is not being wound down in the interests of expenditure reduction. It is becoming more and more puzzling to myself and other members of the committee what exactly is the role of the Department of Northern Development now that so much devolution has taken place and now that so many other departments are active in the North, including the Department of Fisheries and Oceans, the Department of Energy, Mines and Resources, the Department of the Environment, and so on.

I cannot conclude without once again expressing the hope—although I have to believe it is probably futile to do so—that somehow the Meech Lake Accord could be amended to deal with the concerns of the North, our Canadian citizens who live in the Yukon and Northwest Territories. However, in raising these additional concerns I wish in no way to detract from the progress we are making in this House today in the interests of Canada's North. What we are doing today is a good move. It is a welcome step. It is a positive development.

Ms. Audrey McLaughlin (Yukon): Madam Speaker, I, too, am pleased to rise and make a few comments on this Bill and, on behalf of my Party, to say that in essence we support the Bill and the transfer of the Northern Canada Power Commission to the Northwest Territories. As a Member for the Yukon I am particularly interested in what this kind of transfer represents to northerners. As was mentioned by other speakers

in March, 1987, the responsibilities for the Northern Canada Power Commission for the Yukon were transferred to the Yukon. There is indication that that is going very well in the Yukon, that the territories have shown that they are able to manage these corporations well. I am sure the same will be true for the Northwest Territories.

• (1600)

I was interested in reviewing the Minister's comments at the time that the transfer to the Yukon took place. On March 25, 1987, he said that it is consistent with the philosophy and policy of the Government that government services should be provided as close as possible to those who are directly affected.

That is really the intent in principle of the Bill we are discussing today. For that reason, as a northerner who has often said exactly the same thing about a number of issues, I can support it, as does my Party.

There are a number of aspects to this Bill which, again, represent principles of devolution which many northerners have been fighting and speaking for for a long time, that is, the principle of transferring the assets and the ability to administer the program and giving full control over to the territories. This is a particularly important point to which I would like to return in a few minutes.

There are a couple of concerns about the Bill which the other speakers have raised. I understand, through my discussions with the Minister of Energy, Mines and Resources for the Northwest Territories, that there are a couple of outstanding items to be negotiated. One in particular is contained in Section 11 of the memorandum of understanding between the Government of Canada and the Government of the Northwest Territories concerning the Inuvik Utilidor.

Many people will probably think that this is something from outer space. The Inuvik Utilidor is actually very interesting. It was a model project in 1959. An above-ground system for water, sewer, and heat was developed for an Arctic community which has proven to be a very interesting model for Arctic communities. Of course, 28 years have passed since 1959. This facility is in need of repair and is still essential for the community. This remains an outstanding item in the agreement and it is hoped that this can be satisfactorily resolved.

We know of the difficulties in so many areas in our municipalities with the lack of funding for municipal infrastructure. One who is familiar with the northern communities flags this issue in particular when reading the agreement. This is clearly an area in which I hope the federal Government will continue to negotiate favourably with the NWT and give them the assistance required.

Another section of the agreement to which I, as a northerner, thought should be paid attention is Section 10 which says that future capital projects of this utility will be financed by funds raised from sources other than the federal Government. It seems to me that this could certainly pose some problems in the future because the tax base is very low, as we know. It has been mentioned that this utility services about 13,000 households. Therefore, the revenue which can be raised is pretty limited. However, as has been mentioned, the Legislature of the Northwest Territories has given its assent to this Bill and these are issues with which it will obviously have to deal itself in the future.

As I mentioned earlier, the devolution of responsibilities is an extremely important factor to consider in looking at Bill C-125. One must understand the underlying principles of this. Although it has taken considerable time, the Minister of Indian Affairs and Northern Development (Mr. McKnight) has followed through on his promise made in 1987 as he did with the transfer of NCPC to the Yukon Government.

There are other outstanding issues. People have heard northerners talking for a long time about the need for self-sufficiency saying that devolution of programs and responsibility to our duly elected legislatures, both in the Yukon and the Northwest Territories, is extremely important to the constitutional development of those territories.

The previous speaker mentioned the Meech Lake Accord. It is very important that we understand that the transfer of programs such as this to the territories underscores the ability of the territories to manage their own affairs. The Minister certainly deserves considerable credit for that in this Bill concerning NCPC. He has not had quite as much success with his colleagues in other similar Bills concerning energy, interestingly enough.

The Minister has been attempting to come up with a policy under the Northern Accord which would transfer much of the potential revenue from gas and oil resources, both onshore and partially offshore, to the Northwest Territories and the Yukon, but it seems to have been bogged down. It is important to mention this while discussing a Bill which transfers responsibilities because it illustrates one of the essential problems with which the territories are forever having to deal.

The Minister of Indian Affairs and Northern Development has a good understanding of the North. He has travelled there, spoken with many people, and dealt with many groups. He supports things such as the Northern Accord and the transfer of these responsibilities. However, as the *Calgary Herald* of November 1987 said, one of the biggest stumbling blocks of the Minister is his colleagues, and particularly his colleagues in energy and finance who are worried "that transferring one-third of Canada's energy reserves to 50,000 people is fraught with folly".

For many years federal Governments have tended to look at the North as the storehouse of resources for the South. As the previous speaker alluded to, it is also a bit of a storehouse of work for federal bureaucrats at times as it is an area left in the country over which bureaucrats can have some control at the federal level.

There is often resistance to this kind of transfer. In the Northern Accord we see an instance in which the Minister responsible can see the legitimate value and need for this while his colleagues are much more reticent about it. This, of course, has very much to do with money and with who will receive the revenues. The territories now receive substantial revenues from the federal Government and the intent of things like NCPC and the Northern Accord is to ensure that the territories will be able to raise their own revenues and become much less dependent on federal revenues, to become much more self-sufficient which, indeed, has been a stated goal of the Northwest Territories' Government as well.

The Government Leader, for example, is quoted in the *Edmonton Journal* in January of this year in reference to this energy accord describing what it really means to the territories. He states that the ensuing royalties could provide the means to "break the cycle of economic dependence on the South, so that we can solve our frightening social problems such as drug and alcohol abuse and a Third World birth rate".

As the previous speaker said, the elected government leaders of the territories do not even attend First Ministers' Conferences and therefore often do not have input into many of the policy and decision matters which are taking place in Canada today. We must work toward building the blocks of self-sufficiency. I would agree that the Bill under discussion today does that.

I would like to outline a number of principles which this Bill represents which are very much the principles which we would like to see developed in other areas in the transfer and devolution of programs to the territories. I am sure my colleague from the Northwest Territories would agree with these principles as well. First, this Bill is built on the basic principle of a commercially viable operation. In this case, the NCPC has to have the assets and administrative control in order to develop a commercially viable operation. At the same time, it cannot be saddled with a huge debt load accumulated by previous administrations. So the assumption of the debt load by the federal Government has certainly been a positive aspect of this territorial transfer. The other principle, of course, is the deference paid and the consideration of the workers, the fact that a number will be asked to transfer from the head office in Edmonton to some community in the Northwest Territories.

• (1610)

They would be welcome to come to the Yukon, but I suspect the Government of the Northwest Territories would like them to move there. There has been fairly careful attention paid in this agreement to the requirements of the workers with respect to severance benefits where required and to ensuring that current employees can have a position with the Northern Canada Power Commission should they wish to move to the North. That is another very important principle.

I would like to give an example of how that principle in other areas is not as easily developed. For example, in the Yukon at this time there are a number of programs under discussion for devolution, one of which is the health and the hospital program. The hospital in the Yukon was built in the 1950s and certainly needs to be replaced. It has many requirements. It is under-financed and under-staffed at this time. Therefore, there has been a reluctance on the part of the Yukon Government to accept the transfer of that understaffed and under-financed facility. The federal Government, on the other hand, is quite willing to transfer the administration of an under-financed facility, but we in the Yukon are certainly not going to accept that.

It would be wished that other ministries, in this case, the Department of National Health and Welfare, would accept the same principles that have been accepted and elucidated in this Bill, the principle of making these things financially viable. Transferring a program that is under-funded, giving the territories responsibility for programs which already do not have enough funds is not enhancing the self-sufficiency and autonomy of the territories. It is simply moving a problem over to someone else. As I say, fortunately in Bill C-125 this is not the case.

Under the principles governing the sale are the particular points with respect to consideration for staff. Again, in other items of devolution and transfer to the territories this has not been a consideration. It would be hoped that in the future some example would be taken from this kind of agreement undertaken with the Northwest Territories.

There are a number of areas one can talk about when one talks about the North, the assumption of powers in the North and the transfer of federal programs. I mentioned having consulted with the Minister of Energy, Mines and Resources in the Northwest Territories, and we are in agreement with the passage of this Bill. We have some minor concerns but they are ones which will basically be negotiated between the Government of Canada and the Government of the Northwest Territories. I think it is important to look at this Bill in the context of its importance for the territories and their self-sufficiency.

There is an interesting article on the political evolution of the Canadian north by Gurston Dacks. He states in part:

> Will the North stagnate or will it grow politically? The answer to this question will depend on many factors, but chief among them will be the policies of the federal Government. As in all colonial situations, the colonial power, Ottawa, has the ability to define the terms of political debate. It alone has the power to respond to claims for greater self-determination.

In conclusion, I would say that it is our view that this Bill in many ways does that. It has been the subject of fairly lengthy negotiations, as these things usually are, but it is an example of a transfer of responsibility that will enhance the eventual political responsibility of the territories, in my view. On that note, I would like to say simply that I am sure, as has been the case in the Yukon, that the Northwest Territories will very efficiently and effectively manage this resource.

Mr. Penner: Madam Speaker, the Minister of Indian Affairs and Northern Development (Mr. McKnight) is present in the House. You will have noted, Madam Speaker, that there is unanimity among all the Parties. May I ask, therefore, if the Chair would seek the consent of the House for us to proceed through all stages of the passage of this Bill so that it can be ready to go for Royal Assent?

Mr. Riis: Madam Speaker, I just want to indicate that there had been previous discussions between the Parties and, as a result of the nature of the issue being examined today, we are in complete agreement that we ought to proceed through all stages. Therefore, may I say on behalf of the New Democrats that we are quite prepared to complete all stages of this legislation in terms of moving it expeditiously today.

Mr. Hawkes: Madam Speaker, speaking on behalf of the Government, let me say that we would be inclined to accept that offer. Am I to understand that we will be guaranteed completion of all stages expeditiously today? There will be no carry-over? Is my understanding correct? I gather the discussions took place between the opposition critics and the Member from the Northwest Territories on our side and that this is where this agreement originated. Is this the sense of the agreement? I would just like to be sure of what I am agreeing to.

Mr. Penner: Yes, Madam Speaker, in reply to the Hon. Parliamentary Secretary, we in this Party would be prepared to move through all stages expeditiously. During the Committee of the Whole stage I will have just a few brief questions to put to the Minister, but that would not fall outside of the definition of "expeditious".

The Acting Speaker (Mrs. Champagne): Is there unanimous consent?

Mr. Hawkes: Madam Speaker, the House Leader for the New Democratic Party, I think, was about to rise to say that my understanding was correct.

Mr. Riis: Madam Speaker, I appreciate the Parliamentary Secretary's eye. I was attempting to rise to indicate that it is our intention to move through all stages today, although one is never able to predict the actions of the House. Assuming that all goes according to Hoyle, it would be our intention to complete the debate in all stages today.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent for the motion to be changed accordingly?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mrs. Champagne in the Chair.

• (1620)

The Assistant Deputy Chairman: Order, please. The House in Committee of the Whole on Bill C-125, an Act to enable the Northern Canada Power Commission to issue shares, to authorize the sale of those shares to the Government of the Northwest Territories, to repeal the Northern Canada Power Commission Act, and to provide for related matters.

Mr. Penner: Madam Chairman, if Clause 1 were called I would be prepared to raise a few questions, although not many, with the Minister. In this way we could move expeditiously, which is what we promised to do.

The Assistant Deputy Chairman: Because of the Standing Orders I have to stand Clause 1, which is the title. All that the Hon. Member has mentioned can be done on Clause 2.

On Clause 2—*Definitions*

Mr. Penner: Madam Chairman, I thank you for that correction. I meant to say Clause 2. It was a slip on my part.

I want to begin by asking the Minister about the headquarters in Edmonton. I recall from the occasion when the subcommittee visited Edmonton and spent some time at headquarters that it was a very good quality building. I would like to know if the Minister can share with the House any information about when this asset may be disposed of. Is there some other plan that the federal Government has of which the Minister is aware? I know that this matter is not his direct responsibility but that of the Department of Public Works. However, since the building is now being occupied by NCPC, I would like to know what future plans there are.

As well, I am curious as to whether in fact it is a Public Works building or whether it was owned outright by the Crown corporation. That is something about which I am not certain.

If the building is sold and if in fact it is a NCPC asset where will the revenues from its sale go? Will they be part of the write-down that was referred to in the Bill, a $43 million write-down? What exactly is the destination of those revenues?

Mr. McKnight: Madam Chairman, at the outset I would like to thank both opposition Parties, and in particular the Hon. Member for Western Arctic who conducted the negotiations on behalf of the Government, with respect to proceeding to all stages today.

The Hon. Member for Cochrane—Superior has a great deal of knowledge about NCPC and has expressed points of view on which he and I agree in the report that was tabled. He was a member of the committee. The report recommended the divestiture.

The headquarters, which the Hon. Member correctly described as being valuable, are part of the assets of NCPC and will be included in the shares transferred to the Government of the Northwest Territories. The Government will become the owners of the asset through the share purchase. Therefore the revenues that would accrue from the divestiture by that Government would be used by that Government. It is

not a Public Works building. It is part of the assets and will be transferred with the shares.

Ms. McLaughlin: Madam Chairman, I have a question for the Minister. I understand from the memorandum that the issue of the Inuvik Utilidor is an exclusion, or that there is some dispute about it. I suppose it would be correct to say that there is a difference of opinion about who it belongs to and so on. Can the Minister say something about what kind of negotiations will go on about that?

It is obvious that for that type of infrastructure there is a certain amount of maintenance that is required. I understand that there is some reworking that has to be done in order to allow it to continue to be functional. It is essential to the community of Inuvik. Can the Minister comment on what plans the Government might have around that specific item? I know that it is somewhat ancillary to this, but it is mentioned in the agreement.

Mr. McKnight: The Hon. Member for Yukon is correct, it is mentioned. There have been discussions and it was not part of NCPC's assets. It is an important utility in Inuvik. At present the Government of Canada is discussing with the Government of the Northwest Territories the future of the commitments that both Governments will have to make towards its upkeep. It is not an asset which is sought after by either Government. That, I think, would be an accurate way of putting it. We realize that it is important and we are having discussions with the Government of the Northwest Territories. I am sure that we will come to an agreement in due time to continue to have the upkeep and the necessary maintenance dollars expended. It will cost some money to maintain that utility.

Mr. Penner: Madam Chairman, the agreement in principle of February states in Section 8(1) that after the transfer the electrical utility operations will be subject to regulation by a regulator appointed by the GNWT. I take it that that will be a public utility of the Northwest Territories.

I am curious, however, that in the background information that was provided to my office by the Minister and his department, for which I thank the Minister, it states that NWTPC will eventually, after a transition period, be regulated by the NWT Public Utility Board. I am curious as to why there is a transition period. As soon as this Bill is given Royal Assent and gazetted why could that authority not take place immediately? Is there some difficulty, some problem of which the House should be aware? Does the difficulty lie with the Northwest Territories? Is it something that it wants to resolve? Or is the Government of Canada in any way creating some sort of an impediment to this full transfer of regulatory power?

Mr. McKnight: Madam Chairman, both parties agreed to the transition period. It was up to the Government of the Northwest Territories to regulate. They wished a period of time to become familiar and to establish a board and to establish the groundwork for a board and what other utilities or activities could be undertaken by the board. It was entirely at the request of the Government of the Northwest Territories. We were pleased to assist them. They wish to take this over. They wish the responsibility, but they also wish to do it properly and to be prepared when it is done.

• (1630)

Mr. Penner: I want to check my arithmetic with the Minister to ensure that my calculations are correct. The $96 million of debt of NCPC is being put into a new capital structure, $53 million in promissory notes, and $43 million in share capital. It is the $43 million that is a write-down by the Government. The sale is going to the Government of the Northwest Territories for $53 million. It is also noted that there are some $25 million of retained earnings. Therefore, the actual cost to the Government of the Northwest Territories is $28 million. I want to receive confirmation from the Minister that that is in fact the case.

Mr. McKnight: I am informed that indeed the $25 million is part of the share offering that will be transferred. I am also informed that one may not necessarily calculate the $25 million off the $53 million. For some reason that may not be accurate. It is part of the asset and the costs could be written or prescribed, or I would assume that other shares could be written or issued by the Government of the Northwest Territories including the $53 million, not only the $53 million minus $25 million.

Mr. Penner: I will not push that particular item. I would like to make a request of the Minister that perhaps there could be a clarification in writing from the officials in order that I could read it once, twice, thrice, and actually understand it.

I wonder if the Minister could advise Members as to the total value of the Public Works housing that is being transferred at no cost to the Government of the Northwest Territories. The Minister may not have that figure handy, or it may not be in his possession because it is another government department.

Mr. McKnight: There is not a market value assigned to the DPW housing, but the replacement cost could be identified at anywhere between $8 million and $10 million. The market value is not something that we prescribe to those structures.

I assure the Member that we will provide the information as to the mathematics of sale.

Mr. Penner: This is my final question, Madam Chairman, and perhaps it is a rather large question. I would only like some indication from the Minister. For a long while now the standing committee has been concerned about the continuing role of the Department of Indian and Northern Affairs as devolution continues a pace moving toward full responsible government. Also, the so-called old Chrétien formula has long been abandoned. In the days of his Ministry it was strictly adhered to that no government department, Minister, or agency went into the North without the consent, advice, and

counsel of the Department of Indian and Northern Affairs. That has long since been abandoned. The big players now are Energy, Fisheries and Oceans, Environment, Transport, and so on.

I wish to ask the Minister whether any thinking is going on among his policy makers that eventually we can wind down northern development with its 800 person years. I know that in the last four years the Government has been attempting to find ways to reduce the deficit. I continue to be puzzled as to exactly what these people do except research so extensively the polar bear that I am sure there is not a polar bear's toenail that has not been looked at. Surely to goodness this is a big price to pay for so much research. I think it could be done easier in other ways.

Would the Minister share with the committee what is his thinking about the future of this government department?

Mr. McKnight: The question that the Hon. Member puts is a question that I observed when I was given the responsibility of northern development. The history, which is known to the Hon. Member, going back to 1966 and the creation of the department of northern development has had ups and downs.

I can say that in the department of northern development and the Indian services side of the Northwest Territories and Yukon, we do find that we have a duplication. It is not my intention to make changes at this time.

The role of the Department of Indian and Northern Affairs, other than some of the esoteric research referred to by the Member, has been that of being involved in the devolution process. I think the Member will understand that it is easier to devolve services and be very supportive of that when they involve other departments rather than when they involve one's own. That being a fact of life is an important role for the department at this time.

We have been involved in the transfer of forestry, we have been involved in the transfers of health, and in that way reducing the federal presence and allowing the people who reside there to have the responsibilities for which they are certainly capable and should have.

The only other point on the energy side is that we are having discussions about a northern accord. The role of the Department of Indian and Northern Affairs in the issuance and the onshore energy side is a paramount role, and it is one that will allow us to have discussions and continue discussions with both the Yukon and NWT as to the strengthening of the role of the people and legislative assemblies of those territories in controlling that important aspect.

I do not wish the Hon. Member to think that we want to stay there any longer than necessary. But I do believe that the Department, as it is described and as its mandate was originally intended, allows us to be active in the important role of devolution with the Governments of the two territories.

Ms. McLaughlin: I would like to follow that issue up a little in that it also refers to NCPC, as the Minister is well aware. With the land claims negotiations continuing, there is much discussion about the devolution of programs separate from that process. Many of the aboriginal groups feel that no devolution should take place, and others feel that it should take place with consultation. In areas like the Northwest Power Commission, was there any consultation with aboriginal groups outside of the NWT, because I know that was the main negotiator?

Mr. McKnight: There were discussions between the Government of the Yukon and CYI before that transfer took place. There were discussions with the Government of the Northwest Territories before the transfer took place.

I believe that if the legislative Governments of both territories wish to become involved in the devolution and receive the responsibility that it is up to those legislators to have discussions with their electorate as to the appropriateness. In NWT, particularly in the transfer of forestry, there was an agreement by the Dene/Métis to have that transferred. Other transfers such as discussions on a northern accord in the NWT have led to discussions with the Inuit and the Dene.

Clauses 2 to 23 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, concurred in, read the third time and passed.

* * *

• (1640)

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed from Tuesday, April 12, consideration of the motion of Mrs. McDougall that Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee, and the amendment of Mr. Benjamin (p. 14369).

Mr. Nelson A. Riis (Kamloops—Shuswap): Madam Speaker, I am pleased to have an opportunity to resume debate on Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited, as well as a number of other initiatives. Of course the issue we are addressing in the Bill is the whole issue of privatization, the turning over of certain Crown corporations to private investors. I want to say very clearly that this is becoming a trend.

Specifically we are discussing today an amendment which would see Bill C-121 set aside for six months to enable the

Government to get its house in order, to get its program, plan, or strategy together, so that there is a clear indication of just what direction it is taking on the entire matter of the privatization of Crown corporations which are owned by the people of Canada.

I realize that our remarks today should be focused on Bill C-121, but they would still be appropriate if we were referring to the most recent announcement that the Government plans to proceed in a relatively similar way with Air Canada. However, we need not get into that at this moment. I expect that we will have ample opportunity to deal with that in future when the Government brings in appropriate legislation.

My concern today is the environmental implications of Bill C-121. In considering the environmental aspects of Bill C-121, consideration should be given at the same time to the situation not only at Eldorado Nuclear now but to the wider implications of uranium mining in the newly merged company, which will inevitably encounter various challenges when it comes to the mining of uranium.

Eldorado Nuclear has severe environmental problems to deal with, especially at its Port Hope, Ontario refinery and at its northern Saskatchewan mine sites. Essentially its Port Hope dump site is full, which situation has been summarized by the Library of Parliament research staff. I think it is appropriate to read this report into the record because the implication is absolutely staggering. I should like to quote from the document wherein it indicates:

> The effluent treatment process at Port Hope refinery produces approximately 600 tonnes/year of solid waste that is mainly calcium oxide (lime) containing calcium fluoride and uranium at 500 to 1000 ppm.

This is quite astonishing, as an aside. It continues:

> This material, and much smaller quantities of other solid wastes that contain metallic impurities including arsenic, are dumped at a licensed site near Port Hope (the Granby dump site). This depository is close to being full and yet no alternate site or plan has been selected. Eldorado has been waiting for the federal government to decide what should be done with this dump, and presumably the new company will also wait for direction. Any plan that requires the removal of the material to a new site will be very expensive (mainly transportation), and according to the details released with the merger plans, the costs will be borne mainly by the federal government (possibly to as much as $100 million).

The resolution of the Port Hope situation is mainly to dump the responsibilities on to the federal Government which will pick up the bulk of the costs. The first $2 million will be borne by the company. Of the next $98 million, 23.5 per cent will be borne by the company and 76.5 per cent will be borne by the federal Government. About $100 million of clean-up costs will be borne by the federal Government in total.

This raises the following spectre: What are the economics of the deal? When the federal Government picks up the entire financial obligation of clean-up and assumes a good part of the debt, naturally it is a good deal for the private sector. However, once again it is the taxpayers of Canada who are picking up the tab and the benefits are accruing to persons in the private sector.

We must ask why there is such a sweetheart deal for a company being purchased as is. Companies are normally purchased with assets and liabilities. However, some of the key liabilities in this transaction have been taken over by the federal Government.

Let us look at the mergers and takeovers which have taken place in Canada in the last 2.5 years. I think in excess of 3,000 Canadian companies have been taken over. When they are taken over or purchased by a foreign company, the foreign company buys both the liabilities and the assets. This would be traditional in a business transaction of this nature, but not in this case where the key liabilities have been taken over by the federal Government.

The question is why. I know that is the question which most Canadians listening today must be asking. Why is this the case? The answer is simple. It is that the Government is desperately anxious for a good share price in the flotation of the new company stock. Let us face it that the whole matter about which we are talking is flotation, the flotation of stock at the best or most attractive price possible. What better way than for the federal Government to assume the liabilities of environmental responsibility as well as Eldorado's enormous debt.

Eldorado's environmental difficulties do not end with the dump sites. Madam Speaker, I know that you would not think for a moment that we are simply concerned about the dump sites. There are further problems at Port Hope and in the Saskatchewan mines.

Returning to the report to which I referred earlier, it indicates:

> Continued operation of the Port Hope facility, especially at the present high rates of production . . . ,will generate considerable levels of solid and liquid waste. With the proximity of the plant to both Lake Ontario and the town site, the new company would do its image a great deal of good by committing itself to efforts to recycle or clean up and sell all such wastes.

Most of us have been disappointed because no mention was made of this type of approach in the legislation. There has been no indication of what will happen in terms of the efforts to recycle waste materials or to clean up in some way. That is the disappointment which most Canadians feel in terms of this legislation.

• (1650)

Clean-up problems also exist at the mills in Saskatchewan. While we have been focusing our comments on this one facility, there are clean-up problems in Saskatchewan which must be addressed as well. The tailings that are produced contain small amounts of uranium, radium and other elements. Very good effluent treatment is required on an ongoing basis and a thorough understanding of the principles involved must be taught to the personnel involved. Historically, such an understanding has been suspect, at the very best.

These are two areas that have been identified as problems which the Government has yet to acknowledge. It leads to the

suspicion that the Government feels that the less said about environmental aspects of uranium production the better. We know where this attitude has led us in the past.

Here are two critical environmental areas that fail to be addressed in the legislation. This is unfortunate when we consider that this Government assumed office with the expectation that it would examine the inherent difficulties of the nuclear fuel cycle. During the election campaign in the summer of 1984, commitments were made on a number of occasions that the whole matter of the future of the Canadian nuclear industry was of concern to the Prime Minister (Mr. Mulroney). The Prime Minister has been in office for nearly four years but still there is no initiative in terms of a public inquiry into the nuclear fuel cycle. When he was asked about this, the Prime Minister indicated that it was not a priority at this time.

Fortunately for Canada, such an inquiry is now under way. It is being conducted by the New Democratic Party, chaired by the Member for Winnipeg—Birds Hill (Mr. Blaikie) and the Member for Vancouver—Kingsway (Mr. Waddell). They have been examining the process surrounding the nuclear fuel cycle for some months and will soon submit a complete report based on their evaluations and on public and private hearings that have been held at various locations across the country.

It appears that the Government is backing away from involvement in the nuclear industry while indicating sincere concerns about uranium mining. At the same time, it is proposing legislation that essentially passes this matter on to new jurisdictions without any indication of improved categories of safety. I do not want to deal entirely with the environmental problems associated with this legislation.

There are problems in this legislation in terms of processing and mining itself. I do not believe we should proceed with this legislation until the Government has a clear policy on the nuclear industry. Perhaps the appropriate place to raise questions of this nature would be in the legislative committee where presumably this legislation will move very quickly.

We are also concerned about this legislation in light of our history of dealing with the nuclear industry. This country's track record is not very good. I can recall the government sponsored uranium cartel in the 1970s which, quite frankly, has never been satisfactorily explained to the people of Canada. The causes of the cartel were economic and brought about by an over supply and closure of the U.S. market in 1984. The cartel had a profound effect on the price of uranium, which went from $7 a pound in 1973 to as high as $40 a pound two years later. The cartel was investigated and lawsuits were brought in Canadian courts. However, to my recollection no knowledge of this cartel has ever been made public from a governmental point of view, and the charges were ultimately dropped.

A whole set of questions were left unanswered. Eldorado was a member of the cartel alongside Denison Mines. There was an investigation under the Combines Investigation Act by the director of research, Mr. Robert Bertrand.

I believe that all of this should be made public, as was demanded by the present Government when it was in opposition. This is a chance to clear the air and an appropriate piece of legislation by which to do it. The Government's only commitment in this area is to say that the new company will be subject to Canadian competition law. That does not bring much comfort when one considers that Canadian competition law is probably one of the weakest of any country I know. It is very little comfort to know this company will be subject to our competition law. The legislation also overlooks the very messy episode of uranium marketing in Canada. The possibility of that happening again is a spectre that haunts us to this day.

The reaction to this legislation by the men and women who work for Eldorado Nuclear or the SMDC has not been positive, in spite of what others have implied in earlier speeches. The United Steel Workers and the Energy and Chemical Workers have indicated clearly that they oppose this transfer of authorization. The steelworkers who represent the employees at the Key Lake mine and Rabbit Lake and the three locals at Eldorado uranium refinery at Port Hope are clearly on record as opposing this initiative. They fear for their health and safety, for which I do not blame them.

The privatization of these companies will not be a major step in the right direction toward workplace health and safety. More than 1,000 men and women in Canada are killed in the workplace each year, to say nothing of the tens of thousands who are seriously injured. When a man or woman who works in the police force is killed on the job, people are quite rightly outraged at that act. However, these people are in an environment of occasional violence. When one considers that there is not much comment ever made about the hundreds of men and women who are killed on work sites every year in this country, it indicates that we must pay much more attention to what is happening there. In that respect, this legislation is certainly not a step in the right direction for the men and women working in the mines, refineries and mills of the companies we are concerned with today.

Ms. McLaughlin: Madam Speaker, I want to make a short comment on my colleague's interesting debate on the proposed amendment. I think many Canadians understand that when the federal Government has responsibility for a particular company, organization or Crown corporation, the expectations are greater than those for the private sector that such things as a regard for environmental issues will be particularly addressed by the Government and it will assume responsibility for the resource company that it owns.

My colleague mentioned the kind of public inquiries being undertaken by some New Democrats in this House into the whole nuclear fuel cycle. I would like to ask my colleague what his views are on the responsibility of the federal Government to have one of its Crown corporations clean up its act before it is sold on the private market. The Hon. Member raised the

question about nuclear dumps, and I would like the Hon. Member to comment on that aspect of it.

• (1700)

Mr. Riis: Madam Speaker, it is a pleasure to respond to that thoughtful comment and to the question that followed it. What is the responsibility of the federal Government? It is clear that it is not responsible for the Government to simply wipe its hands and walk away from this.

If there is one thing common to Canadians, it is that they have more questions than answers when it comes to the nuclear industry. There are whole sets of questions that have yet to be answered satisfactorily. I suspect the most obvious such question is how to guarantee the safety of a nuclear installation.

We are all still haunted to this day by the Chernobyl incident, and we are still finding around the world the results of that particular disaster. Other disasters come to mind as well, but I believe that was the most graphic one which indicated that when something goes wrong in one of those installations, the implications are anything but minor, they are horrendous, and that the final impact may perhaps be unimaginable.

As well, there is the whole question of waste material. I referred briefly in my comments to the dumps at Port Hope and the hundreds of thousands of tonnes of waste material that has not been adequately dealt with there. It cannot be dealt with adequately because we do not know how to get rid of nuclear wastes in a safe and satisfactory way. Until we do, I think it is folly to continue on as we have and particularly as Canada has been doing.

I feel that we have made a gross error in judgment with the whole matter of food irradiation. We are developing irradiated food technology in an effort to market it in the developing countries. Quite frankly, that is frightening, and of course the responsibility of the federal Government ought to be to proceed with caution. The only way to proceed with caution in this instance is not to proceed at all.

The Hon. Member has raised the appropriate question, which is what is the Government's responsibility. The Government's responsibility is vast and that responsibility is not present in Bill C-121. It seems to me that the Government is simply wiping its hands of the opportunities it would have if this legislation were not to be passed.

Mr. Hawkes: Madam Speaker, I listened with interest to the Hon. Member on Monday when he indicated in the closing part of his speech that it is time we send this matter to committee for closer examination. I do agree with him that the matter is complex and that the committee, where we may hear from witnesses, is the proper place to get on to the public table his concerns, some of which I share.

I was encouraged to hear the Hon. Member say that it should go to committee soon. I simply wanted to comment that I concur with him. I think it should go to committee soon.

Mr. Riis: Madam Speaker, I appreciate that the Parliamentary Secretary is anxious to get on with dealing with the various witnesses and the clause-by-clause examination of the Bill. However, we were interrupted today to deal with Bill C-125 which we have just completed through all stages. That Bill, of course, was the Bill to enable the Northern Canada Power Commission to issue shares.

It is unheard of for opposition Parties to volunteer to set aside the traditions of the House in order to facilitate the movement of certain legislation. We were convinced that it was in the nation's business to do just that, and I am pleased to say that we were more than pleased to co-operate with the Government and to approach the matter in a business-like and thoughtful way. We did our homework, and consulted all the parties involved and worked expeditiously. The Parliamentary Secretary has indicated that he was pleased with that and we were pleased to co-operate.

In the closing moments of the day, we are continuing the debate on Eldorado Nuclear. We have already debated the matter for a few hours. Considering the extreme importance of a debate about the nuclear industry and the federal Government's role in it, the Government is taking quite a significant step.

As I say, we are pleased to participate in this debate, and of course it is not our intention to prolong it, but let us have all the appropriate views presented. I know that my colleague from Broadview—Greenwood wishes to make some comments regarding the environmental impact of this legislation and some of the environmental issues on which it touches. Knowing how interested the Parliamentary Secretary is in environmental issues, I know that he will be anxious to hear her comments. With that, I will wrap up my comments by saying that we look forward to proceeding expeditiously with this Bill but not particularly to rushing legislation of such profound importance to the country.

Mr. Skelly: Madam Speaker, I have a question for my colleague from Kamloops—Shuswap. When this Government came to power, the Prime Minister (Mr. Mulroney), recognizing how seriously Canadians feel about the entire nuclear question, had, in my recollection, promised an inquiry into the nuclear industry and nuclear energy in Canada. Would it not be appropriate for the Prime Minister to come clean on his election promise before we sell off an operation like Eldorado Nuclear? Would it not be more appropriate for the Prime Minister and the Conservative Government to live up to their election commitments to launch an inquiry into the concerns of Canadians over this industry before they sell off this corporation?

Mr. Riis: Madam Speaker, this is getting exciting. I am hearing many thoughtful questions about why the Government has not lived up to its commitment.

I think it is appropriate to say that the Government has failed in living up to this particular commitment. It has not conducted an inquiry into the nuclear fuel cycle. That was a promise made by the Prime Minister, the present Minister of Transport (Mr. Bouchard) and my friend from Mission—Port Moody on a number of occasions. However, because of the Government's unwillingness to proceed at this point, we have had to conduct our own inquiry.

Once again, the New Democrats felt that someone had to do this inquiry. We do not have the resources the Government has, but it is too important to set aside so, with limited resources, we held our own inquiry. We held public hearings across Canada. We talked to the experts and the people interested in the issue. If my memory serves me correctly, within a few weeks the reporting process will be completed and I hope we will have a chance on an opposition day to present our views, our findings and our recommendations to the Government on the future policy direction for the nuclear industry of Canada.

Mr. Skelly: Madam Speaker, I have a further small question for my colleague from Kamloops—Shuswap. It is my understanding that when the Conservative Government sold Teleglobe Canada, there were some very serious concerns about the way that particular government operation was sold. I wonder if the inquiry launched by Consumer and Corporate Affairs into the propriety of the sale of Teleglobe Canada should not be issued to the public and to the House before we launch into another divestiture of a Crown corporation. In this way, some of the problems that occurred in that divestiture that I am sure would be brought to light if the report were to be released could be avoided when dealing with this one. I wonder if my colleague has any comments about the Government releasing that report before the House goes ahead with this venture.

Mr. Riis: Madam Speaker, I think it would be appropriate for a whole set of reasons. Without going into those reasons, I would simply refer to the fact that one of the major players in the uranium business has been Denison Mines. Mr. Paul McKay, in a very special report in *The Globe and Mail* of April 9, 1988, had this to say:

> Medical records and royal commissions have shown that a pathetic army of the miners Mr. Roman employed at his uranium mines in Elliot Lake, Ont., have gone to their own early graves because their lungs were needlessly poisoned with radioactivity and mine dusts.

The late Mr. Roman used to head up Denison Mines. The article goes on but because of the time, I will not have a chance to comment on pages and pages of these reports indicating the very serious dangers those people involved in the mining industry face. For that reason if for no other, more effort should be made to inquire into the propriety of turning this company over to private interests now.

• (1710)

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, I cannot say I am pleased to be rising to speak on Bill C-121. Certainly we do not want to see this Bill before the House at all. I guess I am more pleased to be speaking on the proposal to suspend a decision on this Bill for six months in order to look at the whole question more thoroughly.

While we have to look at the question of privatization, we have first of all to look at what kind of industry this is. After all, Eldorado is not producing popcorn. It mines and processes uranium. That, of course, is a very dangerous product for which we have as yet no safe means of disposal. That alone is reason enough not to proceed with this industry. The question of whether it should be a public or private industry should be addressed if we are going to have such an industry at all. However, I suggest the more fundamental question is why should we be pursuing this means of energy production when there are so many better and safer forms, forms which would create more jobs and not pollute the environment. We should be exploring those options and not the question of whether we want our uranium in private or public hands.

Frankly, if I thought we would be able to get rid of this harmful industry by privatizing it, if I thought the terrific liability entailed in uranium mining and processing, and in nuclear facilities, would be ended, I would be happy to see it privatized. We are only beginning to count the cost of the harm this industry has caused because it is of course a very complex matter. How do we develop the figures on the mortality rates, the diseases that normally take a very long time to develop? We are talking about leukemia and other forms of cancer. We are talking about birth defects which are the result of exposure to radiation, including low level radiation. All we have are estimates.

When we have instances of sudden death from a product, whether it is some kind of toxic poisoning or some accident, we have very firm figures. The House is quick to act when that happens. I am thinking of the mollusc poisonings when a couple of Canadians died. There was a terrific outcry, as of course was only proper. When a couple of people are killed by toxic poisonings of this sort there should be an outcry. However, why is there not more of an outcry when thousands of people are harmed, sickened or who die prematurely after exposure to low level radiation from the various stages of uranium mining, processing and the use of nuclear facilities?

The Standing Committee on the Environment and Forestry conducted a study of the disposal of high level radioactive wastes. As a result, the committee recommended there be a moratorium on nuclear facilities until a safe means of disposal became available. Some members of the committee thought a safe means of disposal was almost around the corner or would be discovered in time. They were more optimistic than I am that we are going to find a safe means of disposal for high level radioactive wastes. However, it was nonetheless unanimous

that we should not be going ahead without such ability. Since we do not have it, we should not be going ahead.

That concerns just high level radioactive wastes. When you look at the low level radioactive wastes, that is a quantitatively much worse problem because there is more than a hundred million tonnes of such wastes. We have uranium tailings from mines, Eldorado being prominent among them. These tailings are not properly stored. We do not have adequate protection for the public. I have met with people in the Paudach Lake region near Bancroft, Ontario. They have old tailings which have been around for decades, before the AECB insisted on at least some measure of clean-up after the fact. It was not perhaps adequate enough and there is some in storage now, but these old tailings are still there and there has not been adequate containment of them.

That is just one very modest example of inaction on a problem which has been ignored for a long time. A company makes a profit from the mine and the tailings are the responsibility of the public. The taxpayer has to fork over the money to do this. That is precisely what we have in this Bill before us today. This company will be privatized if the Government proceeds with this ill-advised scheme. What happens to the responsibility for waste disposal or waste management for the thousands of years to come? The profits will go to the owners of this company and the responsibility will go to all taxpayers, whether they can afford it or not. It seems to me that this is extremely unfair. It is the public who is left to pay the bill for things which cannot be counted in dollar terms, things such as illness, early death, communities upset by living close to mines or processing facilities. All of those are good reasons to be extremely concerned throughout the process.

I would like to highlight a couple of particular reasons. Of course, much of the product of Eldorado has gone to military use. This supposedly stopped in 1972 because we have an understanding that our uranium will be used only for peaceful purposes. In fact, we have been responsible for some proliferation contrary to our intentions, and there are two major ways in which our uranium goes to military purposes, contrary to our public undertakings. One is in the process of enriching uranium for military purposes and nuclear reactors for the production of electricity. For every six pounds of uranium that is treated in this way, only one pound goes to domestic use and the production of electricity. The five pounds left over, the so-called depleted uranium, can then be used in further processing into plutonium for weapons purposes.

Canada exports uranium from Eldorado mines to France where it goes through this process. The military end product from the so-called depleted uranium in France is tested in the atmosphere, contrary to all our understandings that nuclear weapons should not be exploded in the atmosphere at all. Canada is still doing that and that is the kind of question we should be addressing. Why should we be doing this with this resource? Why should it be used for destruction? Why should it be used in a way that will cause cancer, birth defects and premature death of a large number of people?

I can think of other scandals in the history of Eldorado. It was a major player in the evolution of the uranium cartel in the 1970s to drive up the price of uranium after there had been a drop because of the loss of American markets. This scandalous cartel was protected by some of the worst censorship legislation we have ever seen in this country. We have never had a proper accounting of what happened in that incident. The Government appointed the Bertrand Commission and a report was produced.

Members of the Government, while they were in Opposition, demanded publication of this report because the scandal goes back to the Liberal Government days. The Conservative Government, which protested at the time and demanded the publication of the report, now has the power to act and produce this report in order that we can be a little wiser as to what happened in this period of the uranium cartel. I call on the Government to do that, as have other people. I hope the Government will see the wisdom of coming clean on this information and giving us the full information.

• (1720)

Eldorado Nuclear is involved very substantially in Saskatchewan. The New Democratic Party caucus task force held hearings recently in Saskatoon before which many Saskatchewan environmentalist groups, the mining association, and people on both sides of the issue appeared. One of the major concerns raised there was the plans for uranium mining at Wollaston Lake.

There is a proposal for three new uranium mines to be dug under Wollaston Lake. This is not a very deep lake. It is a very sensitive lake, and it is impossible for people who know that area to imagine how there could be any containment of the uranium to keep it from entering the lake itself. There is, in fact, commercial fishing in this lake which is important to the economy of that region. Yet, plans are still going ahead to permit uranium mining in this extremely environmentally sensitive area.

I must flag again the horror I feel that the alternatives are not being examined. All of this concern is raised when it is theoretical for sustainable development. The federal Government itself has approved the Brundtland Commission report on development and the environment. The Saskatchewan Government and all provincial governments across the country have endorsed those recommendations in principle. Those recommendations say very clearly that damage to the environment must be counted, that the cost must be estimated, and that the costs must be plugged into economic decision-making.

In the case of uranium that means looking very carefully at the costs to the local environment, the health costs, and the long-term waste disposal costs. All of those costs, which are not being taken into account now, must be added into the decision. I suspect that many, if not all, of the decisions to open new mines, to create new facilities, and to increase transformation and so forth, would be economically foolish if

all of the environmental damage costs were added up. On economic grounds alone we would not be in favour of this industry. I refer to Wollaston Lake as only the latest in a long list of horrors along this line.

Let me quote the Inter-Church Uranium Committee from Saskatchewan and Ploughshares Saskatoon. They say:

> Eldorado Nuclear wants to build three new uranium mines in and underneath Wollaston Lake, a huge and magnificent lake in northern Saskatchewan and a valuable commercial fishery source. One of these mines . . . is to be constructed 230 yards out into Wollaston Lake where waters are currently 45 feet deep. It is difficult to believe Eldorado's claim that Wollaston Lake will not be permanently scarred and polluted.

I find it difficult to believe that as well and I find it difficult to understand why those kinds of questions do not occupy the Government's mind when it considers the issue of what is going to happen.

We have been told that uranium is safe, cheap power. I would like to contest both those aspects of the Government's argument. With regard to the safety, we do not have an adequate accounting of the health costs. Estimates have been made by Dr. Rosalie Bertell, a world acknowledged expert on this, who counts the premature death world-wide from low-level radiation in the millions. When you infer estimates from the epidemiological studies, there are millions of people who are affected in some place or another from the mining, processing, transportation, and disposal.

It is not safe and it is not cheap. There has been no adequate accounting of the disposal costs. What will it cost to pay one night watchman to guard an area for 300,000 years, which is the half-life of some of the radioactive isotopes in the waste which must be disposed of from this immensely dangerous product? It is arrogant of people to suggest that we have a solution around the corner.

A solution around the corner for waste disposal which can take 300,000 years? How can we be sure that there will not be an earthquake or some other kind of environmental disaster for 300,000 years? Whatever the safe disposal mechanism is which might last for 50 years, we cannot be sure that there will not be erosion and seepage of the radioactive wastes into the rivers and drinking water systems of people who may live far away from, let alone near to, those sites.

How many sites are there going to be? We already have enough on our hands now. If we continue and expand this industry, as is the Government's intention, there will be even more. We have not even been able to solve the problem for the wastes we have at the present and it is arrogant to suggest that we can handle even more of it in the future, that we can find even more waste disposal sites which will be safe.

There are implications for the uranium question in the Mulroney-Reagan trade giveaway. The Government tried to seek more access for Canadian uranium to the United States because in the past there have been American politics and American supply questions which have meant that our uranium sales have been curtailed. Canada gave away the requirements to process in Canada in order to ensure access to American markets. This decision was made without any consideration for the environmental consequences.

The Government agrees with the principles of the Brundtland report on integrating the economy and the environment in decision-making and then signs this trade deal, one of the elements of which is to expand uranium as an energy source and to look for new markets for uranium without having solved the problems which we already have. I consider that to be enormously irresponsible.

Canada produces 19 per cent of the uranium in the world's market. It is the greatest producer and the greatest exporter in the world. We like to think of ourselves as being environmentally conscious and as peacemakers in the world, yet we allow proliferation and allow our uranium to be used for military purposes so long as it is done by the back door and not the front door.

We are now seeking even more markets for our uranium without any greater safeguards. The domestic uses themselves are equally as dangerous. I am not objecting only to the military uses by any means. The health consequences and the environmental damage happen irrespective of the ultimate use, whether for weapons or the production of electricity.

I would like to close by referring to the fact that we do have alternatives. In terms of job creation, these are not good jobs. It is a capital intensive industry so not many jobs are produced, and there is a great deal of danger. We should be seeking alternatives for the people who work in this industry. In the case of energy production, which is enormously important for our economy, we should be seeking other forms of energy. We should be developing renewable sources of energy. We should be looking at energy which does not pollute. We should be putting our research and development money into creating an energy future that will be safe, cheap and will provide jobs for Canadians. We do have options.

• (1730)

The Bill before us today is an extremely misguided measure which I hope this House will defeat. I hope at this first stage that Members at least will support the six month's hoist. I hope they will take another look at the whole question of our nuclear future.

Mr. Skelly: Madam Speaker, I would like to congratulate my colleague on her excellent speech. Hopefully, the Government will see the wisdom of her remarks and withdraw the Bill.

One of the most dangerous aspects the Hon. Member pointed to during her speech was, of course, the use of the products in the nuclear cycle which produce weapons. I wonder if she would elaborate a little more on the dangers of that particular aspect and Canada's role in exporting that material.

The other area is the area of occupational health and safety which is extremely important to the people who live and work

in the areas where this product is mined and processed. Would she elaborate a little more on the important and dangerous aspects of this particular industry?

Ms. McDonald: Madam Speaker, I am pleased to respond to both very important and complex questions. To begin with respect to the military question, I think the hypocrisy of the Canadian Government is particularly disturbing. It is not just this Government, but previous Liberal Governments also. We are supposedly a non-nuclear country, a nuclear weapons-free country, yet we participate in the production of the major necessary element for nuclear weapons.

Throughout the 1950s massive amounts of our uranium went into the American nuclear weapons stockpile. Fortunately, those weapons have not been used, but they are stockpiled and they contain our uranium. Who knows if they will be used, and we participated in their production.

We supported the non-proliferation treaty. We were a signatory to that treaty. However, we have allowed the export of our Candu reactors and our uranium, so we have some responsibility for the reprocessed uranium from reactors for subsequent military purposes. It was not intended in the first place, but that is what happened. Canada has not been careful enough in ensuring that it would not happen.

Military uses and the so-called peaceful uses of this power are intertwined. When military uses of nuclear power became so horrendous to people, the nuclear industry realized it could not survive without a respectable front. So we had hope, and perhaps for some people it was a very genuine hope, that there would be the peaceful atom and peaceful uses. Indeed, a nuclear future could help as an energy source for Third World countries. All kinds of idealistic aims were given for the development of the nuclear industry. But I think we should look behind this front. It is a very pious front, the peaceful uses of nuclear energy. The industry needs both. In order to do the production for military uses, it has to have the pretence that it is going into peaceful uses.

Both France and the United States, where our uranium is enriched for some reactors, process uranium for both peaceful and military purposes. They do it at the same place. We have this fiction that our uranium is being processed only for peaceful uses and this kind of mythological accounting system that our uranium goes in and the enriched uranium that goes out for military uses did not come from our uranium. Perhaps it came from someone else's uranium that was sent to the same processing facility. So the Government convinces itself that it is really not Canadian uranium which is going into those atmospheric tests in France or into even more nuclear weapons in the United States. I think we should be disillusioned with this idea.

The question of occupational health and safety is a very complex one. I know other Members have dealt with it in their remarks so I will just say very briefly that we do not have adequate safeguards at all. Miners have considerably higher risks of lung cancer from exposure to radiation at the workplace. Accident rates are very high.

Occupational health and safety is an extremely important matter. Perhaps with better technology these risks could be reduced somewhat, but I do not believe anyone could be so naive as to suggest that this will ever be a safe industry, a really desirable industry, one in which people can look forward to working under healthy and safe working conditions. It is always going to be a highly risky industry. That is another reason why I would much prefer to see the development of renewable sources of energy that will not be harmful to health and which will be less capital intensive for the number of jobs produced and which will result in the creation of even more jobs. We need to have a switch over. We need to develop those alternatives. We need to provide safe and healthy jobs for people. Certainly uranium mining and processing is not a place where we find these things.

Mr. Skelly: Madam Speaker, I have another small question which I think is of critical importance to this particular debate. From my perspective and from the perspective of many people in this House and in this country, the nuclear energy question is a critical one. People justifiably fear it. They know of the dangers and disasters which have occurred. I want to call to the attention of the House the complete absence of the Liberal Party. There is not a Liberal Member sitting in this House, and there has been absolutely no demonstration of concern for the issue. I think the Liberal Party when it was in Government was one of the most profound malefactors on this issue—

The Acting Speaker (Mrs. Champagne): I will interrupt the Hon. Member and remind him of something he does know, I am sure. It is not proper in this House to mention the absence of Hon. Members who may be detained elsewhere. I know the Hon. Member knows that quite well. There is one minute left in the question and comment period, if the Hon. Member for Broadview—Greenwood (Ms. McDonald) cares to answer.

Ms. McDonald: Madam Speaker, without referring to their presence or absence in the House, I can certainly refer to their position on the debate. Their position has been wholly unsatisfactory. The Liberals have been in Government for most of this period and they have ignored the health and safety questions. They have turned a blind eye to the military uses of nuclear energy. They have spoken pious words about proliferation but have not done anything to ensure it does not happen. They talk in the environment committee about soft energy paths and say pious things there, but they have not dealt with the really tough questions of research and development, and developing alternative sources of energy so we would not be dependent on a source of energy that is killing people in increasingly larger numbers.

The Acting Speaker (Mrs. Champagne): The time for questions and comments is now over.

• (1740)

Mr. Hawkes: Madam Speaker, I rise on a point of order. Members of the New Democratic Party indicated earlier that the House could expect this matter to go to committee soon. We are currently dealing with the six month hoist amendment. Can Your Honour check with the Members of the House to see if there is a disposition to dispose of the amendment and go back to the main motion?

Mr. Skelly: Madam Speaker, I rise on the same point of order. I appreciate the Parliamentary Secretary's concern. Before any consideration of unanimous consent is given, and my colleague from the Liberal Party who has just appeared in the House will want to comment on this, if this matter is referred to committee might the committee be prepared to travel across Canada to hear the concerns of other Canadians? Perhaps this might be considered before we think about giving unanimous consent to the Hon. member's request.

Mr. Hawkes: Madam Speaker, the traditions concerning parliamentary form are that decisions have to be reached first by committees as to the best way to undertake their examinations. The committee members are not named until the debate has been completed. I think that we would have to wait and see. In principle, the Government would have no objection.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Mr. Skelly: On debate.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Member for Comox—Powell River.

Mr. Ray Skelly (Comox—Powell River): Madam Speaker, I feel the same reservation about having to speak on this particular legislation as my colleague the Hon. Member for Broadview—Greenwood (Ms. McDonald) expressed. We are not pleased at the prospect of seeing what we consider, and what many Canadians consider, to be a completely irresponsible act of the Government undertaken. I refer to the privatization of Eldorado Nuclear Limited. This is a move which indicates that the Government is willing to put into the hands of the private sector a very questionable industry. It is one that should be carefully regulated.

There has been a history not only in Canada of incidents that have indicated how dangerous this industry is. There have been a number of incidents at Chalk River. There are a number of Armed Services personnel who we refer to as atomic veterans who have received profound injury. It has taken them years to have the Government acknowledge the damage that they suffered as a result of radiation. We know of the dangers of this particular industry.

We have heard Members of the House talk about the danger of a massive amount of radioactive tailings that are in the environment associated with this activity. There is no effective way to store these particular wastes. From the danger point of view, privatization is completely irresponsible.

With respect to Bill C-121, there are also some concerns about the privatization mechanism. The House and the country are looking with serious concerns at the Teleglobe privatization in which there were serious accusations of wrongdoing. Those accusations of wrongdoing have not yet been adjudicated. The Department of Consumer and Corporate Affairs undertook to do an investigation into the matter and to put together a report, which has not been released. The House is entitled to see that report and to see what government investigations revealed in terms of that privatization initiative before we embark on another initiative such as the one that is before us.

We are quite prepared to ask in the House whether or not friends of the Conservative Party will benefit from assets of the people of Canada. This is a serious question which must be answered. We want the report from the Department of Consumer and Corporate Affairs before this Bill goes forward.

Privatization in the nuclear industry should not take place. Indeed, there is a good argument that greater government involvement in this area is justified. As was pointed out by other colleagues, is the Government now prepared to let a private sector operator go in, make a profit on this industry while at the same time shift the major costs dealing with nuclear waste storage and any potential harm that may come from it on to the taxpayers of Canada? That is completely unacceptable.

If the Government would listen to the people of Canada, it would not privatize this industry. It would hear the message very clearly. It hears it from members of the New Democratic Party. If there were any Members of the Official Opposition in the House then it would hear it from those Members as well.

The Acting Speaker (Mrs. Champagne): It must be getting late in the day. Hon. Members have very short memories. However, the rules are still the same.

Mr. Skelly: Madam Speaker, I apologize. It was certainly an oversight. As Your Honour pointed out, it is nearing the magic hour.

Mr. Oberle: But you are right.

Mr. Skelly: The Hon. Member from Prince George—Peace River (Mr. Oberle) has noticed the absence as well. Thus my point is clear.

I wish to move on to a second serious point. It is that Eldorado Nuclear became involved in a cartel. There was the international uranium cartel which was investigated by the competition branch of the Department of Consumer and Corporate Affairs. We would like to see the report on that matter. That report deals with the way in which those companies joined together to fix the price of uranium and to drive it up.

We can see in the future that in the private sector it will be even easier for this to happen again. It will be easier to create artificial shortages and to increase prices. In terms of the ability to market the product, who knows how loose it will get. In terms of our experience with the previous uranium cartel it is important that this company not be passed into the private sector, and that it remain under the control of the Government of Canada and that the Government use great care in supervising its activities.

There is another example of the type of scrutiny that the previous Government gave with respect to the question of cartels. In the past we saw a question with respect to oil companies, another energy group in which there was a massive inquiry conducted by the Director of Competition, Mr. Bertrand. In the final analysis the Government took no action except to organize an inquiry which cost the taxpayers of Canada hundreds of thousands of dollars.

With respect to any protection the Government might give in terms of Eldorado becoming involved in a monopoly or a cartel type operation, it is clear that the Government has no effective competition legislation. It has no political will to protect the people of Canada in any way whatsoever. We want the report on the previous uranium cartel. We want effective action in terms of controlling situations such as that before the question of privatization is even asked.

With respect to tailings, my colleagues have pointed out that we are dealing with 100 million tonnes of nuclear waste. We have no effective method of dealing with this waste. We are prepared to put into the environment radioactive wastes and saddle future generations with them for God knows what length of time. The Government is quite prepared to extend uranium mining, as are other Conservative Governments in Canada. This will generate 200 million tonnes or 300 million tonnes of waste before an effective plan of disposing of it is developed. Thus it would be completely irresponsible, and we are not saying that the Government is not completely irresponsible, to consider the privatization of this particular company before we resolve the issue of radioactive tailings and radioactive wastes. Those questions have to be resolved before any rational Government or any rational individual in the Government ever considers turning that company over to the private sector.

Not only is the Government not prepared to deal with the question of the safe storage of those wastes in order to protect Canadians and future generations of Canadians, it is quite prepared to offer inducements to go ahead and to expand the activity. There is a great deal of concern in British Columbia in this respect. There has been a moratorium on the activity in that province. There is a fear that we will see uranium mining again in British Columbia. We will see expanded uranium mining in Saskatchewan. The Government is extremely enthusiastic about the prospect of creating a much larger—

Mr. Hawkes: It is called jobs.

Mr. Skelly: —danger to Canadians. The Hon. Member opposite says that is called jobs, these dangers which are being created for Canadians. That is an issue which the Hon. Member's Party ought to be going to the polls on. There are millions of Canadians who want nothing to do with the nuclear industry. They say that Canada and the world will be safer if we were well out of it. The hypocritical position that has been taken on this nuclear issue cannot be tolerated. If the Hon. Member thinks that the majority of Canadians are looking for jobs in this sector, he should get out on the hustings because he is absolutely dead wrong, the result is very clear, and Canadians will tell you that.

• (1750)

My colleagues, the Hon. Member for Broadview—Greenwood (Ms. McDonald) and the Hon. Member for Kamloops—Shuswap (Mr. Riis), and other people who have spoken in this House have spoken with great concern about the fact that Canadian uranium which we suggest is strictly for peaceful purposes is a major component in the nuclear weapons race in the world.

We are selling it to France, we are selling it to the United States, and we are working behind a facade that says; "Our uranium is being used for peaceful purposes", when in reality that uranium forms part of an enrichment process that follows a fuel cycle into nuclear bombs. There is no doubt that we as Canadians have dirty hands in this business. If the wishes of Canadians were followed, that Canada would be a nuclear weapons free zone, we would not produce the material that nuclear weapons are made of. It is one thing to produce it and sell it to somebody else and say "What a dirty bunch they are", but in reality we have dirty hands on this issue, or the previous Liberal Government did and now the Conservative Government definitely has dirty hands on this issue.

The previous Government sold India a package from which it built a nuclear weapon. The previous Government proposed to sell to some of the foremost countries in the world, countries at that time operating with a tremendously high moral standard such as Argentina and Brazil. They talked about selling nuclear weapons to South Korea, Taiwan, and to a number of other countries that were quite excited about producing nuclear weapons, if they had been given the opportunity. They probably lost out in the competition because of more successful weapons merchants through the guise of nuclear plants. But certainly Canada is involved in supplying materials for nuclear weapons and Canadians are totally opposed to that. If it read the population and the electorate correctly, the Government would know that this is the case and that this should stop.

On the issue of occupational health and safety, the unions involved are absolutely opposed to those sales in privatization. The unions are concerned that if the Government walks away from this industry, standards will relax and the workers lives and their families will be jeopardized. In Canada we know the massive problem of occupational health and safety. In this

particular industry the question of occupational health and safety is critical. These people are working in a dangerous environment. They are exposed to very deadly materials. In the private sector, it is not difficult to visualize those standards being relaxed and a failure to adhere to the responsibilities that the corporate sector has in many other areas. The matter of occupational health and safety is a critical issue.

The second matter is the broader issue that also concerns the unions, the fact that they have 100 million tonnes of tailings that are not being properly handled. In the processing industry there are environmental concerns about the highly radioactive materials that come from that sector. They are not only concerned about the occupational health and safety on the job, but they are certainly concerned about the broader environmental impacts. They have children, they will have grandchildren, and they realize what the Government is proposing to saddle Canadians of future generations with.

Therefore, there is a great expression about the broad environmental concerns of the manner in which this industry is treated. In order to make a profit, and in order to maximize a profit for the companies that become involved in this privatization, there will be a very large incentive to relax the occupational health and safety and also the broader environmental concerns and standards. When a company does not invest in preserving those standards, it maximizes or improves its profit picture, and there is a serious incentive in the private sector to do this.

If a person believed that the nuclear industry in Canada was a useful contributor to the economy and the country instead of building a danger today and a time bomb for tomorrow, one could believe that it was a public utility, a thing that is so dangerous and of such great concern that it should be closely controlled and under the responsibility of the highest authority in the country, the federal Government.

When the nuclear industry first started in Canada, Canada took control of that industry under its discretionary power in the Constitution. That is the type of priority that Canada gave to it. Today the Conservative Government, in an act of what I and my colleagues would define as complete irresponsibility, is proposing to turn this over into the private sector where the motive for profit will place a constant constraint on occupational health and safety, and a constant constraint on spending in environmental protection. It has been repeated many times that only a Conservative would not learn by experience.

My colleague from Saskatchewan expressed great concern about the developments in the Wollaston Lake area, about the possibility of three mines being dug in this very environmentally sensitive area. Eventually those mines will produce hundreds of millions of tonnes of tailings that, unless the technology for handling those tailings is developed, will create another environmental danger and time bomb to be paid for by future Canadians. This enthusiasm, a clear signal that by turning this into the private sector and saying "Let's get rolling with it", by increasing the activity of the uranium mining in northern Saskatchewan, by increasing the activity in British Columbia, is building a very serious problem for the future. If the Government was prepared to go to the polls on this issue alone, it would be defeated.

Mr. McDermid: You are dreaming in Technicolor.

Mr. Skelly: "Dreaming in Technicolor", say the Conservatives. If one can believe the former Minister for International Trade and her recent statements in Vancouver, we will be getting a chance to raise this in the polls this fall. She made a very clear statement that we will be going to the polls and we will in fact get a chance to read the Canadian—

Mr. McDermid: That is not her prerogative.

Mr. Skelly: I did notice that she was trying to cover her *derrière* today, and was having a great deal of difficulty doing it.

Mr. McDermid: What a sexist statement.

Mr. Skelly: We all have *derrières* and from time to time we are all forced to attempt to cover them. I tend to believe the former Minister for International Trade that we will be going to the polls, and we will certainly be getting an opportunity to test the population, and then we will see who is dreaming in Technicolor.

Mr. Hawkes: Madam Speaker, I rise on a point of order. Given comments made earlier by the House Leader of the New Democratic Party and supported by the Government, I think that there is a predisposition in the House to get this matter to committee. I notice that we are nearing the normal hour of adjournment. I would ask that you might seek permission of the House not to see the clock in the normal fashion in order that we might enable Members to make the comments that they want to make, yet still conclude, in order that we can move on to other important matters tomorrow, and perhaps even more important the committee can begin its work to examine the types of issues which the New Democratic Members are putting on the table. There will be expert witnesses, it would be helpful to the Canadian people, and it would be helpful to Parliament to have that examination begin as quickly as possible. I would like to seek unanimous consent of the House to not see the clock until we have disposed of this second reading debate.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Comox—Powell River.

Mr. Skelly: I would like to continue with the debate and the committee question. The committee question is that we are very concerned that the Government has attempted to limit the number of witnesses in a number of committees. If this Bill ever goes to committee, and we would hope that enlightened—

The Acting Speaker (Mrs. Champagne): Do I understand from the Hon. Member that there is unanimous consent to continue the debate?

Some Hon. Members: Agreed.

Mr. Skelly: Absolutely not.

The Acting Speaker (Mrs. Champagne): It being six o'clock p.m. this House stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, April 14, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

PROHIBITION WITH REGARD TO KNIVES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am honoured to present a petition from people living in North Vancouver, Surrey, Port Coquitlam and Burnaby, British Columbia. They are all very concerned about the recent increase in murders which are connected with knives.

These people call on the federal Government to amend the Criminal Code to prohibit the carrying of knives by citizens in public places. Exemptions from this ban would include only activities in which the use of a knife is integral to legitimate work such as in construction and fishing, or for religious purposes, such as with the members of the Sikh religion who carry a ceremonial knife as part of their custom.

RIGHT TO LIFE OF THE UNBORN

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, I have the honour to present a petition signed by over 300 constituents of the federal constituency of Hastings—Frontenac—Lennox and Addington who are requesting that Parliament pass a law to protect the right to life of the pre-born child at all stages of development.

The petitioners cannot accept a law that protects pre-born babies from the fourth or fifth month only. They are calling upon Parliament to amend the Criminal Code so that unborn human beings are protected by law from abortion.

PROHIBITION WITH REGARD TO KNIVES

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I have a group of petitions from people ranging from the area of Dawson Creek, British Columbia, to the St. John's area of Newfoundland. They are calling upon Parliament to amend the Criminal Code to prohibit the carrying of knives by citizens in public places, the only exception being for those who use knives for legitimate purposes as part of their work, such as in construction, fishing or farming, or for religious reasons.

• (1110)

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my petition follows the petition of my colleague, the Hon. Member for Vancouver East (Ms. Mitchell). This petition is signed by a number of residents of the downtown east side in Vancouver. It petitions the House of Commons about the incidence of crime, including crime committed with knives, which is on the increase in the east side of Vancouver.

The present law allows citizens to carry knives for self-defence; whereas the carrying of knives by persons in public places is directly responsible for knives then being used in a variety of crimes and fights where self-defence is claimed.

The petitioners ask that the Government amend the federal Criminal Code to prohibit the carrying of knives by citizens in public places. Exempted from the ban would be legitimate uses of carrying knives, for example, when people are engaged in construction work, fishing, or because of a religious belief such as that of the Sikhs wearing *kirpans*, small ceremonial knives. But where knives are carried in the streets, in the downtown east side of Vancouver, in the beer parlours, and in other places where people are carrying knives and using them, the petitioners ask that the Government take action to stop this.

CALL FOR RESEARCH INTO SCHIZOPHRENIA

Mr. Peter Peterson (Hamilton West): Mr. Speaker, I have a petition signed by residents of my constituency of Hamilton West, and the surrounding area. The petitioners would like to point out to the House the seriousness of an illness called schizophrenia. The petitioners humbly pray and call upon Parliament to ensure that research efforts related to schizophrenia will, in the future, be commensurate with the seriousness of the illness in Canada.

PROHIBITION WITH REGARD TO KNIVES

Mr. Les Benjamin (Regina West): Mr. Speaker, it is my duty and honour to present to the House a petition on behalf of citizens of Richmond, Burnaby, and Vancouver, British Columbia. The petitioners humbly pray and call upon Parliament to amend the federal Criminal Code to prohibit the carrying of knives by citizens in public places. Exemptions from this ban would only include activities where the use of a knife was integral to the legitimate work of construction on the work site, fishing, or for religious reasons, for example, the

Sikh religion where the wearing of a ceremonial knife is part of the custom.

The federal Criminal Code, and court decisions allow citizens to carry knives for self-defence. Your petitioners request that this not be allowed any longer, for which they will ever pray and hope that the Government will act.

REQUEST THAT CANADIAN EMBASSY IN ECUADOR BE REOPENED

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, from time to time one of the responsibilities and duties of a Member of Parliament is to submit petitions on behalf of the electorate of Canada. I have one in hand which has been properly certified by the Clerk of Petitions. It seeks a response to its request of Parliament that the situation evolving from the closing of the Canadian Embassy in Ecuador be corrected by reopening the Canadian Embassy in Ecuador. It urges the Secretary of State for External Affairs (Mr. Clark) to reverse the decision to close that embassy.

The Acting Speaker (Mr. Paproski): The Hon. Member for Vancouver—Kingsway on another petition.

Mr. Waddell: I apologize, Mr. Speaker, I forgot it on the previous occasion.

The Acting Speaker (Mr. Paproski): I would like to bring to the attention of the Hon. Member that the Hon. Member requires the consent of the House to bring in another petition to allow it this time.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, constituents in my riding believe that the Government's trade deal negotiated with the Americans will threaten the very fabric of Canadian political and economic sovereignty.

The petitioners pray that Parliament be dissolved and that the Government allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election. I have a suspicion that the Government is going to do that, so why does it not do it sooner rather than later?

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed from Wednesday, April 13, consideration of the motion of Mrs. McDougall that Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee, and the amendment of Mr. Benjamin (p. 14369).

The Acting Speaker (Mr. Paproski): The Hon. Member for Comox—Powell River (Mr. Skelly) had the floor. Since he is not present, I will recognize the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) on debate.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise to support the amendment moved by my friend, the Hon. Member for Regina West (Mr. Benjamin), to put a hoist on this motion and permit the House to have more time to consider the proposal the Government has put before it to dispose of the shares in Eldorado Nuclear Limited.

What is being proposed here is the floating of a share issue. It appears that the Government is proposing to use that issue of shares to assist in the debt reduction for the corporation of some $550 million, and to carry out its philosophical commitment to privatize as many Crown corporations as it can.

We have a great many questions about this particular initiative, not only on the whole question of privatization and whether that in itself is a good idea, but also on whether it does serve the economy better to have the shares of a public Crown corporation owned by private citizens as opposed to all of the citizens.

The proposal is an attempt to shift some of the debt from Eldorado Nuclear to other owners. We have some grave concerns about the timing. At a time when uranium prices are as low as they have been for a long time, demand seems to be extremely low, this particular initiative brings to mind the initiative of the Government of British Columbia a few years ago when it sold shares in BCRIC, British Columbia Resources Investment Corporation. Those shares were offered to the public at $5 a share, which the Government said was a good deal and which appeared to be a good deal. Those shares continue to be traded on the stock exchange and are now selling in the range of 90 cents.

The timing could not be worse. The prospects for the nuclear industry are very low at the moment. There is a surplus of uranium, if one looks at the market price for uranium. We see our main market for the commodity, having been the United States, attempting to resist the inflow of any further amounts of uranium. In spite of the clauses in the free trade agreement, which the Government states allows access to the U.S. market,

I would remind the House that it does this under U.S. terms. One of the clauses in the agreement has decreed that the further processing of uranium has to occur on the American side rather than on the Canadian side. What extra jobs might accrue to the industry through the processing of the product will occur on the American side rather than on the Canadian side.

• (1120)

The main reason, rather than being one of good economics, good business, and good timing for having Eldorado Nuclear as a Crown corporation in the beginning, was a clear and urgent need perceived by the Government of the day. I think that need has not changed a great deal over time, that is, to have as much control as possible over a very critical industry which has large implications in the defence field. It is not just a source of energy. It is even more critical for the survival of the human race to consider it as a very cogent part of today's defence needs.

The original concept was to permit the Government, as the sole shareholder, to exert its needs and desires in terms of control over the sale of the product. Subsequent Governments have not always utilized all that control power. We have seen many examples of uranium being sold to countries that are not using it in a responsible manner. They have in fact taken it through its first stage in the nuclear reactor to extract power and have taken the waste to develop weaponry with it.

The list of countries which now have the technology to create nuclear arms has expanded greatly, because we have not exerted full control over the waste product from the first reaction. We have permitted that to be dispersed throughout the world, and now a great many countries, although they are not particularly world powers, have the capability of preparing and using nuclear weapons. I do not have the list of possible countries in front of me, but from memory it seems that countries such as Israel, Pakistan, India, and China are known or believed to have nuclear weapons. Other countries such as Brazil and Argentina are probably capable of producing nuclear weapons. South Africa is believed to have an operating unit. The list goes on and on. It is scary that these countries are also countries wherein extreme political instability exists either internally or in their relations with their immediate neighbours. The risk of nuclear war or of the emergence of a nuclear holocaust because of some loss of control of the industry has followed.

The answer which the Government is proposing, simply to privatize the industry, is not a responsible direction in which to go. Not only are the questions of defence and world instability at stake here both politically and on a war footing, we have equally urgent concerns about control over the nuclear industry as it applies to the environment which the Government appears to be giving up with this initiative. The chances of controlling Eldorado Nuclear in its use of waste, its factories, its reprocessing, and its use of tailings are much more in the hands of government regulators when it is a Crown corporation than when it becomes a private corporation. Almost every citizen can recall a private corporation which has polluted the environment and has escaped any penalty for so doing. The Great Lakes are becoming very close to being polluted to the point where the quality of drinking water is at risk. Some of the lakes have a turnover—that is, the water in, the water out, and the flushing capacity—in the hundreds of years.

Once the full saturation point is reached they are virtually dead to the use of humanity without applying a great deal of technology to purify the water before it is made usable for the people who live in the neighbourhood of the lakes. The preponderance of the population and the industry of North America is located around the lakes. This is an extremely important factor. Part of the industry about which we are talking today, Eldorado Nuclear, has contributed somewhat to the environmental problems in the area, although because it has remained under federal control they have been kept to a minimum. The Department of the Environment has done a fairly good job of containing this Crown corporation. I submit that it has been more successful in containing a Crown corporation than would have been the case had it been a public corporation.

Earlier I raised the question of declining demand and some U.S. actions which have made that demand drop even faster. I remind the House that just in the past month the United States Senate, by a vote of 62 to 28, passed a Bill which would penalize the use of foreign uranium including imports from Canada. Granted, this is a direct violation of the proposed trade agreement. It violates the stand-still aspects whereby both parties agreed not to implement such legislation. I realize that the legislation has not yet completed the full process in the United States, but I think the 62 to 28 votes against permitting further access to the American market for Canadian uranium is very significant.

This is a crucial presidential election year and there is an opportunity for the House of Representatives to change completely, but the Senate vote is a good indicator of what the U.S. public thinks about imported uranium. I submit that the prospects for uranium do not look good. Any potential buyer of the shares would certainly be taking that into consideration when he or she, or if it were a publicly traded corporation, decides to place an evaluation on the shares when submitting a bid.

In short, I do not think the Government will recover very much money with the sale of this organization. It has agreed to continue to be responsible for a good chunk of the debt, the $550 million to which I alluded earlier.

What will the public be gaining from this particular initiative? It is not clear to me that the public will gain very much. The sale of shares will not do much more than change the control structure of Eldorado Nuclear Limited, a control which I submitted in my previous argument should not be given up by the Government of Canada. It should be retained

because of the special nature of the nuclear industry with regard to defence, as it affects the environment, as it affects future generations of people, and as it affects the over-all future economy of Canada.

For these reasons I recommend that the House support the hoist motion of the Hon. Member for Regina West. We should delay action on the Bill at this time until we have had an opportunity for further study, so that the full impact and the full implications of this proposal can be more correctly analysed.

Mr. Waddell: Mr. Speaker, I congratulate the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) on a very thoughtful speech. I notice that, with very short notice, he is able to give a thoughtful and cogent analysis.

I want to ask him a question about Saskatchewan. Perhaps he could tell us a little more about environmental problems and the history of Crown corporations in Saskatchewan. My colleague will know that there are some measures in the Bill respecting the liabilities of Eldorado Nuclear. The Government is selling this Crown corporation, but usually when one sells a company one sells the liabilities and the assets. The Government is not selling all the liabilities in this company. The big liability is for environmental clean-up. It is estimated there are something like 1,200,000 tonnes of low-level nuclear waste around the Port Hope area. As you might know, Mr. Speaker, the New Democratic Party has an inquiry going on into the nuclear industry. The Government would not institute one, so we did. We visited the Port Hope area and heard from the local people. There is a big problem with respect to cleaning up what we call low-level nuclear waste. It is not the high-level nuclear waste from the hydro nuclear plants, but low-level waste from the production of uranium. I think this low-level waste is also a problem in Saskatchewan.

• (1130)

I want to ask the Hon. Member, since Saskatchewan Mining Development Corporation is involved in this sale of the Crown corporation, if he could tell us something about some of the problems in his own Province of Saskatchewan with respect to the liability of low-level nuclear waste and the failure to clean this up and the kind of costs that would be involved in cleaning it up.

I will remind the Hon. Member that 25 per cent of any cost over $2 million, up to $100 million, will be paid by the company that buys Eldorado Nuclear, which could be Denison Mines, and we all know of its record with respect to safety and the environment. It is bad. Seventy-five per cent of any costs will still be retained by the Government of Canada. Over $100 million, it is 100 per cent. Would the Hon. Member tell us whether there are low-level nuclear wastes in his own Province of Saskatchewan? Saskatchewan was the home of Crown corporations, and it has used Crown corporations in a very Canadian way in helping people develop their own province. Perhaps the Hon. Member could say something about that as well.

Mr. Althouse: I can, in the short time I have, tell the Hon. Member a little about some of the projects that exist in Saskatchewan. As the House will know, there a number of mines operating there. One of them was a mine owned by Eldorado Nuclear at Uranium City which, in the last five or six years, closed, resulting in the virtual closing of the town. It also resulted in some of the $550 million debt the Crown corporation is now carrying because there were substantial improvements made to the tunnelling in the mines. After expending these moneys the ore ran out very shortly thereafter, so it was a bad management decision by the operators of the mines at Uranium City which were owned by Eldorado Nuclear.

With regard to the Saskatchewan mines, a number of them have been approved for development. Deposits of very high-grade uranium ore, by far the highest grade of ore in the world are under the northern lights in Saskatchewan. As I understand it, because of the process required for SMDC to control those mines, to meet the environmental needs, it has in many cases formed alliances with other developers, but SMDC still controls the operation. SMDC is a Crown corporation.

I understand a number of the projects were opened up by the process of draining a lake. The ore was mined using virtually a pit process. The tailings such as exist are kept on the site. When the mine is played out a long time from now, my understanding is that the lake will go back into place and the water will keep the radiation at bay, serving the same function it has served for millions of years before the opening of the mines. The tailings will not have the same radiation value as the ore, so we ordinary people accept advice of the experts and presume that that will keep the radiation at bay with no environmental problems.

Mr. Hawkes: Mr. Speaker, I have sat here very patiently. This is the fourth day of debate on a government proposed initiative to combine two companies in the uranium business, one owned by the Government of Saskatchewan and one owned by the federal Government, into a larger, more efficient company, with better quality jobs—

Mr. Waddell: You assume that.

Mr. Hawkes: —better marketing potential—

Mr. Benjamin: Where?

Mr. Hawkes: Members of the NDP say we assume that. We do not have to make an assumption. We know from the past history of this Party that every time this Government moves to privatize, on ideological grounds the NDP says jobs are at risk, all these awful things are going to happen. In every single case, from de Havilland on through the system, when we privatize, we create better marketing—

Mr. Waddell: Why?

Mr. Hawkes: —and we create better quality jobs and more jobs. There are now 14 privatization proposals on the table. We have completed a number of those, and this happens in every single case. Every single time we get the same stupid, foolish argument.

It is common sense and it is logical that if we take two smaller units in the same business, we reduce the input costs in part in terms of administration, research and development—

Mr. Benjamin: Baloney! That is not true.

Mr. Hawkes: It happens every single time. That is why there are so many mergers of private sector companies. They want to reduce their overhead costs. They become more aggressive as marketers because they have people out in more centres trying to sell their goods and products. We have mergers all the time because they end up with a healthier corporation which does a better job, with happier employees when there is employer ownership, and that is part of this proposal. All these positive things happen.

We have a lot of important issues coming up in this country such as free trade, abortion, and so on, but the NDP, for some set of silly, bloody reasons, has decided to drive us into a fourth day of debate with two mouths. The Leader of the Party stands in the House and says this should go to committee soon, and the back-benchers of the NDP Party stand up and filibuster and move silly motions to try to kill a piece of legislation. What is this country coming to? Is the NDP Party going to stand in this Chamber and do what is right and it is best for the Canadian people or is it going to continue to behave in a nonsensical, ideologically nonsensical way?

Mr. Waddell: Call an election, then.

Mr. Hawkes: Which are they going to do?

The Acting Speaker (Mr. Paproski): Is that the question?

Mr. Hawkes: That is the question. What are they going to do?

Mr. McCurdy: Mr. Speaker, I rise on a point of order. I think the Hon. Member in his fit of apoplexy must have lost track of the English language and the appropriate way to refer to Parties in this House. It is the New Democratic Party. We are not having a party. It is a political Party.

An Hon. Member: Come on, sit down!

An Hon. Member: Order!

The Acting Speaker (Mr. Paproski): I will allow the Hon. Member a minute to answer the question.

Mr. Althouse: Mr. Speaker, I think that if the Hon. Member for Calgary West (Mr. Hawkes) had been paying full attention to my speech he would have noted that I did not take very much time at all on ideological arguments. I was dealing with economic arguments. I am a person from Saskatchewan, a person who pays taxes there and who is an owner of SMDC through the Government of Saskatchewan. As such, I cannot see the economic advantages for me as a Saskatchewan taxpayer of taking over part of the debt of this company. As a Canadian taxpayer, I cannot see the advantages of being saddled with the balance of the debt.

• (1140)

Saskatchewan already has the advantage of having most of the good concentrates and good ores in the uranium field. We do not particularly need this deal. The deal that is being offered apparently permits SMDC to have some options on facilities Eldorado Nuclear had that SMDC might buy for a very low price. The point I was making is that this low price is in fact a problem for me as a Canadian taxpayer and also as a Saskatchewan taxpayer, because I am concerned about why we need this deal.

Saskatchewan has all the advantages in the uranium industry. If we want to develop it, we can develop it at our own speed. We are sitting on several hundred years of the best uranium mines anywhere in the world. We are in charge of them. I do not think that there is any advantage to me either as a Canadian taxpayer or a Saskatchewan taxpayer to go through with this deal.

I have not seen any data presented by the government side to convince me or my colleagues or my neighbours that it is a good deal. Although this debate may have gone on for a short time on three or four different days, that data is still lacking. Through the motion of my hon. friend from Regina West, we are trying to give the Government an opportunity to present that information to us. What will be the advantage to the Canadian taxpayer and to the Saskatchewan taxpayer?

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it is a pleasure to have this opportunity to participate in a debate which, in the view of my Party and of my House Leader, is one which should be pursued. If there is anything silly about the motion that was introduced by my hon. colleague, it is that it has elicited a silly, obscene response from the Hon. Member for Calgary West (Mr. Hawkes).

The Hon. Member alleges that this debate is based on some ideological imperative. Let us make it clear that the question of privatization is not subject to ideological imperatives. That is a fact and a consideration that I wish the government Party would take into account.

Mr. Hawkes: That's what you say every time. No common sense—

The Acting Speaker (Mr. Paproski): There will be an opportunity for questions and comments later.

Mr. McCurdy: What I said is like a worm that drew a fish to speak. It is not this Party which has raised the issue of the ideological content of privatization, it is the Government.

Recently, we had presented to us a ridiculously unprepared proposition for the privatization of Air Canada. That will be open to considerable debate, but it raises the question of whether or not the Conservative Party is so totally committed on the basis of an ideological imperative to privatization that it very nearly loses its senses whenever the issue is raised in the form of debate.

We have before us the proposition to merge and privatize the Saskatchewan Mining Development Corporation and Eldorado Nuclear. If ever there was an example of a case of privatization in which ideological considerations have overrun all other considerations, it is this one, and so it should be examined. This is a Government—

Mr. Hawkes: In committee.

Mr. McCurdy: I am very pleased that I am being listened to carefully, because the Hon. Member for Calgary West (Mr. Hawkes) could stand further education and an examination of his own motives.

Not too long ago, various spokesmen for the Government expressed their support for the Brundtland Commission report which drew the world's attention to the tremendous significance of the massive numbers of environmental problems the world faces. One of the propositions enunciated in that report was that there should be a movement in the direction of sustainable development.

For the Hon. Member for Calgary West, whose mind turns to a complete blank every time any question is raised about privatization, sustainable development means development that incorporates in the estimates of the costs and in the determination of whether or not to proceed the costs of all the environmental impacts. Surely even the Hon. Member for Calgary West should understand that the nuclear industry is not beyond question. It is not devoid of widespread concern. For that reason alone, one would have thought that the Hon. Member for Calgary West would have had the common sense to understand that this, therefore, is not just any old deal, it is one that requires the most careful scrutiny. It would get that scrutiny if this Government were not so totally committed to its ideological imperative.

In this instance, there is not only an ideological imperative that is being pursued but considerable environmental considerations that must be taken into hand. We know, for example, that the Port Hope refinery produces hundreds of tonnes of waste each year and that the capacity of the disposal site is on the verge of being completely exhausted. There are no alternatives, and when an alternative is found, will it be the burden of the new owners of this merged company to pay for the disposal of these wastes? No, the Government will pay $75 million for it in the estimated costs, according to the legislation we are considering today.

We must also be aware that there are similar problems with the mines owned by the Saskatchewan Mining Development Corporation. The most significant problem we have with the nuclear industry in its peaceful use is the environmental impact of the waste generated by it and the disposal problem which has not been resolved.

In debate the other day, one of my hon. colleagues indicated that the half-life of some of the waste contamination produced was 300,000 years, and he was talking about it taking 300,000 years to get rid of it. The half-life is 300,000 years—

Mr. Hawkes: Mr. Speaker, I rise on a point of order. The Hon. Member is bringing up interesting general information about the nuclear industry, and indeed the committee might decide that some of that information is required from expert witnesses in order to deal with the nuclear industry, but what does this have to do with the motions being debated by the House, either the amendment or the original motion which provides for the merger of two Crown corporations?

The Acting Speaker (Mr. Paproski): I am sure that the Hon. Member will get to the point.

Mr. McCurdy: Mr. Speaker—

The Acting Speaker (Mr. Paproski): I do not think that whatever the Hon. Member said was recorded because the microphone was off. Again, I said that I am sure that the Hon. Member will return to the amendment. The Hon. Member for Windsor—Walkerville (Mr. McCurdy) has the floor.

Mr. McCurdy: As I said, the Hon. Member for Calgary West (Mr. Hawkes) is undergoing considerable mental strain, I see, in trying to understand the obvious.

This is obviously in support of the motion. It takes no great difficulty to understand that we are pointing out some of the considerations that need to be debated and considered by the Government before this legislation is even considered in the House. That I would understand to be the purpose of a hoist motion. It is to allow the Hon. Member for Calgary West and his colleagues to consider what it is they are doing.

• (1150)

Even the bare facts that I have indicated strongly suggest to any rational individual that we are dealing with an industry which should not be privatized. If there is any source of dependable control over an industry that people fear, it resides with Government. Why, then, do we suggest that we abandon the kind of control that will provide the necessary assurances that the nuclear industry will be handled in such a way as to protect the interests of the people and the environment?

We could talk about the workers and the proposition advanced by the former Minister responsible for privatization, which I will only paraphrase, which suggested there would be vastly increased efficiency as a result of privatization. It will be rationalized in order to achieve that efficiency. When matched against the notion of stock being available to the workers, it surely is of some importance to these workers to be sure that their interests will be taken into account in a fashion modelled

on what happened when the industry was subject to a vast lay-off under circumstances of government ownership.

Apart from the foolishness associated with privatizing the nuclear industry, one has to raise the question of whether in the long run it would be profitable for the private sector owners. In addition, there is the question of whether we should perpetuate this industry *ad infinitum*. Would it not be better to look in other directions and not place in the hands of private interests an opportunity to expand the nuclear industry? Would it not be better to put more commitment into exploration of alternative energy sources which would be renewable and non-contaminating, and based on the notion of sustainable development? It has been only a couple of weeks since we pointed out that there is such an alternative available to us in the form of hydrogen technology.

We have here, then, a proposition which is environmentally threatening and flies in the face of undertakings to move in the direction of sustainable development. It is economically doubtful in view of American action to restrain the import of uranium to the U.S. in flat contradiction of the free trade agreement. We have a deal that involves a stock flotation where, as my colleague indicated, the Canadian people will sell something they own and then turn around and have to pay for a great deal of the cost of that operation, with our taxes amounting to something in the order of $350 million.

I will admit that this intervention is a kind of random walk through the considerations which apply to this legislation, intended for one purpose only, to demonstrate that the Hon. Member for Calgary West and his colleagues are so absolutely committed to their ideological imperative that they refuse to consider the implications of what they are doing, so overwrought are they with ensuring that further mergers and so on continue as a matter of principle. They believe they should encourage them for reasons which are perhaps not ideological in some instances, perhaps more patronizing in a certain sense,I might suppose. Certainly we heard earlier suggestions that mergers have been of economic benefit to this country. If that is the principle being applied here, then that is under question, too.

I will conclude by saying that it seems to me self-evident, as I am sure it is to my colleagues in this House, that this Bill should be hoisted. The Government should take some time to give some thought to the matter. I do not think Members opposite want to be accused again of doing something thoughtless and in an ill-considered manner, a reputation which they have rightfully earned. Here is an opportunity for them to withdraw, reconsider, and perhaps not do at all.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Hawkes: Mr. Speaker, they speak out of two sides of the mouth, maybe three. The NDP Government in Manitoba is in trouble in large measure because it is inappropriate for elected representatives, I believe, to have control of certain kinds of management paths related to public enterprise. It is the management of Crown corporations where indeed elected Members of Parliament do not have the expertise that has got the NDP Government in trouble in Manitoba.

Mr. Waddell: Where?

Mr. Hawkes: Where? We will see on voting day just exactly the size of the trouble.

The arguments being advanced on the other side would force Canadians to conclude that when they go to the ballot box they should be choosing people who know how to run a mining and processing company. That is the logic of their argument; elected representatives are better able to manage a mining enterprise. I am sorry, but my background does not prepare me to manage a mining company. What I think I am asked to do when I come to this Chamber is to protect the environment, protect public health and safety, and produce a policy climate that will enable enterprises to flourish and jobs to be created. I am here to try to help people reduce their tax load so that they have more discretionary income and they can enjoy a higher standard of living.

We are dealing here with two Crown corporations, one owned by the Province of Saskatchewan and one by the federal Government. We are simply saying: amalgamate the two of them so we have a more efficient enterprise so when you do research into things like the environment you have more resources to do it and the environment is better protected. We will have a better marketing wing and the health and safety standards we lay down in this House of Commons, which is our job, will be better complied with by the company because it is a healthier enterprise.

I was in this Chamber when the Liberal Government of the day, supported by the NDP, decided to nose around in an industry and take control in many ways, control which Members of this Chamber were not prepared by background to take. That industry was the oil industry. I saw job losses, wife beatings and suicides as a result. I saw unemployment rise from 4 per cent to 12 per cent because a group of politicians on some kind of ego trip decided that they could run the world. Well, we cannot. Neither should we be responsible for running a mining operation. We were not elected to do it.

Years ago, when the markets and technology were brand new and private investors had no experience in this area, it may have been appropriate for Government to help get something started. However, we are now dealing with a tremendously sophisticated and competitive world-wide business. We need strong companies to compete successfully in markets around the world, and this is one of them. This is what that legislation is designed to do. We need it to be controlled and managed by knowledgeable people rather than not knowledgeable politicians.

• (1200)

They have taken four days in this Chamber and have spoken out of the two sides of their mouths. The filibuster continues. On Monday of this week we heard the House Leader say that this should go to committee soon. We heard him make another speech on Tuesday and another speech yet on Wednesday.

Mr. Benjamin: Who?

Mr. Hawkes: The Member for Kamloops—Shuswap (Mr. Riis), the House Leader.

The Acting Speaker (Mr. Paproski): Will the Hon. Member put the question please.

Mr. Hawkes: I would be happy to, Mr. Speaker. What is the honest statement of reality? Is the New Democratic Party, as expressed by its leadership, moving this Bill to committee to hear expert witnesses to see if we got it right, or is the back-bench revolt a planned revolt? Is the House Leader saying one thing in this Chamber which is different from what the behaviour tells us? From which part of the NDP are we hearing? What is the lie and what is the truth? Is this going to committee or is it going to get filibustered?

Mr. McCurdy: Mr. Speaker, the Hon. Member for Calgary West has become downright revolting. We do not have back-bench revolts over here. I suppose that in his environment the Hon. Member thinks that all Parties are subject to back-room revolt. We do not have any little cabals in our Party or anything of the sort. The Hon. Member should disabuse himself of that kind of silly observation.

I have never heard such an abject confession of the ideological basis of this and so much else that the Government is doing. The Hon. Member says that he was not elected here as someone competent to do a number of things. A government does a great many things, and I am sure that we would all agree that the Hon. Member is not competent in any of them. However, I do not understand why the Hon. Member would submit the argument that it follows that if we are not competent in mining we are not competent in public health, medicine, science, or forestry.

The Hon. Member has said clearly that the motivation behind this legislation is thoughtlessly ideological and because it is thoughtlessly ideological we have a piece of thoughtless legislation before us now which disregards the proper role of government.

Let me disabuse the Hon. Member of his perception of where this Party stands. This Party is a social democratic Party. If the Hon. Member is so narrow in his understanding and knowledge not to know that the highest percentage of private ownership exists under a social democratic Government in Sweden, then he knows nothing, but then he has confessed that previously.

This Party understands that there are certain situations in which it is in the national interest that certain industries and certain businesses be in government or Crown hands. It understands as well that there are industries and businesses which should remain in private hands. The decision is to be made in the interests of the public or national welfare, whether that be in terms of the production of jobs, which is the highest priority, or the environment, which is of equally high priority. Those kinds of considerations may so heavily weigh in favour of public ownership that we, in those circumstances, would propose it.

However, that does not necessarily mean that private ownership, in the vast majority of circumstances, would not be in that same interest so long as what is done is on the basis of a strategy of prosperity for this country. I hope that that will provide a basic understanding for the Hon. Member which has been so difficult for us to provide to him.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The Hon. Member for Kenora—Rainy River (Mr. Parry).

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad to have the opportunity today to address a few remarks of my own to the privatization of Eldorado Nuclear. The New Democratic Party opposes this privatization for much the same reasons that we oppose the deal which has been made with the United States, because it is fundamentally a bad deal and one which does not hold the prospects of profit or benefit for the people of Canada.

The deal is structured in such a way that the private sector, presumably the eventual owners if this Bill passes, of Eldorado Nuclear will get the profits, profits generated not only from the commercial activities of the company which will be formed by the eventual merger of Eldorado and the Saskatchewan Mining Development Corporation, but profits also that have been made possible by the very heavy public subsidies that have been given to the uranium mining industry over a number of years in the form of favourable taxation, marketing arrangements, sweetheart contracts and, I might say, some forms of political manipulation and protection as well. We have no assurance that the Government even recognizes the benefit that it is conferring on the private sector by this privatization.

I think that Canadians would more readily excuse the Tories if they were to say honestly that they are going to give things to the private sector at less than their full value on the basis of potential income generation because, as Tories, they believe in the private sector and see this as a useful way to further that belief and their own ideological agenda. However, it does not seem that the Government has had the straightforwardness to confess to the Canadian public. I can assure the Government that if it were to make the confession in such terms, it might get a better response than it has received to this sly way of using the backroads to sneak through another privatization on the Canadian people.

The Government is now putting it to the Canadian people that the public sector, the people of Canada, is ultimately bearing and underwriting all the risk components which might be in this deal because the Government is assuming the potential liability of the nuclear waste problem at the Port Hope refinery at a cost of perhaps $75 million, and because the Government is assuming financial liabilities that might arise.

The Government would receive from the newly merged company about $250 million, but that would still leave some $300 million of debt which the Government is essentially going to have to take over and write down to nothing. Yet that only represents the tip of the iceberg on the investment which has been made in Eldorado in the form of government equity.

The Government is going to take a loss on this transaction. It is going to tell the taxpayers of Canada that now is the time to take the loss. However, it also means that the previous investment is liquidated to zero and that the people of Canada will not share in any future profits which come from the uranium industry.

I wonder, Mr. Speaker, whether there is any certainty for the Government in trying to seek a high share price in order to diminish its losses. Obviously it does not want to end up like that great Socred experiment in British Columbia, the British Columbia Resources Investment Corporation, where the shares were sold to the public at $5 each and are now valued at 90 cents. If the Government seeks that high share price for this privatization it must face the reality that uranium markets are chronically over-supplied and prices are depressed at the moment. After all, if the United States Government were to go against the spirit of the free trade deal and pass the Bill presently before it concerning penalties on utilities which use foreign-enriched uranium, that would drastically reduce the market for Canadian mined uranium within the United States and would of course, depress the prices.

• (1210)

This gives me the legitimate opportunity, which I shall not pass up, to point out again to the Government the degree to which that trade deal signed with the United States Government is one-sided and unrealistic. While we are even waiting in this House for the introduction of the omnibus Bill which will harmonize all the Canadian legislation with the trade agreement that has been signed, Bills are coming forward in the American Congress that would provide for obvious restraints on trade with Canada.

Therefore, we have a deal that is no deal at all because it does not change the future from the past. All that has changed is that certain programs have been given a blessing or said to be legitimate, yet they can still be treated before the U.S. Trade Commission and in the U.S. Congress as if they were not legitimate. So it is with American legislation. There surely must be a large corpus of American legislation that can be very readily recognized as protectionist.

I do not think I need to go into examples about the Jones Act, about quotas on Japanese automobiles, about some of the military procurement regulations that prevail in the United States. The fact is that the Government has signed a trade agreement that really does very little to reduce not only the protectionist legislation that is in place in the United States but the protectionist legislation which is to come in the United States.

Therefore, to say that we have a trade deal really is flaunting a Pollyanna approach in front of the Canadian public. Much more is left unregulated, uncontrolled and at the mercy of the whims of the U.S. Congress in that deal than is settled in it.

What are the other advantages to this Eldorado privatization? Are there job guarantees? Is there any security for the workers of those two companies that are to be merged? Quite the opposite is true. The Minister spoke of rationalization, which we all know is the Tory code for lay-offs. There are no guarantees for jobs in Bill C-121.

What are the research and development prospects? After all, there are prospects for change in the way in which uranium is enriched. That will require substantial research and development investment but there is no guarantee in this Bill that that research and development investment will be made.

There is no guarantee that if it is made, the research and development will in fact be done in Canada. In the Minister's own words, the future prospects of the entire uranium industry have been heightened by lessening the uncertainty over possible U.S. import restrictions on uranium. But how is that to happen? The trade deal with the United States has us dropping our requirements for the processing of imported oil. How will this happen, beyond the United States saying that they want our unrefined uranium and if they do not get it they will subject the refined version to the countervail provisions of their trade law.

Environmental problems are an issue that could really be the subject of a separate speech. Something that must be remembered and that I do not believe the government side would challenge is that it is far easier for a private company to avoid or evade nuclear regulations and obligations than for a public company to do so. Indeed, I would suggest that it is far easier for a private company to tailor the regulations to its taste than it is for a public company to do so, where of course the board of directors know that they are subject to the Government. That is something that private companies would often chance their arm at. The unions of the facilities believe that private ownership could lead to a reduction in those safety standards.

I believe we should look at privatization in the context of other privatizations that have occurred. The Government is pursuing an agenda of privatization, much the same as the Conservative Government in the United Kingdom. Some of their privatizations have been touted as successful by the Government, but they are only successful in the degree to which they have conferred windfall benefits on private

investors. They have not been successful in terms of returning the fair market value of the privatized company to the people of the country through the Government which previously held the shares.

That is a consideration to make when we look at the broad scheme of privatization and the broad scheme of the Government's ideological agenda for privatization within Canada. Rather than judge it on a case by case basis, I think we should say that the Government is obviously running this risk and is prepared to do so. It is prepared to see the profits on a privatization go to private hands. It is prepared to call the privatization successful if the shares merely change hands, whether or not the shares subsequently increase significantly in value and generate windfall profits for the investors. That is quite harmonious with the ideological agenda of the Progressive Conservative Party and is something that the Government will not take into consideration even though, in every other context, the objective of deficit reduction is highly touted and widely used. However, when it comes to selling off a company below the market price, this is not quite such a pressing consideration when the Government gets to that point.

Let us look at the safety agenda once again. In the 1940s the federal Government recognized the importance of nuclear energy by first expropriating the assets of Eldorado and using the declaratory power present at that time in the BNA Act to take jurisdiction.

If the Government gets out of the nuclear industry and does not have hands on experience, how will it get the information so readily that it requires to improve safety regulations and to continue to enforce safety regulations? Instead of a Crown corporation, with workers understanding their link through to the Government and their responsibility to the people of the country, there is a danger that an ethic may develop whereby workers will see themselves as being responsible to the company and see a necessity to keep some things secret that would be better in the public domain.

If we look at the behaviour of some of the companies in the American nuclear industry we can very readily see how that type of mentality can build up and possibly do damage in Canada.

The social cost of withdrawal from the nuclear industry as result of this privatization could be immense. Some of the key liabilities in this transaction have been taken over by the Government, and I see a situation whereby the Government will assume the full environmental responsibility while the company will escape scot-free, without bearing the costs of that environmental responsibility. I believe that would be a very bad paradigm to lay before Canadian industry and the Canadian people because we have seen in the past that many industries have prospered and returned profits to their shareholders by socializing the real cost of their operation, particularly in the environmental areas. This is something that dates from the industrial revolution when waste chemical was first poured down a sewage system and taken out into a stream.

Simply because it is only in recent years that the true costs have been identified does not mean that we can afford to drop the vigilance that is necessary to ensure that any resource or mining or manufacturing operation pays the full cost of its operation and does not arbitrarily socialize costs which, in many cases, may be immense.

Mr. Benjamin: Mr. Speaker, I want to compliment my colleagues who have spoken today and brought new material into the debate. I want to say for the benefit of my colleague for Calgary West (Mr. Hawkes) that from his remarks one would think that MPs and MLAs in places where there are Crown corporations will be managing them. I do not know of a single MLA or MP anywhere in Canada who has been managing a Crown corporation. In every instance, whether federal or provincial, top-notch experts were hired to be managers. I am wondering if the Hon. Member for Calgary West is trying to say that Petro-Canada is poorly managed.

• (1220)

Mr. Hawkes: Yes.

Mr. Benjamin: It is the most successful oil company in all of North America.

Mr. Hawkes: Bull-roar.

Mr. Althouse: What is the shareholder doing, then?

Mr. Benjamin: If it is being poorly managed then the responsibility is on the Hon. Member for Calgary West and his colleagues.

Even if it were the case that MPs and MLAs were managing Crown corporations, I have been trying to think of something that the Hon. Member for Calgary West could manage. I decided that it could be nothing more than a chicken coop.

It is the Conservative Government which has been talking about running the Government using sound business practices and bringing business ethics into government. It has come to a point now where we socialists have to give Conservatives lessons on sound business practice and good business ethics. It has always been my understanding, and I want to ask my colleague for his opinion on this, that in the private sector where there is sound business management and good business ethics if one buys a business one buys not only its assets but also its liabilities.

What does my colleague think of this ridiculous, hare-brained, bone-headed proposal of the Governments that the taxpayers of Canada will keep the hundreds of millions of dollars worth of debt and that the eventual private owners of this new company which will be privatized will get off scot-free and get the gravy? Would my colleague like to express an opinion on those types of business practices?

Mr. Parry: Mr. Speaker, I would like to thank the Hon. Member for Regina West (Mr. Benjamin) for his perceptive comments. Indeed, I would like to respond to the first part of his comments in which he was criticizing what I can only describe as the caricature that the Hon. Member for Calgary West (Mr. Hawkes) made of the actual structure by which Crown corporations are managed.

It is of course entirely inappropriate for the Hon. Member for Calgary West to suggest that Members of Parliament or even members of the Government would be involved in an operational way in the management of Crown corporations. For him to caricature the real situation in this way I would say is an abdication of a parliamentarian's responsibility to describe, whatever his or her preconceptions, things as accurately as they know how.

As the Hon. Member for Regina West said, the situation is quite clear. The Government appoints a board of directors for a Crown corporation. The board of directors hires the management. The Government acts as the shareholder, whereas in a private situation there are many shareholders. But the principles of corporate organization remain the same. The board of directors instructs the management. The board of directors of course accepts direction in policy matters and policy matters only from the Government.

It may be that Tory Members have been getting involved in mischievous ways in attempting to interfere with and run Crown corporations. Maybe what we are hearing is not so much a caricature as perhaps a confession. I would have to point out that in provinces such as Saskatchewan, Manitoba and British Columbia, which have had the benefit of Crown corporations established by New Democratic Party and CCF Governments, those distinctions have been observed. Those distinctions have been made to work. Indeed, Crown corporations have been run in accordance with sound business principles.

If the Tories' plan is to deviate from that trend, then let them do so. When I hear the Hon. Member for Calgary West in response to a question about whether Petro-Canada is well managed or not say that it is poorly managed, then I say it is obvious that if that is a comment made on behalf of the Government and not one merely arising out of frustration, it is the responsibility of the Hon. Member to put that opinion and that analysis to the shareholder, which is the Government. After all, he represents the riding which is directly adjacent to where Petro-Canada has its headquarters.

He should make the Government the beneficiary of the knowledge and insight that he has into the operations of Petro-Canada. I am sure that the Government knows, even if the Hon. Member for Calgary West does not, the correct way to communicate such an opinion to the board of directors of Petro-Canada. The board of directors of Petro-Canada of course, if it agrees with the analysis, has the power to make those changes in management that it feels are appropriate under the circumstances.

Turning to the other part of the question, it is obvious that there are enormous costs out there, unestimated, unanalysed and unknown, for the Government if it sells off merely the assets of a corporation without selling off the liabilities as well. That is something that flies in the face and is totally contrary to sound business practice.

The Acting Speaker (Mr. Paproski): The time allotted for questions and comments has now terminated. Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the amendment of Mr. Benjamin. Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

The House divided on the amendment (Mr. Benjamin) which was negatived on the following division:

• (1230)

(Division No. 317)

YEAS

Members

Benjamin	McDonald	Heap
Blackburn (Brant)	(Broadview—Greenwood)	McCurdy
Blaikie	Waddell	Parry
	Althouse	McLaughlin—11
	Young	

NAYS

Members

Allmand	Bouchard	Clark (Brandon—Souris)
Andre	Boudria	Clifford
Axworthy	Boyer	Collins
Belsher	Caldwell	Comeau
Binns	Cardiff	Cook
Blenkarn		

Corbett
Côté
(Lac-Saint-Jean)
Crosby
(Halifax West)
Dantzer
Darling
Daubney
Della Noce
Dingwall
Dorin
Ellis
Fennell
Ferland
Fontaine
Fraleigh
Fretz
Gagliano
Gass
Gauthier
Girard
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Grisé
Grondin
Hamelin
Hawkes
Horner
Howie
Hudon
Jacques
Jardine
Jelinek
Johnson
(Bonavista—Trinity—Conception)
Joncas
Kaplan
Killens
King
Landry
Lapierre
Lewis
Lopez
Mazankowski
McCrossan
McKinnon
Merrithew
Mitges
Nicholson
(Trinity)
Nickerson
Nowlan
Nunziata
Oberle
Penner
Pennock
Pépin
Peterson
Pietz
Prud'homme
St-Julien
Schellenberger
(Wetaskiwin)
Scott
(Hamilton—Wentworth)
Scowen
Shields
Siddon
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Van De Walle
Vankoughnet
Winegard—88

The Acting Speaker (Mr. Paproski): I declare the amendment lost.

The Acting Speaker (Mr. Paproski): It being after 1 p.m., I do now leave the chair until 2 p.m. this day.

At 1.04 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

INDIAN AFFAIRS

ABANDONED HOUSES IN SCHEFFERVILLE—REQUEST THAT MINISTER NEGOTIATE AGREEMENT WITH MONTAGNAIS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, on Tuesday, April 12, the Montagnais Indians were in Ottawa to condemn the failure of the federal and Quebec governments to take action with respect to the situation in Schefferville. Schefferville has, to all intents and purposes, been abandoned, and many houses, for which the Canada Mortgage and Housing Corporation is responsible, are empty. Meanwhile, the Montagnais in the area are living in multi-family dwellings, with a bare minimum of services, and without any play areas for the children. The empty houses in Schefferville are deteriorating, despite the Canada Mortgage and Housing Corporation's attempts to provide maintenance.

I therefore ask the Minister responsible for Indian Affairs, the Minister responsible for housing and the local Member who is the Prime Minister himself, to negotiate an agreement with the Montagnais under which they will be able to move into these houses, which would be a first step towards giving the Montagnais responsibility for their own economic development.

* * *

[*English*]

VISIBLE MINORITIES

JAPANESE CANADIANS INTERNED DURING WORLD WAR II—GOVERNMENT DISCUSSION WITH REPRESENTATIVE ORGANIZATION

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, this Government has been determined from the very beginning of its first term in office to redress the wrongs of the past as best it can today. Ministers have met with the Japanese Canadian community, listened, and searched for the appropriate set of actions. This is not a matter we as a Government take lightly.

Most recently, the previous Minister of State for Multiculturalism offered the following to that community: an official government acknowledgement of the injustice, to be formally adopted by Parliament; the introduction of new emergency legislation to replace the War Measures Act; and compensation to the community as a whole. This Government is at least willing to talk.

Our new Minister of State for Multiculturalism (Mr. Weiner) committed himself this morning to continuing discussions with the National Association of Japanese Canadians, proof that we are trying to find a fair and equitable solution to this problem which has been ignored for too long.

* * *

AGRICULTURE

FINANCIAL DIFFICULTIES FACED BY FARMERS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, today members of the National Farmers Union are holding a national day of protest to raise public awareness of the seriousness of the farm crisis. Rallies will be staged across Canada, including mock funerals in Edmonton and Regina. The caskets carried by honorary pallbearers symbolize the death of the family farm.

Government policies are not adequately addressing the burgeoning debt and low income problem of farmers. The Farm Credit Corporation has still not clarified the problem of longer term leases, an initiative it was supposed to have addressed a year ago. As well, the Chairman of the Standing Committee on Agriculture has not vigorously continued the investigation into equity financing or land bank schemes.

Another year has gone by. Another year has been wasted. Another year's crop of farmers has been lost. I call on the Government to make a greater commitment to ensure the survival of the family farm.

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ACCESS TO JUSTICE

THEME OF LAW DAY

Mr. David Daubney (Ottawa West): Mr. Speaker, as Chairman of the Standing Committee on Justice and Solicitor General I am pleased to invite my colleagues and all Canadians to celebrate the sixth annual Law Day which takes place tomorrow. For six years now Law Day has given us an occasion to reflect upon the rights and freedoms which define our society and which benefit all Canadians. This year's theme, "Access to Justice", reflects the right of every Canadian to have equal access to information about the law as well as equal opportunity for access to the courts.

Tomorrow across Canada members of the Canadian Bar Association and other lawyers from the private and public sector will be engaged in a variety of activities aimed at bringing the law to the Canadian public. I look forward personally to speaking to students at Woodroffe High School in my riding about the work of our committee.

As Members of this House it is our duty to help our constituents become more aware of the law and how it affects them. All Canadians should feel that the law exists for them and that it allows them to live in a fair and just society. It is up to each one of us to help make access to justice a reality for all.

* * *

• (1405)

WELFARE

CHANGES TO BRITISH COLUMBIA SYSTEM

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I rise today in the House to voice my complete indignation at Premier Vander Zalm's reorganization of the B.C. welfare system. We heard this morning that in the restructuring of the welfare program Mr. Vander Zalm has decided to cut back on welfare benefits for single mothers. Even Mr. Vander Zalm's allies find inconsistency in the fact that Mr. Vander Zalm is trying, on the one hand, to promote family life while, on the other hand, making life more difficult for single head of family mothers.

According to Mr. Vander Zalm's new restructuring, women who do not find work within 15 weeks of the birth of their children will face a financial penalty. How can Mr. Vander Zalm reconcile the promotion of family life with the fact that he is virtually ruling out the possibility for single women to have a child by imposing harsh restrictions on their access to welfare benefits?

I see no promise for universal day care in Mr. Vander Zalm's new program, only a vague promise of personal intervention in the harshest cases. Single mothering is itself a harsh case, Mr. Speaker, a case Mr. Vander Zalm is making harsher. We must voice our disdain for a plan so completely devoid of compassion or understanding.

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AIRPORTS

HAMILTON INTERNATIONAL—TRILINGUAL PLUG

Mr. Geoff Scott (Hamilton—Wentworth): *Merci, M. le President. Bienvenue a l'aeroport internationale de Hamilton!*

Mr. Speakah, Ah want to welcome y'all to Hamilton InterNayshunal Eiry-port.

Viva! La Aero-puerto Interna-TZion-Ale di Hamilt-Don!!

You see, Mr. Speaker, it does not matter which language you use, the name "Hamilton International Airport" has a nice ring to it. It is also becoming an urgent ring because of potentially greater chaos and confusion at Toronto with the construction of a third terminal building there. Many pilots and passengers are suddenly becoming aware of Hamilton's superb runways and facilities.

With regularly scheduled services such as Pan Am Express and Alleghany Airways to the United States, and with NationAir coming on stream with flights to London, England, and hopefully beyond to continental Europe, we are now virtually an international airport.

I am formally inviting the new Minister of Transport (Mr. Bouchard) and the new Minister of State for Transport (Mr. St. Germain) to see for themselves what should become Canada's newest international airport—Hamilton International Airport.

Merci, Thank Yew, *Dankeschön*, and *Muchos Gracias*.

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AIR CANADA

OPPOSITION TO SALE OF SHARES

Mr. Les Benjamin (Regina West): Mr. Speaker, Canadians are asking a lot of questions about the Government's scheme to sell Air Canada and to sell them out. Canadians want to know why it is okay to give General Motors $250 million in subsidies but not to give Air Canada a similar injection of cash. Why have the Government and Air Canada not considered capital refinancing plans that do not involve selling out the company?

Why should the public buy shares in something it already owns?

Air Canada is an important instrument of national policy. It serves small and remote communities with jet aircraft with cargo capacity. It allows public monitoring of pricing practices and guarantees adherence to safety and maintenance standards.

The Government can make no guarantees about Air Canada concerning safety, service, bilingualism, or jobs if it abdicates control of the company to a small group of private investors.

As was said in this morning's *Globe and Mail*, "we cannot afford to lose public accountability in deregulated skies. In the U.S. ruthless corporate managers have savaged workers' jobs, wages, and working conditions, brought chaos to passengers and shippers, and cut corners on safety and maintenance". We must not allow Air Canada to become Air Texas.

* * *

CANADIAN JOBS STRATEGY

COMMITTEE'S LITERACY SKILLS RECOMMENDATION

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the second report of the Standing Committee on Labour, Employment and Immigration entitled "A Review of the Canadian Jobs Strategy" reports as follows:

> A great deal of concern was expressed to your Committee regarding the fact that many individuals are unable to fully utilize the Canadian Jobs Strategy because they lack literacy skills and/or are in need of basic academic upgrading.

This is certainly the case in the region which I represent and I commend for careful study by the Government the recommendations made by the committee to deal with this serious problem.

* * *

LOBBYISTS

CALL FOR AMENDMENT OF BILL C-82

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, this week a legislative committee is studying Bill C-82 on the registration of lobbyists. The Bill has some gaping omissions.

First, the Bill does not prohibit lobbyists from charging contingency fees. This means that a lobbyist can charge an extra fee contingent on the outcome of the lobbying activity.

• (1410)

In most provincial jurisdictions this type of practice would be prohibited. Why should it not be prohibited for lobbyists as well?

Second, the activity of information gathering for the purposes of lobbying is not addressed in the Bill.

Third, the goal of transparency of the lobbying industry is thwarted in the distinction between Tier 1 and Tier 2 lobbyists in the Bill.

I urge vigilant Members of the House to lobby our legislative committee to amend the effects of the lobbying effort of the lobbyists on the lobbying Bill.

* * *

[*Translation*]

SOCIALISM

FIELD OF INQUIRY

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my Government is about to proceed with its fourteenth privatization. This is its fourteenth message of confidence in the creativity and productivity of Canadians. It is the fourteenth challenge to the Socialist Party, a Party that does not trust Canadians to create jobs and prefers to place its trust in protectionism and trade barriers.

Every day, socialism wants to give the keys to our economy to laboratory technocrats. Canadian workers know by now that privatization creates employment and more businesses. Collective ownership does not make sense.

Not a single country in the world has been able to apply this concept and we are certainly not going to start here in Canada.

* * *

[*English*]

IMMIGRATION

ADMITTANCE OF REFUGEES—GOVERNMENT POLICY

Mr. Dan Heap (Spadina): Mr. Speaker, the Minister of Employment and Immigration (Mrs. McDougall) keeps repeating the high sounding principle that Canada cannot morally allow economic refugees to use up the spaces allotted to real refugees. She is busily deporting Turks to prove her point.

However, during the past two years Canada has doubled the number of so-called refugees selected abroad for entry into Canada from Nicaragua. What is going on?

Nicaragua does not have the busy death squads such as Chile, El Salvador, and Guatemala. The United Nations and Amnesty find that Nicaragua's performance on the rule of law and human rights is clearly better than those countries, and the Central American Verification Committee found Nicaragua the only country seriously complying with the Esquipulas cease-fire agreement.

Canada seems to favour well off professionals and political opponents of the Sandinistas, by bringing in over 900 of them to take the places of other real refugees.

If this is the Tories' high class immigration policy, that is their choice. But to call it a refugee policy is hypocritical nonsense.

* * *

HISTORIC EVENTS

HOLOCAUST DAY

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, today is Holocaust Day, Yam Hasho'ah, a day of remembrance for the six million Jews and the uprising of the Ghetto of Warsaw during World War II.

We pray for the orphans, the widows, the innocent victims whose ashes have been scattered around by the Nazis. Their only flaws—they were Jewish by birth, and they were taken to Auschwitz, Dauchau, via Drancy, and the velodrome d'hiver and many other camps of slow deaths. They were tortured, they were destroyed on account of their identity. They were innocent victims of barbarians.

We too, here in our country, are not proud of what the then Liberal Government did to them, in returning them to the concentration camps in Germany.

We can only pray in silence to pay tribute to their memory. We undertake not to let such an evil repeat itself in this century or ever again.

My colleagues on all sides of the Chamber will no doubt rise with me and offer a tribute to their memory.

Some Hon. Members: Hear, hear!

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CAPE BRETON DEVELOPMENT CORPORATION

PRE-RETIREMENT LEAVE PLAN—PAYMENT OF UNEMPLOYMENT INSURANCE PREMIUMS BY PARTICIPANTS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Cape Breton Development Corporation pre-retirement leave plan was designed purposely to have the workers affected continue to be employed under a contract of service to Devco in order that they be eligible to continue to earn entitlement to various benefits, including the Canada Pension Plan. With very few exceptions, income from employment for purposes of one of the Acts I have mentioned is income from employment for the purposes of the other.

Since the pre-retirement leave plan of 1971, many miners have now gone for a compassionate disability pension and programs under the Labour Adjustment Program. Under these programs, individuals were not be requested to pay UIC. Hence, individuals who participated in the Devco pre-retirement leave plan must pay employment insurance. This is financial discrimination since these persons will never obtain employment with that Crown corporation.

I call upon the Minister of National Revenue (Mr. MacKay) to write to the Board of Directors at Cape Breton Development Corporation and encourage them to change this absurd and unfair deduction. The Minister relayed to me in a letter that he believed only Devco could change this rule. I encourage the Minister to help show Devco the light by providing it with his assistance.

* * *

• (1415)

[*Translation*]

AIR CANADA

IMPACT OF PRIVATIZATION ON REMOTE REGIONS

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the privatization of Air Canada has been on my mind for many months. On May 7, 1987, I wrote to mayors, chambers of commerce, school boards, development corporations, LEAD corporations and the CRDAT in the riding of Abitibi, suggesting they send resolutions to Mr. Jeanniot, President of Air Canada, to the effect that "in the event Air Canada is privatized, the Abitibi—Témiscamingue region is not penalized by cut-backs in staff and in the excellent service it has always received".

On August 6, 1987, I met privately for an hour with Mr. Jeanniot in Montreal to discuss the privatization of Air Canada. The decision was made by Ottawa.

This is Canada's fourteen privatization. This airline has an excellent record, and I agree with letting its employees become shareholders.

This morning, I received confirmation from the director of Air Canada for Abitibi—Témiscamingue, Mr. Jean-Claude Tétrault, that there would be no cut-backs in staff or services.

Mr. Speaker, Air Canada has a duty to provide outstanding service to isolated areas. We will all be most vigilant in this respect, and I intend to see to it that privatization does not mean sacrificing the interests of the public.

[*English*]

VISIBLE MINORITIES

JAPANESE CANADIANS INTERNED DURING WORLD WAR II—CALL FOR INDIVIDUAL COMPENSATION

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, this is an historic day for Canada as the National Association of Japanese Canadians and many other representatives of organizations gather in Ottawa to call upon the Government of Canada to recognize the enormous injustice done the Japanese Canadian community during the 1940s, and to urge the Government of Canada to act upon a proper redress.

This matter was put before the people of Canada by the Prime Minister (Mr. Mulroney) four years ago. Yet, in the intervening four years, the Government has hesitated at the decisive and important step—the essential step—of recognizing that individuals who suffered so profoundly and suffered so much have to be compensated as individuals if we are to be sure that a Government in the future will be deterred from taking action of this sort.

I call on the Government and the Prime Minister to enable the new Minister of State for Multiculturalism (Mr. Weiner) to carry the redress to its full conclusion, to negotiate a proper redress, to recognize the necessity of individual compensation, to arrive at a proper figure, and to remove this blot from the Canadian record.

ORAL QUESTION PERIOD

[*English*]

TRADE

UNITED STATES OMNIBUS TRADE BILL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Minister for International Trade. Since his appointment the Minister has not distinguished himself by his tasteless and insulting remarks to the citizens of Toronto who oppose the trade deal with the United States. I want him to know that on this side of the House we do not think he is being very funny. Those of us who oppose this deal from all parts of the country consider it a very serious matter.

The Minister knows that we have in our possession a document which is the agreement between the United States Senate and the House of Representatives on the content of the U.S. omnibus Trade Bill. Why did the Minister not advise Canadians of the existence of this agreement which is obviously so harmful to Canada in that it extends the application of unilateral trade remedy laws as authorized by Congress?

The document is dated April 6. Why in Washington did the Minister not publicly object to the stance taken by the U.S. Congress? Will the Minister now admit that Canada will not receive an exemption from the U.S. omnibus Trade Bill and therefore be subject to a wide range of harassment from American trade interests?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. apartment dweller from Toronto, whose rent is met of course by his own Party, must be one of the few Canadians who does not know that an omnibus Trade Bill is being considered by the U.S. Congress. Everybody else knows about it.

Today he had a press conference because he had a document dated April 6—eight days ago—which is supposed to be a lay summary of tariffs and tariff law provisions of this legislation which is now before a conference committee of the House of Representatives and the Senate. It has not been reported out yet. We will not have the legal text of whatever is agreed upon for several weeks after it is reported out. It may be reported out today.

Canada has made strenuous representations in connection with it. The omnibus Trade Bill is considerably improved compared to what it was in its original state.

• (1420)

Everything that the Leader of the Opposition says is just one more argument in favour of the U.S.-Canada Free Trade Agreement, because if we do not have that agreement, we have, as he points out today, little protection against U.S. protectionist actions which it is adopting against the rest of the world.

Some Hon. Members: Order.

Mr. Crosbie: I would like to quote what Mr. Gerald Regan, the former Minister for International Trade, stated on April 10—

Some Hon. Members: Sit down.

Mr. Speaker: Perhaps the Hon. Minister would find an opportunity on subsequent questions to give the House the information that he desires to impart.

The Right Hon. Leader of the Opposition.

Mr. Turner (Vancouver—Quadra): Mr. Speaker, if the Hon. Minister continues in that tone we would be delighted because he is not going to do his cause any good across the country.

Some Hon. Members: Hear, hear!

EXCHANGE VALUE OF DOLLAR

Right Hon. John N. Turner (Leader of the Opposition): The document which we have represents the consensus of the House of Representatives and the Senate, and it will form the basis of that agreement for drafting the text of the U.S. omnibus Trade Bill. Therefore, the Senators and members of the House have agreed on the substance of that Bill, and that

is in the document. It is a very dangerous document for Canada.

One of the items in that agreement—and Canada has no exemption from it—suggests that the United States will have the power to determine the level of the currencies of those with which that country trades, including Canada.

Will the Minister not admit that that document substantiates some of the suspicions we have had from the beginning, namely, that the value of the Canadian dollar and the interest rate structure necessary to maintain it, are an implicit part of the agreement with the United States, and now can be made mandatory as a result of the omnibus Trade Bill?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. Leader of the Opposition is in a state of anticipatory panic about an omnibus Trade Bill that is not even passed. As Gerry Regan, the former Minister for International Trade said, "Canada cannot expect to get special treatment from whatever path they take in the future unless we have some very specific, very comprehensive deal with them".

Perhaps the Leader of the Opposition should go down and tear up the omnibus Trade Bill since he is going to tear up the free trade arrangement.

Some Hon. Members: Sit down.

Mr. Crosbie: Oh, you can't take it.

With respect to the question about exchange rates, the Leader of the Opposition at a press conference this morning was a dismal failure. He made misstatements. There is no provision in the U.S. omnibus Trade Bill that gives the U.S. Government any right to intervene in Canada's right to set exchange rates, which is what the Leader of the Opposition said in his press release.

What it says is that they propose a provision that would say that whenever, in the course of negotiating a trade agreement, the President is advised by the Secretary of the Treasury that a foreign country that is a party to the negotiation manipulates its currency exchange rate, the President shall initiate exchange rate discussions with that country on an expedited basis. That hardly gives them the right to intervene to set some other country's exchange rates. Try to be factual and correct in your statements.

EXEMPTION FROM U.S. BILL—COMMITTEE'S RECOMMENDATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I think the pathetic side of this argument is that the Minister only came into possession of the document after we drew it to his attention, and he obviously has not had time to read it.

The agreement is not worth the paper it is written on, the Prime Minister has admitted, unless there is secure access to the American market. There is no secure access to the American market without a specific exemption from U.S. trade law.

Articles 1902 and 1904 in the agreement with the United States do not give us that. Now this new current Bill before the House of Representatives refuses to have it as an exemption, so the very basis of any bilateral arrangement with the United States is down the drain. That is what I am trying to convey to the Minister.

The House of Commons committee on trade, unanimously, including all the Conservative Members, gave as its advice to the Prime Minister that he should cancel his trade deal with the United States unless there were specific exemptions given under the U.S. omnibus Trade Bill. It now clear that they are not going to be given.

My question to the Minister is the following. Will the Minister now admit that the Government has been taken to the cleaners by the United States, that there has never been any intention on the part of the Congress or the administration to give us an exemption, and will he follow the advice of a unanimous House of Commons committee to move towards cancelling that agreement?

• (1425)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, if the Government did any such thing it would be moving against the advice of former International Trade Ministers of the Liberal Party such as Gerry Regan, and former Liberal Ministers of Finance such as Donald Macdonald. I could give them instance after instance.

Some Hon. Members: Oh, oh!

Mr. Speaker: Could the Hon. Minister complete his answer?

Mr. Crosbie: Mr. Speaker, what the agreement does is give Canadians more secure access to the U.S. market. That is why we have this bipartisan support.

I quote Mr. Gerry Regan who says: "There is a large amount of support for free trade at all levels of the Liberal Party", and he says whole-heartedly: "I think it's the best way of combating regional economic disparity that I can think of". Those are the comments of a former Liberal International Trade Minister.

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FISHERIES

CANADA-FRANCE DISPUTE—OVERFISHNG BY FRENCH METROPOLITAN FLEET

Mr. George Baker (Gander—Twillingate): Mr. Speaker, since the Government took over, the French metropolitan fleet from France has consistently overfished its quota. It is overfishing right now in area 3PS off the south coast of

Newfoundland. It will overfish by four times its quota like it did last year, totally destroying the fishing resource, while the Government does nothing about it.

I would like to ask the Minister of External Affairs, or the Acting Minister of External Affairs, why is the Government of Canada only now flexing its muscles with one vessel from St. Pierre and Miquelon loaded to the gunnels with politicians and film crews just begging to be arrested? Why not chase the real culprit, the French metropolitan fleet right from France, or is the Government afraid of the sharks and only chases the minnows?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the fact is that we have taken a firm position on the question of protecting the interests of Canadian fishermen on the east coast of Newfoundland. We did not give away the shop as was done in 1972 by the Government which entered into a treaty with France, the Canada-France Treaty of 1972, that gave them access to fish in Canadian waters.

As a result of the recent dispute we have taken a firm position. We closed ports to the French fishing vessels until they complied with the law and stopped overfishing in disputed area 3PS.

We closed the Burgeo Bank. We closed the fishing area of the western gullies. We have taken firm action, and the result is the incident we see occurring today, where a vessel from St. Pierre and Miquelon has deliberately come into Canadian waters to try to create some kind of incident.

I want to remind the hon. gentleman that we have 5,000 fishermen and 70 fishing communities along the south coast of Newfoundland. We are protecting them, and we are going to continue protecting them, the interests of whom were given away by the hon. gentleman's Government in 1972.

REPORTED DECISION TO SEND DISPUTE TO ARBITRATION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, that 1972 agreement says specifically "subject to resource being available".

Since the Hon. Minister brought up agreements, I would like to ask him to verify for the people of Canada that the Government of Canada, through its negotiator, has now agreed with the Government of France, through its negotiator, to send the entire fishing dispute to arbitration, and that that arbitration will be non-binding, not binding on either party.

Why such a loose agreement when we have such a strong position? We have been "Chiraced". We have been shellacked and, with non-binding arbitration, we are going to be "Exlaxed".

• (1430)

Hon. John C. Crosbie (Minister for International Trade): There has been a series of negotiations with France by Canada during which we have been as reasonable as one could expect. We have made offers of quotas of fish to French fishermen and the fishermen of St. Pierre and Miquelon on the condition that France agrees to go to international arbitration on the question of the territorial boundaries of St. Pierre and Miquelon *vis-à-vis* Canada. It has refused to do that.

Canada has not agreed to any non-binding arbitration or any binding arbitration on the question of fish quotas in Canadian waters. We do not intend to agree to any such arbitration. In the last three or four weeks there have been meetings and discussions as to whether a process of mediation might be agreed to by Canada and France, whether a mediator, under the proper terms and conditions, could be employed to help bring a resolution to this problem. That is not yet settled. There will be other meetings in connection with that possible process within the next week or 10 days.

Some Hon. Members: Order!

Mr. Crosbie: If you don't want to have the answers, don't ask the questions.

An Hon. Member: Sit down!

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AIR CANADA

SALE OF SHARES—WINNIPEG MAINTENANCE BASE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is directed to the Deputy Prime Minister. It has to do with reports today by the Manitoba Conservative Leader, Mr. Filmon, that he has guarantees from the Government with respect to the preservation of Air Canada maintenance jobs in Winnipeg. These are guarantees the Government would not give to the House in Question Period yesterday and the day before. I wonder if the Deputy Prime Minister is prepared to say what kind of guarantee he gave to Mr. Filmon. Or was this just to get Mr. Filmon through the next difficult few weeks for him during the election campaign?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the guarantees I gave Mr. Filmon are the same guarantees I gave in this House. It was outlined by Air Canada, and indicated in the announcement that there clearly would be provisions for the establishment of Montreal as its home office and the maintenance of the major overhaul operational centres, namely, Toronto, Montreal, and Winnipeg.

REQUEST FOR LEGISLATIVE GUARANTEE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the fact is that the Deputy Prime Minister gave no guarantees. All he did was quote Air Canada at the same time as he announced a plan to turn the control of Air Canada over to

someone other than the Government. How can the Government give a guarantee and at the same time relinquish control, unless it is willing to do what it was willing to do for Montreal, and that is to put legislative guarantees in for Manitoba and Winnipeg? I ask the Deputy Prime Minister why is he not willing to do that for Manitoba? Is Manitoba to be betrayed again like it was with the CF-18?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Hon. Member is referring to an age-old problem where the Liberal Government of the day removed a large installation from Winnipeg, which was an Air Canada installation. Since that time there has been a certain amount of nervousness, and a lot of nervousness from the New Democratic Party because it is running third, I understand, in Manitoba. So it is trying to engage in cheap politics here on the floor of the House of Commons. If the Hon. Member wants to fight the provincial election in Manitoba, he should go back there and do it.

GOVERNMENT POSITION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Deputy Prime Minister may want to make fun of the anxiety that all Manitobans have about the future of Winnipeg in the aerospace industry, but it is a legitimate anxiety. He is right, it does go back to the Liberals. For that matter, so does privatization of Air Canada. But two rights don't make a wrong.

Some Hon. Members: Oh, oh!

Mr. Blaikie: Or two wrongs don't make a right. I am sorry.

Some Hon. Members: Oh, oh!

Mr. Speaker: They do not make a question, either. The Hon. Member will put his question.

Mr. Blaikie: They all knew what I meant, Mr. Speaker. What I meant was that the Liberals and the Conservatives have a record of shafting Winnipeg when it comes to jobs in the aerospace industry. It appears the Deputy Prime Minister did not give a guarantee to Gary Filmon any more than he gave a guarantee to this House. The only guarantee that Manitobans will accept will be a legislative guarantee. Until that guarantee is forthcoming, we know the Conservatives are setting Winnipeg up to be shafted once again.

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the only anxiety quite obvious is the anxiety of the New Democratic Party in losing the provincial election in the Province of Manitoba. That is quite clear. It is engaged in an act of desperation to use any cheap political trick to try to enhance its popularity.

DIRECTION AND CONTROL OF CORPORATION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, both the Deputy Prime Minister and the Member for Winnipeg—Birds Hill are trying to fly on one wing. Everyone knows the only one soaring in Manitoba is Sharon Carstairs.

Ms. Copps: Right on!

Mr. Tobin: Can the Deputy Prime Minister confirm today in the House the suggestion he made when he announced the Air Canada sale, that is, that the Chairman of the Board of Air Canada, who, after the first 45 per cent of the shares are made private, shall be directed by the Government to vote the majority shares in the same way as a majority of the minority shareholders, that the Government and Air Canada management shall not exercise their control block but rather shall take direction from the private shareholders? Could he confirm that today in the House?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, the Hon. Member should know that under the Canada Business Corporations Act, all directors, no matter who they are appointed by, must act in the best interests of the company and all shareholders. The Government's commitment not to intervene simply re-enforces our intention to ensure that the Canada Business Corporations Act is complied with.

DEPUTY PRIME MINISTER'S POSITION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I thank the Deputy Prime Minister for his convoluted but nevertheless straight answer. What the Deputy Prime Minister is now telling the House is that neither the Government, nor Air Canada management, who shall act under direction of the minority private shareholders, can give any assurances to anybody anywhere, Winnipeg, Toronto, Montreal or Stephenville, Newfoundland, which now has an Air Canada service.

Why does the Deputy Prime Minister continue to interfere in the Manitoba election campaign by making statements that cannot be substantiated and do not reflect the fact of the privatization plan announced by the Government? Why is he doing that?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Very simply, Mr. Speaker, for this reason. In previous privatization initiatives there have been conditions that have been attached to the privatization, whether it has to do with official languages or with certain operations of the company. That becomes part of the legislation and/or the Articles of Incorporation. Clearly in the case of Canadair there were conditions. In the case of de Havilland there were conditions. In the case of Fisheries Products International there were conditions. In the case of Eldorado Nuclear there were conditions.

Why does the Hon. Member not go back and read the Air Canada Act of 1977? The Air Canada Act of 1977 said that it must perform and operate as a commercial company in anticipation of profit. That is a pretty clear mandate for the corporation.

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FISHERIES

CANADA-FRANCE DISPUTE—BOARDING OF FRENCH TRAWLER

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. He will know that at this moment Canadian fisheries officials are boarding the French trawler off the coast of Newfoundland. This obviously is a most serious international provocation on behalf of the French. The French officials on board the craft have indicated they plan to resist any efforts at arrest. Considering that the Minister's officials are now boarding this particular craft, and our officials and our ship are armed, what does the Minister plan to do from this point on?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, as the Hon. Member points out, this is a very serious matter indeed. We have had the St. Pierre and Miquelon based trawler *Croix de Lorraine* under surveillance for several hours while it has been sailing within the undisputed waters of Canada. We now have sufficient reason to believe that an infraction of Canadian law has been committed. For that reason we are commencing normal activities, as the Hon. Member has implied, according to standard operating procedures. When further information is available on the progress of this exercise, I will have more to say.

MINISTER'S PLANS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, this is obviously a serious international provocation on behalf of the French. French politicians are on board the craft. Television crews are on board the craft. It is obvious they plan to make this a serious incident.

Mr. Mazankowski: Is that where Broadbent is?

Mr. Riis: It is not a joking matter, Mr. Speaker. It is a very serious international incident. The people of Canada would like to know precisely what the Minister's plans are. Does he plan to arrest the fishermen? Does he plan to arrest the people aboard this craft?

Mr. Shields: If the cameras are there, Broadbent will be there.

• (1440)

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, as the Hon. Member has recognized, this is not a matter to be laughed at. It is indeed a very serious matter. It is also a matter on which we should not speculate or hypothecate here in the House of Commons.

Our two coastal patrol vessels, the *Leonard J. Cowley* and the *Cape Roger*, have engaged in an enforcement action according to standard operating procedures. When that action is completed, I will have something further to report.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MEMBER OF THE HOUSE OF LORDS

Mr. Speaker: I wish to bring to Hon. Members' attention the presence in the gallery of Lord Carlisle of Bucklow, Member of the House of Lords and Chairman of the British Parole System Review Committee.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF WESTERN EUROPEAN UNION COMMITTEE MEMBERS

Mr. Speaker: I wish also to draw to Hon. Members' attention the presence in the gallery of the members of the General Affairs Committee of the Western European Union, led by Dr. Karl Ahrens.

Some Hon. Members: Hear, hear!

* * *

TRADE

UNITED STATES OMNIBUS TRADE BILL

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would like to address a further set of questions to the Minister for International Trade in relation to the agreement between the two Houses of Congress to proceed now with the Trade Bill that contains many measures which are clearly detrimental to Canadian economic interests.

On March 6 the ambassador of Canada in Washington outlined a series of objections and concerns about that legislation. A reading of the document shows that most of those concerns have not been answered and that the measures to which the ambassador took exception are still contained in the agreement that is now going forward as part of the omnibus Trade Bill.

Taking that into account, I want to ask the Minister why it is he said in the House, in response to the Leader of the Opposition, that he considers the new Bill to be a major improvement and that it has many improvements in it. Does the Minister still stand by the position taken by Ambassador Gotlieb that the measures contained in the omnibus Trade Bill

are contrary to the spirit of both the multilateral and the bilateral trade agreements which we are negotiating with the United States and will have serious implications for the passage of any future Canada-U.S. agreement? Do we still stand by the ambassador's statement?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I think the ambassador of Canada sent a letter to the Congressional committee on March 1 outlining a number of our concerns with respect to the omnibus Trade Bill to which we had strong objection. There have been changes made. Some of the more onerous provisions have been changed.

The Bill has been improved in quite a number of respects as a result of our representations and those of others. For example, among proposals dropped that were of particular concern to us were the House proposals to amend the definition of a countervailable subsidy, certain amendments to revise the anti-dumping law, the Gephardt amendment, and I cannot go into them all because the list would be too lengthy. The Bill has been improved. We do not know the final version of it yet.

In addition, if there are any provisions in an ominous Trade Bill—omnibus trade Bill passed by Parliament—ominous is also right because, I will tell Hon. Members this, if we do not get our U.S.-Canada free trade agreement agreed to, there will be many ominous moments with the United States Congress which is in a very protectionist mood.

Mr. Turner (Vancouver Quadra): Oh, yeah, just knuckle under. Oh, boy!

Mr. Crosbie: We are hardly knuckling under when we have secured changes in this legislation. If there are any provisions in the omnibus Trade Bill that are contrary to the free trade agreement stand-still arrangement, we will be expecting the American Congress to attend to that in the legislation that goes before it to approve the free trade agreement, if there are such.

Now, there will be changes, not concrete, to the stand-still agreement that we object to which will be in the omnibus Trade Bill. But next year, thank God, with the passage of the agreement, we will no longer be as vulnerable as we are now.

DEFINITION OF SUBSIDY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, as the Hon. Minister well knows, any measures passed in the omnibus Trade Bill by the U.S. Congress will become entrenched as part of the Canada-U.S. agreement. We will be obliged to administer that part of the U.S. trade law. It will be a classic case of shooting ourselves in the foot.

Ambassador Gotlieb clearly outlined that one of the most serious reservations was about a definition of subsidy, because it would limit a number of very important government economic and development programs. That measure is still in the omnibus Trade Bill, still clearly restricting any subsidy that has very specific application to industry. Does the Minister stand by the commitment made by the ambassador that we will not proceed with the Bill and that we will have to provide our own Canadian legislation to offset that kind of damage that will be caused by the passage of this legislation in the U.S. Congress? That is a very important commitment. I want to know if the Minister stands by it.

Hon. John C. Crosbie (Minister of International Trade): Mr. Speaker, what I stand by is this. I do not know of any outside country that can control the legislation that is passed by the U.S. Congress. I can assure Hon. Members that the countries that will be best favoured when dealing with the United States will be those that have firm arrangements with the United States in their trade relations. As the Hon. Gerald Regan said on April 10, Canada cannot expect special treatment from whatever path they take in the future unless we have a specific, very comprehensive deal with them.

If we have a deal which is torn up by some other Party or some other Party Leader, then God help Canada and any—

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

CONSUMER AFFAIRS

DRUGS—PROTECTION OF CONSUMERS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Miles Laboratory is trying to mislead the public and take advantage of the vulnerability of the sick. In a so-called educational bulletin called *Heart Beat*, the company uses fear tactics to persuade angina sufferers to get the company's medication instead of using the cheaper generic drug. My question is this: How does he intend to respond to this situation and protect the Canadian consumer, now that his friends in the Pharmaceutical Manufacturers Association seem to be able to do anything they like?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not sure precisely what the Hon. Member is getting at because the drugs in question, I understand, are all prescription drugs. One can only obtain them if a physician gives one a prescription for them.

Is the Hon. Member suggesting that I or someone else on behalf of the Government write to the physicians of Canada saying to beware, prescribe the right drugs, or something? I am not sure what problem he is alluding to. These are prescription drugs and physicians will prescribe the drug they think appropriate for their patients.

NATURE OF ADVERTISING

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it might be excusable if the Hon. Minister had missed the translation of the question, but it is inexcusable that he has not been reading the newspapers. Miles Laboratories has been sending out, under the title of an educative newsletter, a statement or article to the effect that generic drugs are substantially more dangerous than the patented original. This is misleading advertising.

The Minister is supposed to protect the consumer. What will the Minister do about this clear example of misleading advertising being used to sell a drug on the basis of the fear of patients? Will he not take action?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, there are provisions within the law against misleading advertising. If the Hon. Member feels that this is misleading advertising, he can bring it to the attention of officials in my Department whom he knows—

Mr. McCurdy: I am.

Ms. Mitchell: He's trying to bring it to you right now.

Mr. Andre: Just a minute. If the Hon. Member would close his mouth and leave his ears open for a moment I would explain to him that the officials operate with an independent mandate. I cannot direct them to instigate an investigation or lay charges or so on. They do that independently as provided under the law.

I repeat again, the products in question are not products that consumers can purchase on their own. They are prescription drugs which are prescribed by physicians. For the Hon. Member to suggest that the Government should intervene and make judgments as to the quality of information being given to physicians—

Mr. McCurdy: Yes, yes.

Mr. Andre: The Hon. Member is shaking his head affirmatively. I think he wants to think about that before he shakes his head affirmatively.

* * *

ENVIRONMENTAL AFFAIRS

PCB CONTAMINATION IN BIG TROUT LAKE INDIAN COMMUNITY

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is for the Minister of the Environment. Since 1985 the Government of Canada has known about the serious PCB environmental problem in the Indian community of Big Trout Lake located in northwestern Ontario. Government tests show that PCB contamination of quite a number of individuals is above the level of concern. In fact, many are approaching an above the alarm level. Representatives of that community are in Ottawa today protesting the lack of action by the Government of Canada through the Minister of the Environment and the Minister of National Health and Welfare.

• (1450)

I ask the Minister why it has taken so long for action to be taken in the community of Big Trout Lake? Why has he not acted in the way the Health and Welfare report calls upon him to do, that is, in a determined and thorough manner?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the immediate issue at hand concerns a capacitor containing PCBs which was stolen from a storage facility of the Atmospheric Environmental Service of my Department by the band council in question. The storage was under the most rigorous authority and a permit was given by the Ontario Ministry of the Environment for that purpose. Storage was on an approved site in an approved fashion, and yet the facility was broken into and the capacitor is now in the hands of the band. I think that situation, Sir, is the most immediate risk to the health of the Indians whose cause the Hon. Member is championing.

I will give the Hon. Member my assurance, on behalf of the federal Government, that if the band will co-operate with the Crown, no charges will be pressed. I will dispatch the highest official possible to retrieve the capacitor. It will be stored under the best of authority, and as far removed from the area in question as the band would like.

TOXIC WASTE SPILL

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, the Minister has not been fully briefed on this problem. He will be when he meets Chief McKay and members of the council this afternoon. Chief McKay will carefully explain that he knows of Government of Canada transformers buried in the landfill site in the community. One is even exposed down by the lake. Another was found to be leaking. Knowing that, the Government of Canada has taken no action at all.

When there was a PCB spill on the Trans-Canada Highway the Government acted promptly. When there is one in an Indian community it drags its feet. Is there a double standard in this country—one form of action for all other Canadian citizens and another form of action if you happen to be a native Canadian?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member's question is replete with equal measures of inaccuracy, hyperbole, and exaggerated rhetoric. There is no foundation whatever to the substance of the Hon. Member's question.

My Department, the Department of my colleague, the Minister of National Health and Welfare, and those of some of my other colleagues met with the Indians in question on January 12. Subsequent meetings were cancelled by the Indians themselves. I understand another meeting has been

scheduled for April 21 and I look forward to it. I share, and the Government shares, the deep-seated concerns of the native people themselves. We want to work hand in glove with them to resolve any outstanding questions. However, I do not think the Indians' cause or the cause of accuracy or justice is served by the Hon. Member resorting to the kind of question that he just put on the record of the House of Commons.

REQUEST FOR ASSURANCE OF WASTE REMOVAL

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is also directed to the Minister of the Environment and also concerns the situation in the community of Kitche-Nuhmaykoosib, known in English as Big Trout Lake.

The Minister should be the foremost protector of Canadians in hazardous situations caused by—

Mr. Speaker: Given the time, I ask Hon. Members to put their questions as directly as they can.

Mr. Parry: Mr. Speaker, is the Minister prepared to give the community of Big Trout Lake the assurance that those wastes will be moved from the community at the first possible opportunity?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think it should be acknowledged, and I believe the Hon. Member would be the first to do so, that while government authorities have detected higher than normal levels of PCBs in blood samples from some of the Indians in question, no one, least of all the Government, knows the primary source of the PCBs. We have a particular situation concerning one capacitor, but that is clearly not the source of the problem. The source resides elsewhere. We are eager to work with the Indians to identify the real source. It is not evident to anyone.

REQUEST THAT MINISTER MEET PROVINCIAL COUNTERPART

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, is the Minister prepared to meet with the Ontario Ministry of the Environment to co-ordinate the identification of the sources of waste that the Hon. Member for Cochrane—Superior mentioned, and their removal as soon as is practicable?

Hon. Tom McMillan (Minister of the Environment): Yes, Mr. Speaker. If he is referring to the capacitor, we already sought from the Ontario Ministry of the Environment the relevant authority to remove the capacitor. In the meantime the Indians in question stole the capacitor, now have it, and we are trying to retrieve it because it does pose a danger to them when not handled by professionals.

As to the other sources of PCBs, we have been working with the Ontario Ministry of the Environment and different Departments at the federal level have been working with one another. Together we are eager to work with the Indians themselves.

HORTICULTURE

IMPORTATION OF SOUR CHERRIES FROM UNITED STATES

Mr. Joe Reid (St. Catharines): Mr. Speaker, my question is directed to the Minister of Agriculture who knows of the more than average difficulties with which the fruit growers of this country are faced. For example, last year our sour cherry producers were up in arms because they were hurt by provisions of the Canada Agricultural Products Standards Act which allowed an over-generous importation of sour cherries from the U.S. to this country.

Can the Minister give some hope to the fruit growers of this country as they look to this year's cherry harvest, and introduce the amendments he proposed last year to the CAPS Act?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome the Hon. Member's question. I also appreciate the continuing representations that the Hon. Member for St. Catharines and other members of the government caucus have made on this subject.

The record will indicate very clearly and without exception that when this Government makes promises to the agriculture industry, it keeps them.

Some Hon. Members: Hear, hear!

Mr. Wise: When we make commitments, we keep them. I can clearly indicate to the Hon. Member on this specific issue that we fully intend to keep this commitment as well. In fact, we could be in a position as early as next week to introduce those amendments. With co-operation from Members opposite we could have them within a week or 10 days.

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VISIBLE MINORITIES

JAPANESE CANADIANS INTERNED DURING WORLD WAR II—MINISTER'S MEETING WITH DELEGATION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism and concerns the emotional issue of Japanese Canadian redress. I would first like to wish the Minister well in his new responsibilities, particularly in dealing with this issue.

A few moments ago the Minister participated, as did I, in a very moving meeting organized on Parliament Hill by the National Association of Japanese Canadians to move the Government towards a solution and overcome the lack of a proper and legitimate negotiating process that would give justice a chance. Given that the Minister told the delegation that his door is open, can he inform this House that the door is open to a commitment to ongoing negotiations so that we avoid

a unilateral decision and instead obtain a satisfactory compromise that would do honour to this Parliament, the community, and the country?

Hon. Gerry Weiner (Minister of State (Multiculturalism)): Mr. Speaker, I would like to thank members of the National Association of Japanese Canadians for coming here today and joining in the rally sponsored by the Coalition for Redress. I want to say how wonderful that is for the democratic process. It will help us all in our understanding of the issue.

The Hon. Member is certainly in no position to raise the issue. Forty years of successive Liberal regimes were unable and unwilling to face the problem head on.

• (1500)

Mr. Speaker: Perhaps the Hon. Member for York West would ask a short supplementary question.

REQUEST THAT NEGOTIATIONS BE CONTINUED

Mr. Sergio Marchi (York West): Mr. Speaker, the Minister is the fourth Conservative Minister of Multiculturalism. Given that during the election campaign and as Opposition Leader the Prime Minister gave his commitment to a settlement and to negotiations, in a tone of co-operation and to try to de-escalate the emotions contained in this redress issue, can the Minister assure us that he will start his responsibilities on the right foot and commit his Government to a process of continued negotiations so that, in an atmosphere of give and take, a Canadian compromise position on this issue will be attained and we can cleanse the soul of a very dark blot?

Hon. Gerry Weiner (Minister of State (Multiculturalism)): Mr. Speaker, I indicated clearly to the community and all other Canadians this morning that I will continue to meet with the community, that I am prepared to listen, and that we will explore the issue completely. My door is open. We are prepared to redress the injustice. We are prepared to acknowledge the injustice. We are committed, we are dedicated, and we are hopeful that we can work together with the community.

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

REGIONAL PLANS—REQUEST THAT MINISTER MEET URGENTLY WITH QUÉBEC PRIME MINISTER

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. People have been looking forward to the announcement that various regional development plans will be implemented in Quebec's peripheral areas. These plans were to have been announced on March 31. As a courtesy to the Government of Quebec, you engaged in a series of consultations, and unfortunately, there have been no results so far, since the plan for Eastern Quebec is being held up, and the North Shore and Saguenay—Lac-Saint-Jean plans as well. Everything is at a standstill. Isn't it time the Minister asked for an emergency meeting with Premier Bourassa to get out of this impasse which is harming the interests of Quebec's peripheral regions?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, first of all, I would like to thank the Hon. Member for his generous question. My answer is that negotiations with Quebec are progressing rapidly, considering the circumstances, and that for the first time, Quebec's peripheral regions to which the Hon. Member referred will have plans adapted to their respective strengths and weaknesses, the ultimate goal being to reduce regional disparity and respond to the needs and wishes of the people in each region, as expressed during the consultation process.

I hope that in a matter of days or at the most a few weeks, Quebec will agree to a joint agreement that respects the constitutional jurisdictions of both levels of Government, this ensuring that these plans will proceed in the best interests of the people in these areas.

[*English*]

Mr. Speaker: I want to advise the House that there will be a single question from the Hon. Member for Edmonton—Strathcona and a single question from the Hon. Member for Thunder Bay—Nipigon, and that will close off Question Period.

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VISIBLE MINORITIES

JAPANESE CANADIANS INTERNED DURING WORLD WAR II—SETTLEMENT OF ISSUES

Mr. David Kilgour (Edmonton—Strathcona): Mr. Speaker, my question is addressed to the Minister responsible for multiculturalism who will know that the galleries are full of senior Japanese Canadians from right across Canada today. The Minister knows that there are six issues, and I think the Government is agreeable on five of them.

Can the Minister say anything to the House about those five of the six issues, if he cannot speak to the sixth today, in the non-partisan way in which we are trying to deal with this issue?

Hon. Gerry Weiner (Minister of State (Multiculturalism)): Mr. Speaker, I know that my colleague shares my pride in representing a Government which has finally attempted to deal with the injustices that the Japanese Canadians suffered in those days of yore. We will attempt to do this in a very open manner. I have indicated clearly that we are prepared to meet and to listen. I hope that, after a period of reflection, we will find a solution together.

REQUEST FOR RESOLUTION OF ALL ISSUES

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is for the same Minister who is familiarizing himself with the issues in the matter of redress for the great wrong which Japanese Canadians suffered. I ask him, under the eyes of many Japanese Canadians, whether he will ensure that there are discussions and decisions taken on all matters of a non-monetary nature which have never been resolved to ensure that those components of redress will be resolved. Will he also seek authority to agree to individual compensation which is absolutely essential to a just redress acceptable to the Japanese Canadian community of Canada?

Hon. Gerry Weiner (Minister of State (Multiculturalism)): Mr. Speaker, I want to express my thanks to the Member and the other members of his Party for their support in trying to reach a solution to a very difficult issue. Forty years has been too long to wait for some acknowledgment of the injustices which have been suffered by Japanese Canadians.

As I have said, I have committed myself, with an open door, to continue to meet, to listen, and to explore all ways in which this situation can once and for all be put to bed.

* * *

PRIVILEGE

ALLEGED REFECTION OF WITNESSES BY COMMITTEE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I rise on a question of privilege as a western Member of Parliament deeply concerned about the way the legislative committee is handling Bill C-113, the Bill on western diversification.

I want to remind you, Mr. Speaker, that when this House gave second reading to Bill C-103 to establish the Atlantic Canada Opportunities Agency Members of the House of Commons and the Government took it very seriously. A legislative committee was struck and it asked permission to travel because of the importance of this particular issue in Atlantic Canada and the obvious need for people living in Atlantic Canada representing individuals, groups, and various agencies, to express their reactions to the legislation as easily as possible.

Therefore, the committee decided to travel. It visited St. John's, Charlottetown, Port Hawkesbury, Halifax, and Fredericton. It held open public meetings so that all people of Atlantic Canada would have access to the process as the legislative committee proceeded with its work.

The committee saw, in a formal way, 35 witnesses including representatives from labour, business, women's groups, academic groups, co-ops—

Mr. Speaker: The committee may well have done all of that but, as I understood the Hon. Member, he was raising a point

with respect to another committee and another Bill and I would ask that he bring his comments to a conclusion.

Mr. Riis: Thank you, Mr. Speaker. As a western Member of Parliament I believe it is only right that western Canadians have an opportunity at least to express their views. The committee members have not requested travel to western Canada but have asked that witnesses who represent the interests of western Canadians appear before it. The list of witnesses was not long. I believe a list of less than half a dozen witnesses was offered by the Hon. Member for Yorkton—Melville (Mr. Nystrom) and a similar sized list by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

That modest request was rejected. The Conservative Members who form a majority of the legislative committee rejected the request to hear from some witnesses. As a matter of fact, they recently decided to hear no witnesses. Before that final decision on witnesses was made they decided to proceed clause by clause with the legislation.

How can the committee proceed in a thoughtful, business-like way to evaluate the legislation when no witnesses have been invited or heard? As a westerner I find that to be the ultimate affront. We are simply asking—

Mr. Speaker: Order. The Hon. Member for Kamloops—Shuswap (Mr. Riis) has raised a matter which clearly gives him very great concern and may, in fact, give concern to other Members. I have listened very carefully to the Hon. Member and the difficulty the Chair is having is that the decision of which he complains was made by a committee. As Hon. Members know, it is not the place of the Chair to interfere with committee proceedings unless something quite extraordinary took place which would literally amount to an Hon. Member not being able to attend the committee or not being able to carry out any function whatsoever.

The question of what witnesses will be called to committees is one which all of us who have been here for some years know is often a matter of debate within the committee. It is not for the Speaker to say whether the decision the committee has made is a correct one or an incorrect one. I can certainly understand, as other Members probably can, that there is clearly a complaint brought to the floor of the House by the Hon. Member for Kamloops—Shuswap.

However, I must say that while I have sympathy with the Hon. Member's position, procedurally I have very great difficulty understanding how the Chair can resolve the issue.

• (1510)

The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) is seeking the floor. I will hear him, but very briefly, in view of my comments.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I do not want to interrupt the Hon. Member, but during your comments you said that we would only bring this

to the attention of the full House if something exceptional happened. Let me say that something exceptional did happen which I believe seriously impairs my privilege as a Member of Parliament. It is that it was not a matter of which witnesses were called, there were no witnesses allowed at all.

If people whom I represent in my province, who have contacted me with a deep interest in appearing to represent a strong case for their interests in this legislation, are denied any opportunity even to be heard, I consider that to be a very serious breach of the privileges not just of myself but of all Members of the House. It is a real abuse of the rights of the majority and the minority and I think something should be done about it.

Mr. Speaker: I thank the Hon. Member for assisting the Chair with that intervention. The Hon. Member for Bow River (Mr. Taylor).

Mr. Gordon Taylor (Bow River): Mr. Speaker, if Hon. Members from the West are so interested in the West, I wonder why they are trying to hold up this legislation.

I want to give the facts as Chairman of the committee. There has not been one application to come and make representation. The Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) and the Hon. Member from the New Democratic Party presented about 10 names—

Mr. Axworthy: That was the deal we have with them. A point of order, Mr. Speaker. That is a distortion of the facts.

Mr. Speaker: If the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) feels that it is important to assist the Chair further, I will of course recognize him. However, I would like to hear from the Hon. Member for Bow River (Mr. Taylor).

Mr. Taylor: We did not have one application. When the motions were made, they were discussed and then refused. There was not one application from them and there was no indication that they were interested in coming. A motion was then moved that we would hear the Federation of Independent Businesses. That motion was agreed to, with the Hon. Member for Winnipeg—Fort Garry walking out and not even waiting to vote. While the Hon. Member from the New Democratic Party abstained, he did stay.

I asked the Clerk to contact the Federation of Independent Businesses to see if they wanted to come. The Clerk contacted representatives of the federation who said that they were not interested in coming but would be glad to accommodate us if we invited them. However, they did not have anything to offer to the Bill.

The Members raised questions about that, so we adjourned the meeting yesterday. I telephoned the Federation of Independent Businesses to see if they wanted to come, and they advised me again that they had nothing to offer. They had no dispute with the Bill and said they would come if we wanted them, but had nothing to offer in regard to the improvement of the Bill.

I went back to the committee and there was no representation, so there was a motion that we proceed with clause by clause study and we did so. We went through six clauses and during the afternoon the Hon. Member from the New Democratic Party pointed out, properly so, that once we begin clause by clause study there is no precedent for hearing further witnesses.

Today I received a phone call from the Federation of Independent Businesses, the gist of which is that they were being hounded to come and appear before the committee. I asked if they wanted to come and they said: "No, we do not want to come but if you want us we will".

Why are the Hon. Members trying to misrepresent this when there are hundreds of people in the West who want to get the loans and get this in operation?

Mr. Axworthy: On a point of order.

Mr. Speaker: Perhaps I can assist the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). I will take it upon myself to adjourn this particular intervention. It is still on the floor of the House.

I am not telling members of the committee to do something because I cannot do that, but I am asking Hon. Members to see if this matter can be resolved. I will ask the committee chairperson, the Member for Bow River (Mr. Taylor), to call me later in the afternoon.

Let me say this to Hon. Members: This is the very reason why we have had a rule for many years that the Chair cannot resolve disputes within the committee unless there is a most extraordinary situation.

The Member for Winnipeg—Fort Garry properly brings to my attention—I do not think I was completely aware of it—that the situation here involves no witnesses. I understand that that is a serious complaint.

However, I have listened to the Hon. Member for Bow River and there seems to be some explanation for that. The difficulty the Chair is in is that I cannot settle that dispute.

I am asking all Hon. Members to co-operate with the Chair. I am adjourning this application and I hope that Hon. Members will meet and perhaps later this afternoon the Hon. Member for Bow River, the Hon. Member for Winnipeg—Fort Garry or the Hon. Member for Kamloops—Shuswap (Mr. Riis) can call and indicate to me whether any resolution of this has taken place. I thank Hon. Members for their intervention.

Mr. Axworthy: A point of order, Mr. Speaker. I will not address the substance—

Mr. Speaker: May I ask the Hon. Member if this is about the same issue?

Mr. Axworthy: I wanted to raise a point of order about the remarks of the Hon. Member. The Chairman of the committee did not state the facts as they were and I think the record must show that the facts were that when the committee first met it was an undertaking by members of the committee to contact witnesses. Second, I did vote on the motion.

Mr. Speaker: I do not—

Mr. Axworthy: Those are the facts. That is the truth. He should start telling the truth.

Mr. Taylor: Is there something wrong with you?

Mr. Lewis: At least Lloyd is on the committee.

Mr. Speaker: I would ask all Hon. Members, if they need to address each other, to do so in the lobby or through the Chair. At the moment the matter is adjourned as far as I am concerned. I will hear from Members later on this afternoon.

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[*Translation*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, it is Thursday afternoon and time for the usual question which I would like to put to the Deputy House Leader, Minister of State (Treasury Board) (Mr. Lewis), Minister of just about everything for a Government that is very fortunate to have him! Perhaps he would have the kindness to inform Members of the business of the House for the next few days and give them a priority list of the business he will table in the House in the near future.

[*English*]

Mr. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, in the time remaining today, we will continue debate on Bill C-117, which is the amendment to the Excise Tax Act, and the back-up Bill that is shown on today's Order Paper.

Tomorrow we will continue debate on Bill C-117, and the back-up Bill will be Bill C-121, the divestiture of Eldorado. Next week we will be looking at Bills on which we had hoped to make better progress this week. Due to the delay in dealing with the Bill on Eldorado, we have not been able to do that. That will be Bill C-117, the Excise Tax Act, if we do not finish it tomorrow, and Bill C-121, the divestiture of Eldorado Nuclear, if we do not finish that tomorrow. We will also deal with Bill C-110, the trade tribunal, and Bill C-30, the National Parks Act.

The arrangement of those Bills will depend upon the availability of spokespersons because we are trying to accommodate the opposition Parties.

As soon as we are finished with these Bills, I want to advise the House that we hope to move to the Atlantic Opportunities Agency, Bill C-103, which is at report stage and third reading, to the important changes to the Environmental Protection Act which is at report stage and third reading, and to Bill C-30, the National Parks Act.

If we get those other items out of the way we will be able to move on to these very important Bills that we wish to send to the other place.

• (1520)

Mr. Gauthier: Mr. Speaker, I asked the Minister to give me some information as to what the Government intends to present in terms of its priorities. We are dealing with a very difficult situation. The Minister knows that. We have 46 days of House time left for the Government, and we have a heavy agenda.

As a matter of fact, I did a search of the documents today and found that there are about 40 items on the list of the Government including abortion, the Meech Lake Accord, the trade agreement, tax reform legislation, massive excise tax increases, child care, immigration Bills, tobacco advertising, Atlantic development, western development, lobbying, replacing the War Measures Act, western development, official languages, multiculturalism, conflict of interest, and now as of yesterday the privatization of Air Canada.

This sounds to me like enough work for a whole year. Is the Minister trying to set up the House to be yelling "foul" or "obstruction" in a couple of days because the Government fails to give us a list of priorities today in terms of the items I just mentioned? If the Government does not have a priority list then it will run out of time by June. It had darn well better start thinking about being serious now. I am asking the Minister to please give us a priority list so that we can get organized.

Mr. Lewis: Mr. Speaker, one has to admire my hon. friend's ability to keep a straight face as he went through that list. I will say this to the House. We are making every effort to priorize not only our agenda but also to fit in with the agenda of spokespersons of the opposition Parties who have other commitments.

My hon. friend and the House Leader for the New Democratic Party know that. I appreciate my hon. friend's concern for our legislative calendar. If he were to review the record, and I see that he has done some review as to what is ahead of us, what he might look at is what is behind us. In three years and two months to December 31, 1987, some 230 Bills were introduced in the House and some 180 were passed. If he were to review the record of the previous Liberal administration he would see that it took four years and two months in which to achieve the same record. I ask the Hon. member to bear with us.

Mr. Guilbault (Saint-Jacques): You have a more co-operative Opposition.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I rise on a point of order since the Government has indicated its plan for the next number of days. I agree with the Deputy House Leader that in fact the House has been productive considering that 180 Bills have been passed. There is a clear explanation for that success. It is the willingness on all sides of the House to co-operate and to facilitate the business of the House.

I want to say that that element of co-operation is led by the Government. If the Government is prepared to co-operate then the opposition Parties are inclined to co-operate. We are then able to conduct the House of Commons in a business-like way.

What we have seen in the committee examining the western diversification office is not co-operation. I am sending a very clear signal to the Deputy House Leader. If that is the way the Government will lead, allowing that type of skulduggery to take place in terms of procedure in committees, then there will be little inclination on our part to be co-operative.

The Minister knows, as does the Whip for the Official Opposition, that this place works when we co-operate. The type of situation in the committee does not indicate good faith in terms of a willingness to respect views and the concerns of the opposition Members but simply to bulldoze ahead. This place cannot work under those circumstances.

Mr. Lewis: Mr. Speaker, I appreciate my hon. friend's comments. We will certainly do our best to co-operate. I appreciate that in view of today's news he is under a bit of stress. I repeat, we will do our best to co-operate.

Mr. Les Benjamin (Regina West): Mr. Speaker, I wish to ask the Minister a question. In doing so I am not asking for a fixed figure, but can he give some indication, whether it be in terms of the number of days or the number of weeks, before the Government will finish the drafting and be prepared to present for first reading the Bill to privatize Air Canada? I ask this question in light of the large amount of interest that there is in the matter and because of my particular responsibilities in my Party.

Mr. Lewis: Mr. Speaker, I do not have a reading on that at this time. However, I will make the inquiries for my hon. friend to see if I can get some sort of reading as to when that Bill might come forward.

Mr. Benjamin: On a further point, Mr. Speaker, I ask the Minister this. From my reading of his response to the Whip of the Official Opposition and to my colleague, our House Leader, is it in the cards that we will be called back to sit during the summer?

Mr. Speaker: I wish to assure Hon. Members on the government side that the Speaker has nothing to say.

Mr. Lewis: My hon. friend will know that we work to a parliamentary calendar and that we came back early last summer because of the emergency refugee legislation which, unfortunately, is still delayed in the Senate by Liberal Senators. Barring any unforeseen emergency I think my hon. friend will have his normal summer—perhaps an abnormal summer—but it will not involve parliamentary proceedings.

Mr. Gauthier: I have one final point, Mr. Speaker. In the interests of good management will the Minister share with us next Thursday what the priorities of the Government are so that Canadians and the House can operate more efficiently and perhaps even get the program of the Government in the works? He has a whole week in which to ask the various Ministers what their priorities are.

Mr. Lewis: Mr. Speaker, we will certainly take a look at the matter. If my hon. friend will provide me with the travel plans of his official spokespersons—

Mr. Gauthier: There are no travel plans and you know it.

Mr. Lewis: —we could then co-ordinate government business with the time parameters of members of the Official Opposition.

Mr. Gauthier: Mr. Speaker, I gave notice before Easter that there will be no travel by members of this caucus between Easter and the end of June. I have no control over trips that were approved previously. I gave the Minister notice before Easter and I give it to him now. I will not give consent to trips.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to ask the Government House Leader to help some of us, for example, myself, our Party's critic for communications and culture. Is the film distribution legislation a priority for the Government? If not, will the Government say that? If it is, will it tell us when it will be brought in?

Mr. Lewis: Mr. Speaker, there are several items that the Government has on its agenda. We are proceeding to review them and to draft the appropriate legislation. As soon as that legislation is ready to be introduced, I am sure that my hon. friend will be among the first to know.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed from Tuesday, March 29, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Standing Committee on Finance and Economic Affairs.

The Acting Speaker (Mr. Paproski): When Bill C-117 was last before the House, the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) had the floor. Since he is not in the House, I will recognize the Hon. Member for the Yukon (Ms. McLaughlin) on debate?

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I am pleased to speak today on the Bill to amend the Excise Tax Act. This is legislation to implement the federal sales tax and excise tax changes that were announced as early as February 18, 1987; February 10, 1988; June 18, 1987; and through the 1987 tax reform paper.

The Bill will deal with the imposition of taxes such as the 10 per cent tax on telecommunications services that was imposed on January 1 of this year. It will deal with an increase in the sales tax on such items as paint and wallpaper, and the acceleration of federal sales and excise tax remittances, that is, changing the time between such remittances which must be given to certain businesses. It also deals with an increase in federal sales tax on beer, spirits, and wine; an increase in specific excise tax and duty rates for tobacco products; an increase in the air transportation tax levy; an increase on the excise tax on gasoline and aviation gasoline by one cent per litre.

• (1530)

This is a summation of the policy of the Government to tax through what is often called a system of regressive taxation, or hidden taxes, in common understanding. The dictionary meaning of "regressive" is moving backwards and reasoning from effect to cause. As I continue, Mr. Speaker, you will see some of the deleterious effects that this Bill will put into effect through law.

Regressive taxation is pernicious in the sense that most consumers do not know that they are paying it. It is included in the price of the product and consumers are not aware that it is an additional tax. Perhaps one exception is at the gasoline pumps where it is outlined for the consumer how much of the gasoline price is sales tax and how much is excise tax. The difficulty with those taxes is that they are indiscriminate and tax all consumers regardless of their income bracket and, therefore, hit both the middle income and the low income earner more severely than a high income earner. For that reason, regressive taxation, both the hidden aspect and the fact that it tends to affect everyone regardless of income, makes it a very serious and onerous tax for many people.

The same reasoning that led the Government to institute this continuing series of sales and excise tax is perhaps similar to the type of reasoning made by the current Minister of Finance (Mr. Wilson) when he was in opposition in early 1984. At that time the current Minister of Finance when in opposition stated: "We would cut spending. We would not raise taxes. Tax levels in Canada are already too high".

Since 1984 when the Government came into power, some $22 billion has been raised through increased taxes, again mainly hitting the lower income and the middle income person, leaving out the 60,000 corporations that make profits but do not pay taxes, and hitting the average person.

As I outlined at the beginning, this Bill not only raises taxes, but it does so indiscriminately. I wish to talk about a few areas that concern the general public, and in particular those of us who live in northern or rural areas who are hit particularly hard by a couple of those areas.

For the ordinary person, the distinction between excise tax and sales tax is a moot one. We know that excise tax was originally imposed supposedly on luxury items such as beer and wine. For the person who drives his or her car as a tourist, or who requires a car to get to work, gasoline can hardly be considered as a luxury item. Yet gasoline is subject to excise tax.

An interesting example was brought to my attention by one of my constituents. Before the constituent did so, I was not aware of it. This example exemplifies how ludicrous is the combination sales tax and excise tax on one particular industry. With a combination of sales tax and excise tax certain products are taxed twice as opposed to once.

This particular issue concerns the jewellery manufacturing industry. The January, 1988 periodical *Jewellery Manufacturing* contained an article which outlined the types of concerns faced by that industry. They note that at the present time there is a 22 per cent combined sales and excise tax on jewellery manufacturing. The article raises an interesting point to take into consideration when looking at a tax system that has become very complex. What has happened as a result of this 22 per cent tax, which I think anyone will agree is very high, is that it tends to lead to the possibility of evasion of tax through a loophole system that I am sure only a minority of people might find. The industry maintains that there tends to be a black market in jewellery where jewellery is sold for cash in order that the person can evade paying the tax. A representative of the industry stated:

> A loophole in the tax legislation allows small manufacturers to make up to $50,000 worth of jewellery annually without paying tax.

That seems fair enough. What many of the legitimate producers in the industry have found is that some business people have taken advantage of this by changing the name of their company. Once the $50,000 limit is reached, they change the name of the company and remanufacture to stay under the $50,000 limit.

That is an example of a sales and excise tax at an excessive level which has a negative impact on this particular industry, and also on the confidence that people have in the tax system. In the same manner as the justice system, when people do not have confidence in the fairness and equity of a system, they then begin to look for ways to circumvent it.

We all realize that taxes are essential for schools, services, and many of the things that we take for granted in this country and wish to preserve, such as the medicare system. When the

system becomes perverted to the extent that people are looking for more ways to get out of it because they see it as unfair, then we have a serious credibility problem.

There are a couple of other items contained in this Bill that are worthy of note because of the unfair and inequitable burden they place on certain consumers. One of those is the tax on telecommunications and long distance telephone calls. For rural residents, and residents of northern Canada and isolated areas, this means a significant increase in doing business, because many business calls are long distance. It has recently been brought to our attention, again by one of my constituents, that there is a tax on mobile phones.

In rural areas many people must use a mobile phone because there is no alternative. For example, trappers on a trap line for safety reasons need to have a mobile phone. They have to pay tax on what for them is an essential service. If they lived in downtown Ottawa or Toronto, they would not need this type of phone for safety reasons; they would not need this type of phone to call their child's school, to make a dental appointment, or to call the doctor. But in a rural area many of those calls become long distance calls which are taxed.

We all recognize that small business is one of the main employers in the country. In the business community this tax is particularly onerous in more rural areas. For example, in my constituency in the Yukon much of the business and ordering of supplies is done outside the territory for which people must make long distance calls. Of course, the extra tax will be passed on to the consumer. Where else is it going to go? In that sense consumers get nicked twice—once with what they pay on their own bills and again on the additional cost of doing business which in some instances must be passed on to them.

• (1540)

I should like to touch on another area in the few minutes I have, that is, the 1 cent per litre tax on gasoline. Since 1984, when the Government came into power, the tax on gasoline has increased by about 23 cents per gallon. This is in approximately four years. It has been sort of a sneak-up approach—1 cent in one Budget, 1 cent in another, and so on, until cumulatively we now have about 23 cents per gallon. This is a tax on gasoline fuel for both personal and business vehicles. I realize that there are some exemptions for primary producers such as farmers and fishers, but there are not exemptions for many other groups.

In the North we are very reliant on transportation for everything from the importing of goods to, if I may say so, the importing of tourists. For example, I received a communication from Ernie Berken of Whitehorse, Yukon, indicating his concerns about the imposition of an additional gasoline tax and that gasoline costs may discourage both Canadian and U.S. tourists and damage our economy through unreasonably high prices. In the case of the Yukon, tourism constitutes a very large part of our economy.

While it is a system of raising taxes on the one hand, it takes away business on the other hand. Were there a flat tax on business and so on, we would be able to pay our fair share in that way rather than the Government looking to this hidden kind of tax.

Previously I mentioned the telecommunications tax. The finance committee in its fall report recommended that people living in the remote North be subject to a 10 per cent tax on long distance calls only to a maximum of $3, if indeed it was to be imposed at all. While we would like to see no imposition of taxes, it was a reasonable compromise which would have taken into account the additional cost but not necessarily penalize people to as great a degree. Of course that particular recommendation is not reflected in the Bill.

Also earlier I mentioned the effects of this kind of tax on business and subsequently on the consumer. It was interesting to receive this week, from the Canadian Federation of Independent Business, a very interesting survey which it recently did of its 21,000 members across Canada, some 119 from the Yukon. In canvassing its members on what they felt were the most serious problems with which they had to deal as small business people, overwhelmingly the number one concern across the country was the high tax burden, and following that was red tape and paperwork. Those of us who visit with and meet with many small business people, or those of us who have been in business ourselves, can empathize with the question of red tape and paperwork.

As I noted earlier, in the Bill we are discussing there will be an acceleration of tax remittances. This means that some businesses, which formerly remitted their taxes once per month and then twice per month, will almost be on a weekly remittance basis. Anyone will recognize that that is a severe cost, particularly to small businesses, another cost that will be passed on to taxpayers.

Again referring to the study by CFIB because it made some very interesting points, it indicates a consistency across the country which we do not see very often. There is also a consistency across the type of industry which it found identified these problems. For example, on the question of high tax burdens, all provinces and territories identified it as being their number one problem. It varied a bit from province to province, but it was fairly consistent to almost 60 per cent of the 21,000 members. They said it was the most serious problem with which they had to deal.

The second issue of red tape and paperwork has a consistency across Canada, across the provinces and the territories.

I should like to say that this is an interesting survey. Very often when we see surveys by a number of groups that do not include the territories. I am pleased to see that this particular group did so. It is certainly a much better reflection of what is actually happening in the country when the Yukon and the Northwest Territories are included in such surveys. As I mentioned earlier, we have particular problems surrounding transportation, and of course small business has to deal with a

much smaller scale than the large provinces. It is very important that these kinds of surveys include us, because they give us a comparative sense of the kinds of issues other parts of the country are dealing with and how they relate to what we must deal with. It is very interesting and reinforces many of the other comments I have made today about the Bill.

Small business is one of our major employers. They find that the exact items about which we are talking are the ones that make it most difficult for them. Often we hear the Government saying that it is for business, that it is for small business, but the Bill certainly does not reflect that. Not at all does the Bill reflect that the Government is for business.

Canada is the only remaining major industrial country with a sales tax at the manufacturing level. We now collect more revenue from taxes on goods and services than most OECD countries. We must look seriously at the concerns of independent, small business people and take them into account if we want to make a truly vital and strong economy.

I have pointed out a number of concerns that I have about the Bill. The telecommunications tax, as I mentioned, is particularly onerous for people in our area. The gasoline tax affects many of us and, in the end, will affect all consumers badly. More important, it is the idea of this tax which is extremely serious. In view of that, I should like to move, seconded by the Hon. Member for Kamloops—Shuswap (Mr. Riis):

> That the motion be amended by deleting all the words after the word "that" and substituting the following therefor:
>
> "Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be not now read a second time but that it be read a second time this day six months hence.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Debate is now on the motion.

Mr. Cassidy: Questions and comments, Mr. Speaker?

The Acting Speaker (Mr. Paproski): No, I am sorry. We must now begin debate on the amendment. Questions and comments are not permitted after the amendment has been put.

• (1550)

Mr. Cassidy: On a point of clarification, Mr. Speaker, what you are saying is that in the case where an amendment is moved, because debate switches over to the amendment, the normal process of questions and comments is therefore sidetracked, is that correct?

The Acting Speaker (Mr. Paproski): Exactly. We are now on debate on the amendment.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I was prepared to speak on the main motion, but in putting the amendment, obviously the Hon. Member for Yukon (Ms. McLaughlin) is letting Members know that she is not very much in favour of this Bill. That is basically one of the reasons I would be very happy to speak to the amendment as well. It is a bit of a difficult situation because here we are in the House examining tax changes which have already been put into effect. We are actually being asked to retroactively approve an attempt to gouge the Canadian taxpayers through indirect excise and sales taxes.

Just for the record, if we look at the history of tax measures imposed by this Government, a Government that came to power promising to cut taxes and simplify the process, we can see a litany of excessive taxation in an indirect and direct fashion. We can start off with the Budget back in February 1987 which took effect on July 1 where the Government is actually taxing by 12 per cent snack foods and ice cream. Those of us who come from Ontario will know that there was another government that came to woe when it made a decision to tax the candy in the mouths of babies. That was the Conservative Government of Ontario.

The Conservative Government was in power 43 years without ever having been defeated. One of the things that brought it to defeat was its decision to bring in measures of taxation that the people considered wrong, in particular, taxing things like snack foods and ice cream to the tune of 12 per cent. That tax stuck in the minds of the people of Ontario and when they were looking for change and saw a new and progressive Government that was willing to take the reins, obviously they left the Conservative Party in droves and became supporters of the Liberal Party. This was put in motion when the then Conservative Government actually had the gall to say it was taxing things that were not essential, and then actually decided to tax tampons which it told the House was not an essential item. Those things stuck in the throat of the Ontario taxpayer who ultimately decided to make that Government pay the price.

If we examine the tax measures which have already been implemented and which we are retroactively being asked to approve, we see they include a 12 per cent tax on snack foods, a $4 per ticket increase on air transport, and a sales tax on leaded and unleaded gasoline which will bring in a revenue of $30 million. When the Government decided to equalize, why did it not equalize down? Why does it always equalize up to a higher price for the consumer?

In the package we are now looking at we see a 10 per cent tax on long distance telephone calls. People who live in urban areas where there is a very wide range of telephone services available on a local level might say that long distance telephone calls are a luxury and, therefore, should be taxed. However, when we consider that many Canadians live in rural communities and the only way they can communicate is perhaps by long distance telephone, is it right that these people who already suffer the expenses of living in distant communities which may have higher food prices and higher transportation costs, be also asked to pay a tax to talk to people? Perhaps that might be effective here in the House. If we had a tax on talking, we might cut down a bit on the rhetoric. However, those people living in rural areas of the country should not be

taxed to talk. The practical reality of this 10 per cent on long distance telephone calls is that they are being taxed to talk to their friends, neighbours and children.

As a society, I think we can be rather proud of the fact that we have a fairly sophisticated telephone network where we can talk without having our words measured on local measured rates. We can talk without necessarily having to pay exorbitant prices. Of course, we know that this is not the kind of issue which is going to defeat the Government tomorrow. I do not think we are going to see the Government fall on a 10 per cent tax on long distance telephone calls. But every time my cousin, who lives in the Northwest Territories, makes a telephone call, she is going to remember why she is paying 10 per cent more. It is the kind of tax measure that will remain in the minds of the voters long after we in this House have actually passed this Bill and sent it on to the other place.

There are these other rather niggling taxes. The tax on paint and wallpaper has been increased from 8 per cent to 12 per cent. If someone wants to improve their standard of living, someone living in a small apartment in the City of Toronto, paying $500 or $600 a month, if someone wants to put a bit of life in the apartment with new paint and wallpaper, they are going to have to pay more for it because of higher taxes.

And there is the kicker. This kicker is an absolute tax grab on the part of the Government. It is insidious in that it is not even laid out in the form of a straight measure. What it is is confiscatory bookkeeping in the sense that we are calling on all small businesses across the country to speed up the payment of sales and excise taxes. This particular measure got sort of slipped in under the table. It is going to generate for the Government $1.6 billion in new revenues in 1988-89. Will the Government then cut back on its expenditures? Will it then deal with the deficit problem? No, it is simply transferring that same problem to the small business community in the same way it transferred the problem of the transfer payments for education and health services.

It is fine to say that the Government is reducing the deficit but when the deficit is being borne by a small business which may be scratching by its fingernails merely to survive on a month-to-month basis, then the Government is not being fiscally responsible. It is engaged in legal confiscation of moneys that should have been collected when they were due in the way they had been collected in the past.

That single measure looks on paper as if the Government was really getting its act together, that it is really starting to deal with the deficit problem. But think of where that $1.6 billion is coming from. It is coming from the small business people in my community and, like the Hon. Member for Yukon, I have received a number of personal letters and issue orientation letters from the Canadian Federation for Independent Business, and from small businesses. They say: "Hey, we are being hit hard enough as it is. With this new measure there will actually be instances where we are supposed to pay the Government in advance for money we have not collected".

The receivables of a small business are not always received. It may have the money on paper but if the receivables have not been collected, then the payables will not be able to go out in a way the Government would like. That of all the tax measures we are required to look at today is probably the single most insidious and confiscatory tax measure being imposed by the Conservative Government.

• (1600)

This Government actually rose to power claiming that it wanted to free the business community from the shackles of government control. Freeing the business community from the shackles of government control actually means that the business community will have to send double the number of payments that it did under the previous program and it will have to send them earlier. This will cost the business community forgone revenues of $1.6 billion. It is incredible that this is buried here among tax measures dealing with wallpaper and other items.

We also saw, effective February, an increase in the tax on motor fuels by one cent per litre. We remember the old 18-cent-per-gallon debacle that actually saw the fall of the former Government. Looking at the record of this Government since it came into power makes 18 cents per gallon look pretty darn good. We would like to go back to the old Crosbie days of 18 cents per gallon, and I am sure there are some on the other side who might like to join us. To say that after the four-year record of this Government in the area of motor fuel taxes, an 18-cents-per-gallon increase looks desirable is to really say something.

We have before us a series of tax measures which have already been implemented, and we are being asked to vote on them here in the House today. We must also keep in mind that we cannot consider these tax measures in isolation. Because there has been a White Paper, a Green Paper and a number of other papers on the issue of tax reform, we understand that after we pass these measures, the Government will be waiting with a second kick at the can in the way of tax reform. For example, it plans to levy a generalized over-all consumption tax. We will see more and more erosion of the purchasing power of poor and middle-income Canadians. There will be more and more cuts into the standard of living of those who are already the poorest of the poor.

What has the Government's response been? When the Government introduced original changes to the sales tax legislation, it said, and of course we took it at its word, that it would offer a sales tax rebate to poor Canadians in order to ensure that they were not losing because of what was essentially a regressive tax, and sales taxes are clearly regressive because they hit out at the poorest of the poor. In fact, that particular credit amounts to only $70 per adult and $35 per

child. This particular tax measure does not apply equally to all poor families, though. Using the Senate subcommittee on poverty's standard as the benchmark, we should be offering a sales tax rebate to all families with incomes of below about $23,000 per year.

[*Translation*]

more or less, depending on the circumstances.

However, it seems families with an income of more than $16,000 are less entitled to this tax credit which now is only $70 per adult and $35 per child. This is ridiculous. If we accept the fact that sales tax is a regressive tax that hits the poorest of the poor, then why impose new sales taxes which, in the very words of the Minister of Finance (Mr. Wilson), are regressive taxes and kill jobs. He said so himself: "It is a job killer". This is not a Liberal quote.

So if we accept that principle, then at least when the Government introduces all kinds of taxes the way it is doing now, including a tax on kids' ice cream, a 10 per cent tax on all long-distance calls which will hit the poorest of the poor living in remote areas, in Northern Quebec and Northern Ontario and other parts of Canada outside our urban centres—all these taxes should at least be offset by a tax credit for those on low incomes. To say that $70 is enough for a family with an annual income of $16,000 is absolutely outrageous. I think that if the Government really wants to go ahead with this legislation and the sales taxes and excise taxes on all sort of things including alcohol, tobacco, all the taxes we have here, and even the tax on gas—the 18 cents a gallon introduced by the former Minister of Finance (Mr. Crosbie) looks good now, because since this Government came to power, it has increased taxes by a total of 23 or 24 cents a gallon, and now they want to add another cent per litre as of April 1, "*La journée du poisson*". Is that correct, Mr. Speaker? In English we say April Fool's Day.

An Hon. Member: Le poisson d'avril!

Ms. Copps: For Canadians, "Le poisson d'avril" was that they would have to pay one cent more in addition to 23 or 24 cents per gallon they were paying since this Government came to power, a Government that promised Canadians it would not increase taxes.

It is clear this Government is not for the working man. This is a Government that does not want to give those who are less well off enough to help them raise their children. Now really, Mr. Speaker, $35 per child per year in exchange for the thousands of dollars of sales tax the Government is bringing in now—this is ridiculous!

That is why we cannot support this Bill and why we must support the amendment which gives the Government a chance . . . It will give them another six months to reflect on what they want to do, and we hope that six months from now they won't be around any longer, because they will be beaten in the next election, which may be in October.

So if we wait, if we support this motion for a six-month hoist, it would provide a flicker of hope for the poorest of the poor in this country. We will have a chance to get rid of these taxes which are inequitable, and this includes the way small businesses will be taxed, which will have an impact on the tax system, but will not reduce the deficit.

The Acting Speaker (Mr. Paproski): Questions and comments.

[*English*]

Since there are no more questions or comments, and before I recognize the Hon. Member for Ottawa Centre (Mr. Cassidy)—

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Ottawa—Vanier (Mr. Gauthier)—Official languages—Saskatchewan Bill—Request that financial assistance be offered to province / Survival of minorities; the Hon. Member for Spadina (Mr. Heap)—Immigration—Query whether Minister has consulted Canadian Bar and the Senate / Request for today delay on deportations; the Hon. Member for Trinity (Mrs. Nicholson)—Tax reform—Request that Government pay interest on income tax collected.

GOVERNMENT ORDERS

[*Translation*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke-Centre) that Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Standing Committee on Finance and Economic Affairs, and the amendment of Ms. McLaughlin (p. 14479).

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I appreciate your use of French, and I hope your colleagues and compatriots in Alberta and Saskatchewan will in future do likewise.

[*English*]

I would like to speak to Bill C-117, second reading of which we have proposed be deferred by six months. That, of course, is

a means within Parliament to indicate that we are dissatisfied with a particular piece of legislation and with the way the Government is proceeding.

What does Bill C-117 do? The main thing it does is perpetuate the federal sales tax. It puts a number of modest patches on it. It increases the gasoline tax by one cent, and it imposes new taxes, particularly the 10 per cent telecommunications tax.

Had I been able to raise the issue with my colleague from the Yukon, I would have been able to get more precise information from her about the impact of the Government's refusal to listen to the finance committee which recommended that there should be a cap on any telecommunications tax. This cap would take into consideration the problems of people in Canada's North whose telecommunications are almost all long distance and for whom, therefore, a limitless telecommunications tax represents a very major burden indeed. Northerners can have long distance bills of up to $100 or more a month because they have no other means of communicating. The committee suggested, unanimously I believe, that there should be a cap of $3 a month on this particular tax, bearing in mind in particular the problems of residential subscribers and people living in Canada's North. That was ignored.

• (1610)

The basic question in looking at any tax proposal by a Conservative Government in power since 1984, and which mercifully I think will not be in power after the next election, is: Has the Government been fair? Has it been open and honest in the way it dealt with the tax system and average Canadians? The answer to those questions is no.

For example, the Minister of Finance (Mr. Wilson) said that 850,000 people are being taken off the tax rolls. What he forgot to say was that people going off the tax rolls were those people who were paying a very small amount of tax in the beginning, and that since 1984 something over 850,000 Canadians have been added to the tax rolls. In other words, the Government had been adding people to the tax rolls because of the deindexation which has been in force for several years, and it is now turning around and saying it went a little bit too far and is going to take them off the rolls. It is duplicitous to tell average Canadians they are benefiting because some people are going off the tax rolls when it is those same people who in many cases were put on the tax rolls by the Government.

As well, the Government says the average family will get a tax cut of $200 or $250 per annum under tax reform which went into force on January 1 this year. That, too, is not being particularly honest or straight with Canadians. What the Government forgets to mention is that since the 1984 election the Conservatives have raised taxes on the average Canadian by something like $1,300 per annum. That is a lot. Over four years we are talking about $5,000 in additional taxes on the average Canadian family under a Conservative Government.

I talk about the average Canadian family. There, too, the Government is less than fully open and not very fair when it talks about what it has been doing. If you look at the over-all impact of the Government's changes in taxation you will find one group which actually benefits. I was quite surprised by something that happened when I was speaking to the Canadian Tax Foundation in Montreal the other day. They were appreciative even though they were listening to a democratic socialist. It was a very interesting experience to speak to them. However, at one point I raised my voice in a certain amount of anger and concern over the fact that the average taxpayer earning over $100,000, or most of them, was going to get a tax cut of some $4,365. I suggested there was grounds for indignation over that. Much to my surprise, the room erupted in a round of applause for Michael Wilson and the tax cut for the tax accountants and tax lawyers and people like that making over $100,000 a year. They were applauding where their interests lay.

As much as I have respect for the professional capacity of people in the tax field and look forward to working with them from the government side rather than the opposition side some time in the near future, I have to say that they are not by any stretch of the imagination average Canadians. They are well-paid Canadians. They are well paid for their capacity to, among other things, steer corporations and wealthy individuals away from having to pay as much tax as was originally intended in this Parliament.

Another example of where the Government is not being particularly fair in the information it has given to average Canadians relates to the question of the Canada-U.S. trade agreement. We have been told about all the wonderful things that are going to happen there in job creation and those kinds of things. However, we are not told whether or not Canadians are going to have to pay anything for that deal. Yet in the Budget that came down on February 11 the Government brought in an increase in the gasoline sales tax which, lo and behold, over the next two years will be just about equivalent to the reduction in revenues anticipated by the Government because of the decline in tariffs in the first year or so of the Canada-U.S. trade agreement. That decline is in the order of some $515 million over the first two years; $55 million in 1988-89, and $460 million in 1989-90.

We are assured from time to time by government Members that there is no such thing as a free lunch. As a matter of fact, this is a real loss of revenue because we will not be getting revenue from tariffs on those items coming here from the U.S. There may also be losses from tariff revenues on imports from other countries if this trade agreement concentrates trade between our two countries at the expense of trade with the rest of the world.

The interesting thing is that in the first year the new one cent a litre gasoline tax which, I remind my colleagues, is already in force despite the fact it has not been enacted, will bring in $275 million. In the second year it will bring in $300 million. That adds up to a total of $575 million. That means

that before Congress has made up its mind on the trade agreement, before this House has even seen the Government's huge Bill that it is allegedly in the course of preparing on the agreement, we are already paying at the gas pumps an additional one cent a litre in order to offset the anticipated loss of revenue that the Government will experience over the next couple of years.

I had the opportunity this week to meet with Judith Maxwell, chairperson of the Economic Council of Canada. I asked her specifically, because the Council just came forward with a study on the trade agreement, what is going to be the impact on revenue. How do you compute this? She said that they assumed that the $2.2 billion in tariff revenue which Canada gets every year on its trade with the U.S. would be translated into an increase in personal income tax. What that means is that the average taxpayer paying perhaps $300 or $400 a year in tax will pay $150 or $200 a year more one way or the other in order to pay for the Canada-U.S. trade agreement. If the Government was open with Canadians, it would be telling them that in all of the literature it distributed through supermarkets and other ways to the Canadian public about the Canada-U.S. free trade agreement. However, I did not see any mention of that. I have seen no mention of the fact that average Canadians are going to have to pay a substantial increase in income taxes.

When you think of it, it is very interesting to note that this increase in income taxes will be more or less equivalent to the reduction in tax which the average family will allegedly get under the tax reform package we will be debating in this House in a very short time.

I want to come back to the question of the sales tax in this sense. We had stage one of tax reform, which is now coming back to the Standing Committee on Finance and Economic Affairs shortly. Then we had stage two, which is sales tax and which the committee has been considering for some time but on which the Government appears to have pulled in its horns. It has decided not to act but to do another patch through the manufacturers sales tax, which is not contained in this legislation. Then we have stage one and a half which is here right now. That is a heck of a way to run a tax system or a fiscal railroad.

I participated with the committee when it took the opportunity to spend some time in New Zealand in February looking at what that country had done with the tax system under a democratic socialist Labour Government. We were looking at the comprehensive goods and services tax, the GST as they call it, which that country has put in. It was extremely interesting to compare the approach taken by that Government with respect to tax fairness with the approach taken by this Government to tax fairness and a comprehensive tax base.

• (1620)

In Canada we have had increases in taxes of $1,300 on the average family over the last few years under the Conservatives. There was a 1 per cent increase in sales tax in 1984, another 1 per cent increase in 1985 or 1986, and there is now an increase in the gasoline tax. In fact, it is interesting to note the extent to which Canada's current inflation problem is not a result of over-heating in the economy but a result of over-zealous tax gathering by the Finance Minister and his colleagues over the course of this period of three or four years.

What have we had to compensate average families? Well, for the first three years of Conservative Government we had next to nothing. In fact, the major move was to withdraw the tax reduction for average families, which was a feature of the fiscal system prior to 1984. The Government has brought in an increase in the sales tax credit and asked us to say "Ain't that wonderful". The increase is from $50 to $70 for an adult and from $25 to $35 for a child. Sure, I can say "Ain't that wonderful". A 40 per cent increase is magnificent, except nothing on top of nothing still winds up being nothing. That is precisely the situation we have right now.

I have some estimates here. A family with an income of $16,000 a year—which is poverty income for a family with children in many of our major cities today—at the current federal sales tax rate is paying $500 or $600 per annum in federal sales tax on different goods and services which they purchase. It is hard to know the exact amount but the estimate is in the range of $500 to $700.

What is that family going to get back in terms of these tax credits? It will get $70 for the breadwinner, $70 for the spouse if there is a spouse, and $35 for one or two kids. That is a maximum of a couple of hundred dollars. Therefore, the net effect on that family is that instead of paying $600 worth of tax, they will pay $400 worth of tax because they will qualify for all of the sales tax credit.

We know that that sales tax credit is sharply declining. It disappears very quickly. It amounts, as a matter of fact, to a very severe incremental rate of tax to people on modest incomes as they go from inside the sales tax credit zone to outside the sales tax credit zone. People with very substantial incomes, on the other hand, wind up paying just a little higher rate of sales tax than the family on a poverty income. This is the patchwork system we have.

In New Zealand the Government wanted a comprehensive goods and services tax. At that point it decided to make it apply to everything in the country, something with which I disagree. It included food, and my Party and I make it clear that we disagree profoundly with that. However, there is no question that it is quite possible to exempt one particular area as we propose now, if we ever get to stage two.

At the same time as the Government of New Zealand was bringing in the goods and services tax, it knew that the effect would be somewhat inflationary because it represented a substantial increase in revenue. It took several steps to offset that and to protect people from an undue effect of this new tax. It increased the social assistance rates under the system of social benefits. It changed the minimum wage and changed the

child allowance very substantially. I do not mean by only a dollar or two the way this Government might have done, but by something like $35 a week in New Zealand dollars which meant that there was a substantial increase in what the average family would receive for their kids compared to the levels of family allowance in this country which are unfortunately too low.

The Government of New Zealand took all of those measures together and at the same time reduced the rate of personal tax for people on middle incomes. It moved at all of those levels at once. We were surprised and very interested in the fact that far from being opposed to that particular tax, there was a substantial amount of support for it because people felt that the Labour Government of New Zealand had acted fairly in the way in which it introduced that tax.

On top of that, it put a great deal of energy and effort into explaining how that tax worked, in showing how it was fair, and in showing how it overcame some of the weaknesses in the existing manufacturers' sales tax which we have in Canada or equivalent excise taxes which were applied on an *ad hoc* basis to different commodities and goods which had previously existed in New Zealand.

It reached the point that the chairman of our committee, the Hon. Member for Mississauga South (Mr. Blenkarn), was stating publicly in the press in New Zealand—and I am sorry that he has not yet said it here in Canada—how he wished that Canada could have had Roger Douglas as Minister of Finance. A man like Mr. Douglas, he said, would make a fine Minister of Finance in any country in the developed world. I presume that he meant Canada as well. I am not sure if that was a vote of non-confidence in our present Minister of Finance, but it certainly made me think about the fact that we have a Minister of Finance who looks as though he is about to step into a telephone booth to strip off his clothes and become Superman, only he can never get the door of the telephone booth open.

It was very interesting to go to another country and see what happens when you have a dynamic, a radical, and a somewhat progressive Minister of Finance. I did not agree with all of his measures. I was a bit surprised by some of them. Things seemed a little bit upside down down under from time to time in certain measures implemented by our colleagues in Socialists International in the Labour Party in New Zealand. Nonetheless, there was a dynamic and coherent idea of what should be done and the ability and political will to put it into force.

We are patching together this system despite the fact that the current system has enormous weaknesses. As my colleague from Regina pointed out in debating this Bill just a few days ago, the burden is different on different commodities, the burden is different with the manufactures' sales tax which we have right now depending on what kind of goods and trade channels it passes through. We tax production goods and, therefore, discriminate against Canada's exports, not only to the United States but to every country in the world. We also discriminate in favour of imports because importers get a better deal. While that may change a little bit with the patching job which is being proposed to the committee right now, that is nonetheless a problem which remains. In addition, the system is unreasonably complex, particularly for smaller manufacturers and small businesses.

This tax is making Canadians pay for the free trade arrangement. The Government could in fact have applied the same political will, the same amount of energy, to putting into place a stage-two revision which would have been radical and important while at the same time bringing in measures to alleviate the impact on Canadians who are on modest or low incomes, not $50, not $70, but a substantial tax credit to persons who are on very low incomes. Unfortunately, that was not done. I regret that because I think the Government could have moved in that particular area.

I want to conclude by making a comment about comments made by Mr. Robert Campeau this week. I tried to raise this in Question Period but was unable to because of other issues which were also important. Mr. Campeau attacked the federal Government for spending too much on social programs and specifically argued that Canada's medicare program is a mistake.

• (1630)

I wanted to raise this because we had established that the Campeau Corporation has not paid a nickel of federal income tax in Canada since 1980 on some $300 million of Canadian profits. There is something wrong when a free-loader like Mr. Campeau turns around and criticizes the Canadian Government for having social programs that are excessive.

If he wants to criticize the Government, he and his corporation should be contributing to the cost of taxpayers. I think it is time we had a minimum corporate tax of 20 per cent in this country so that people like Robert Campeau make a real contribution to the country rather than constantly bringing it down.

The Acting Speaker (Mr. Paproski): I simply want to bring to the attention of the Hon. Member that I gave him an extra three minutes.

Mr. Waddell: Mr. Speaker, I appreciate that you gave the Hon. Member extra time. I assume that can be taken off questions and comments.

I do not know whether the Member had an opportunity to finish with respect to Robert Campeau. Personally, I was shocked when I heard this. I am quite concerned because Mr. Campeau is a big Liberal fish who got a lot of patronage and money. As a matter of fact, in Ottawa they do not call the place across the way Place du Portage but Place de Patronage. That is because he received so much money.

He is a great friend of Trudeau and was at the Trudeau dinner the other night. Did this fellow and his corporation that

made all that money not pay any taxes to the Canadian treasury? He turns around and tries to criticize our Medicare plan in Canada. That has to be gross hypocrisy.

Mr. Cassidy: Mr. Speaker, as a matter of fact it is a classic example of someone biting the hand that feeds them.

I am a bit surprised. I thought that perhaps Mr. Campeau had become a Conservative. He has become a big promoter of the trade deal, yet as my friend from Vancouver—Kingsway (Mr. Waddell) points out, he attended the dinner for Pierre Trudeau. I believe Mr. Trudeau is still a Liberal but one can never tell these days. The Liberal Party may have to go into bankruptcy shortly, but maybe Campeau will come along.

I read in the paper today that the former president of the Liberal Party suggests that Canada's banks should rally around the Liberal Party and lend the money rather than leave the bad debt in the hands of the Royal Bank and Banque Nationale du Canada. Getting back to Mr. Campeau—

[*Translation*]

Now that Mr. Campeau has become an important businessman in the United States, he advises the Canadian Government to get rid of medicare. I find it interesting that while the average taxpayer in Canada is starting to pay for free trade through this one cent per litre increase, we hear Mr. Campeau, who is big business in Canada and the United States . . .

An Hon. Member: A big Liberal fish!

Mr. Cassidy: . . . advising Canada to get rid of medicare because with free trade, there will be pressure to eliminate social programs. The Government keeps insisting, Mr. Speaker, that social programs will be protected under a free trade agreement. Now, however, even before the Free Trade Agreement is ratified, big business interests which support the Conservative Government on free trade have started a campaign to get rid of social programs.

Mr. Speaker, this shows the hypocrisy of both the Conservative Party and the Liberal Party and its big backers.

Ms. Copps: Mr. Speaker, I would like to comment, because I heard the Hon. Member, who happens to be his Party's finance critic, say that Mr. Campeau was very well known in Canadian and American business circles, and I think he is . . .

[*English*]

He is in the process of quoting him. On the other hand, he is calling him a big Liberal fish. Which is it? Is he a very well known respected Canadian businessman or a big Liberal fish?

Mr. Cassidy: Mr. Speaker, I am delighted that my colleague from Hamilton has raised this point. It is clear from these anguished cries of financial pain that we are hearing from the Liberal Party every day on television and in the press that the big Liberal fish have deserted them and are no longer contributing to her Party. Perhaps she should organize a game of tombola in her constituency by which the Liberal deficit could be overcome.

If the Liberals want to form a government and eliminate the deficit of Canada, I think they should begin by demonstrating they can eliminate their deficit and run their Party in the prudent and effective way we New Democrats have run our Party for so many years.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have been listening with some degree of amusement to the remarks of the Hon. Member for Ottawa Centre (Mr. Cassidy), having just returned last evening from a couple of days of campaigning in the shopping malls and on the streets of Manitoba where his Party is now generally known in the parlance as in political free-fall. The reason is that the people in Manitoba resent the imposition of a whole new regime of taxation from the NDP Government in Manitoba.

The people want to know why a Party that once enjoyed the support of a large base of working class, middle income ordinary Manitobans are now deserting them by the thousands and transferring their allegiance to the Liberal Party of Manitoba. The reason is because of the severe and heavy taxation that was imposed by that regime.

The Member for Ottawa Centre, in only a fashion of which he is capable, is demonstrating the purity of principle when his colleagues in Manitoba are now suffering the wages of sin and being visited with the ultimate sanction of a democracy, which is to be thrown in the ashcan of political has-beens.

When Manitobans fill out their tax forms they see the additional surtax, the additional payroll tax, the additional tax burden and the additional premiums. That is the reason why the poor, unfortunate and in many cases good representatives of the New Democratic Party are facing their problems.

I suggest to the Hon. Member that while he is in the throes of cackling about the well financed union funds that flow into his Party, he may want to relate that to the other statistic which appeared yesterday. It is the latest opinion polls which show that despite all the difficulties he ascribes to our Party, we seem to be gaining favour while his Party is losing theirs.

It will be interesting to note from the Member for Ottawa Centre how he explains that rationale. Is it because they are too well funded by the unions? Is it because they are too much dominated by one group or because their finances are so carefully managed by their political masters at headquarters that they may not have to depend upon the ordinary gifts and contributions of individual Canadians?

Mr. Waddell: Like Robert Campeau.

Mr. Axworthy: Mr. Speaker, I just heard from the Member for Vancouver—Kingsway (Mr. Waddell) who has admitted in his earlier remarks that Mr. Campeau deserted the Liberal Party.

Mr. Waddell: I am not saying he deserted the Liberal Party.

Mr. Axworthy: In his comments he suggested that one of the problems of our finances is because the big corporate giants are leaving us due to our stand against the iniquitous trade proposal of the Prime Minister (Mr. Mulroney). It shows that when it comes to our Party and fighting for a principle of an issue, we do not care who finances us. I am not so sure I would say the same thing about the New Democratic Party if they had to fight an issue that the CLC does not favour.

Mr. Waddell: Was he not at the dinner?

Mr. Axworthy: I do not follow Mr. Campeau's dinner itinerary. He means nothing to me. The fact of the matter is, I am talking about the Liberal caucus, the Liberal Party as it presently exists. If Mr. Campeau goes to a dinner, that is his business.

Mr. Parry: That is all it does, exist.

Mr. Axworthy: It exists No. 1 in the polls. I say to the Member for Kenora—Rainy River (Mr. Parry) that it exists No. 1 in the polls and you are No. 3.

The Acting Speaker (Mr. Paproski): I know that all of this refers to the Bill, but I would ask Hon. Members to delay their questions and comments until the Hon. Member finishes his debate.

• (1640)

Mr. Axworthy: Mr. Speaker, I was only taking my cue from the presentation given by the Hon. Member for Ottawa Centre who, in his fashion, forgot a few pertinent facts. I thought that the House would probably want to understand those facts and to have them on the record as to how things are financed and how that relates back to finances. I am sure that the Hon. Member is not enjoying my exposition. Other Members of the House certainly are because they are always prepared to be educated.

With respect to the Bill, I think that the Manitoba case is a good example as to why this Bill should be opposed. There is an underlying undercurrent of tax revolt going on in the country. People are getting fed up with the Government in Ottawa, as they were with the Government in Manitoba, imposing personal taxes on them, putting taxes on their snack foods, watching television and driving a car. Those are not luxuries. We are not talking about something that is a frivolous exercise of activity. We are talking about something that is part and parcel of everyday life.

Who is suffering most as a result of these excise taxes? If we consider one group in the community, and there are many, who suffers the most? It is older people who rely on their telephones and their television. There are probably many Members in the House who have a high percentage of senior citizens in their ridings, as I do. If one visits the apartment blocks in which they live, one will see that many of them are confined during winter months. One of the joys they are able to exercise is the picking up of the telephone to call a relative, a son or a daughter in another city. Television is also very important in terms of a means of communication.

What do we do? We put a tax on those items. In fact, the imposition of taxes on consumption has been the highest level rise of any form of taxation in the last three years when compared to corporate taxes or income taxes. We have placed more taxes, regressive taxes, on people's ordinary necessary consumption than on any other level.

I believe that the increase has been over 70 per cent since the Government came to power. Let us consider what those taxes have been on. They have been on gasoline, snack foods, cablevision and paint. That is not tax reform. That is not a regime of receiving revenue that applies taxes according to the ability to pay or according to lifestyle.

If there is any clear indication of the distortion and bias in our tax system, it is this very Bill we are debating today. It shows how a burden is being put on those least able to bear it. Rather than trying to achieve a system of fairness and equity that would balance the need of revenue on the ability to pay, we seem to be reversing that formula. We seem to be working at it in opposite and contradictory style.

I hope that members of the Government will understand why there are such concerns. When this excise sales tax is laid on top of those being imposed at the provincial level, and increasingly at the municipal level, the levies against those least able to pay become heavier and heavier while many of those who can afford it are being let go. We are reducing the rate for them. An excise tax on cablevision may not count to the family or individual earning $50,000, $60,000 or $100,000 per year. It certainly counts for a senior citizen whose disposable income may be $20 or $30 per month. I think you know that, Mr. Speaker. You have people like that in your own riding. I do not understand this.

If there is to be true tax reform, then one may want to look clearly at this Bill as being the wrong example to follow. As I read it, the Government intends not just to follow it but to expand upon it, to broaden it, to enhance it and to enlarge it so that we will have a much broader base of consumption tax. Then, the Government will try to sell it by saying; "We will offer a tax credit to relieve some of the burden of those on lower incomes."

One need only look at the level which applies here. The threshold is $16,000. That is below the poverty line for a family in our cities across Canada. At least we put the threshold at $22,000 on the child care issue. That is the problem with using the tax credit method. It is that it becomes subject to this type of niggardly approach. The Ministers of Finance, if they are short a little revenue, can always bring the threshold down and say; "We are helping those on lowest incomes". They are not helping the working poor, or even working people themselves. All they are doing is restricting their access to some very basic necessities.

I think one of the most pernicious parts of this Bill is the one that incorporates the tax change that was brought about in this spring's Budget. There is a very important story to be told. We have been told that the trade agreement, this great economic bonanza, is nothing but good—jobs, growth and productivity. We know that that has been disputed. The report of the Department of Finance and the Economic Council of Canada mentioned less than one half of one per cent growth per year, perhaps 20,000 jobs per year, which is marginal in terms of the over-all macro-economic scale. What we are now finding out is that we will have to pay increased taxes because of that proposed trade agreement. Not only does it not deliver the bonanza that has been promised, but we will have to pay more. If one looks at the calculations of the Council and the Conference Board, we are talking about an additional $2 billion annual taxes when the trade agreement, if it ever comes into effect, would finally be fully implemented.

How does the Government of Canada intend to make up the $2 billion? Here is evidence case number one. It will increase the tax on gasoline by one cent per litre. That is a beginning. It will raise $450 million. It is not coincidental that in the financial papers accompanying the Budget there were two lines which stated: "revenue loss because of trade agreement 400 some odd million dollars", while the other states revenue gained from additional gasoline tax 400 some odd million dollars. It is a clear replacement tax for the revenue that we are losing. It is being placed on people who drive cars. We know that in a country such as Canada with our climate and geography that driving a car is not a luxury, it is a necessity. The tax falls heaviest on those who can least afford to drive.

I come back to my friends in the NDP. Why are they being defeated? Because they raised the Autopac premiums. They put another tax on that particular service. The people who really got mad are those who are driving a 1972 Chev or something and all of a sudden their Autopac premiums go up 300 per cent.

Mr. Waddell: Like mine.

Mr. Axworthy: The Hon. Member would be mad too, I say to the Hon. Member for Vancouver—Kingsway. He would even vote against the NDP in Manitoba if he lived there.

The fact of the matter is that this is a tax that falls upon those least able to bear the burden. If we have to make up or replace not $400 million but $2 billion, and we see how the Government approaches the problem, it will not provide extra taxation for all those big corporations which are out humping for free trade, but put it on the people who do not want it. It is putting a tax on those who are carrying the burden. It is a free ride for the free trade advocates, but a very heavy load for those working people who cannot afford it. That is why this Bill has a pernicious element to it.

• (1650)

Let us say for the sake of argument that the full $2 billion deficit will have to be made up by increasing the tax on gasoline. That will mean an extra couple of dollars to fill up a tank. If it does not come from there, where will it come from? From the television set? From the telephone system? That is the real problem, and that is one of the stories that Canadians better understand: there is no free ride with free trade. Canadians will have to pay through the nose, or in this case pay through their telephone set or at the gasoline pump.

That is why this is a very important Bill. It clearly demonstrates the type of financial and economic shenanigans that we are getting ourselves into because of this trade agreement, and the type of losses that we will suffer that will have to be made up through heavier burdens of taxation, probably on consumers, because that appears to be the favourite choice and mode of the Minister of Finance (Mr. Wilson). The Minister of Finance may not be around long enough to carry through on that threat. I am sure that he will not be. What we are debating today is one of the reasons why he will not have the chance to carry through on this particular formula that he has introduced in this Bill.

What we see today in Manitoba, the disillusionment and tax revolt that is going on by ordinary people who say that they have had enough, is happening right across the country. They are not fooled by the tax reform fable that has been spilled out in the country. I know for sure that Canadians see through that in spades.

Mr. Heap: That's right in Ontario.

Mr. Axworthy: It may be. I think that there is a real lesson here for all Governments, and I do not care of what stripe. The Hon. Member's colleagues in Manitoba are finding out in the most disastrous manner.

Mr. McCurdy: Yes. They are trying to raise taxes with a $600 million surplus.

Mr. Axworthy: Well, they did. I am sorry, the Hon. Member does not know what he is talking about. They did raise taxes.

Many ordinary people are saying that they have had enough. If we are going to fire this Government, we had better find a more equitable way of doing it than putting a tax on the basic necessities that Canadians consume.

That is why this Bill is an awful lot more important for Canadians than just the revenue it raises. It stands as a clear lesson and example of what is wrong with our tax system under the present regime, and it provides them with a very clear symbol as to why they are mad, indignant, and turning against so many of the proposals that too many Governments are attempting to get away with.

Mr. Waddell: I do not wish to get into the Manitoba election, since I am not from Manitoba, but the Hon. Member from Manitoba did mention that. I want to point out to him that I am from British Columbia and last week I renewed my auto insurance. Previously it cost me approximately $400 and

last week it cost me $561. Auto insurance is increasing all over the country. No one likes that, but it is a fact. I know the Hon. Member likes to put it into Manitoba and pretend that it is only Manitobans who are suffering this, but I wish to tell the Hon. Member out of personal experience that I had to pay last week.

I also would like to note that in B.C. the conservative Government has cut our social services terribly, and taxed us too. The Pawley Government never cut back social services, as far as I could see as someone from outside of Manitoba. That province had pretty good employment with low unemployment rates through a difficult period. It was about half the rate of British Columbia. I also see a Premier who was pretty honest and took full responsibility for the defeat of his Government. From an outsider's point of view, Manitoba does not look all that bad.

I am confused about the Campeau matter. The Hon. Member said that Campeau was going to a dinner of Polish waiters—not polls—Polish. The Hon. Member was also talking about Gallup polls, and so on. I understand that was the dinner for Mr. Trudeau. I wish to ask the Hon. Member if he went to that dinner along with Mr. Campeau, and whether he agrees with the very serious remarks made by Mr. Campeau which seem to be in contradiction of his speech. I understand that Mr. Campeau, a very prominent Liberal, received many favours and many contracts from the Government of which the Hon. Member who just spoke was a member. This man is against medicare. Is that the position of the Liberal Party that the Hon. Member from Winnipeg represents?

Mr. Axworthy: First, I do not know what dinner Mr. Campeau attended. I was only using it as a turn of phrase that he went to a dinner for Mr. Trudeau. He may have. I was not there. I do not know if Mr. Campeau was there. I do not follow his social agenda, and I do not know which dinner he attended.

I can tell the Hon. Member, without any reservation, that I do not like what Mr. Campeau said either. I think that it was despicable. The statements made by Mr. Campeau about the blessings of another system after he has enjoyed this one is one that many of us regret, and I share with the Hon. Member a sense of indignation for the ingratitude of a man like Mr. Campeau who was given opportunity in this country.

I may have a different philosophy from the Hon. Member. I do not in any way bring down someone because they have made good. Someone who has succeeded and done well, built up a business or an enterprise deserves some credit and respect. But at the same time I think that they should also acknowledge that along the way they were able to enjoy many benefits in this country. I agree with the Hon. Member that Mr. Campeau ignoring his recent history brings shame to him and deserves the calumny that has been expressed by so many in this country, and I have no argument with that.

While we are not here to debate provincial politics, I wish to say to the Hon. Member that I do sympathize with the burden he bears of being a citizen of a province governed by the present Premier. As I have often stated, I think he took his experience in Fantasyland too seriously and is now trying to apply it to Government.

I was struck by the Hon. Member's description of the increase in his auto premiums. If I am not mistaken, he said that it went from $400 to $561. My auto insurance went from $400 to $700. Perhaps it is just that extra bit of difference in Manitoba that is the reason why Mr. Pawley is now going to lose his seat and every other seat in the province along the way.

I am not trying to make the case, and I am sure the Hon. Member knows, that Governments do not have a right to tax or to provide services. I strongly believe in that. But I am saying that there are serious problems in this country that the burden of taxation is falling on the wrong people, and that too many Governments, federal and provincial, are trying to put it at the consumption level and ignore other areas which are far more effective.

Clearly, the tax revolt going on in Manitoba is an indication. I would only ask the Hon. Member to consider the following. I also admire Mr. Pawley as being an honest man, but I do not think that his Government became very good in its second term. I think it lost its way in the second term. It started cutting back on social services, education, and other programs of that type. That became a problem for that Government, and as a result it lost the support of people who are prepared to be taxed if they receive value for it. But they do not wish to be taxed to blow a bunch of money on a telephone enterprise in Saudi Arabia, which is what the Manitoba Governments was doing, or blow money on mega projects rather than investing it in higher education or training.

The Acting Speaker (Mr. Paproski): It being 5 p.m. the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

CONSTITUTION ACT, 1867

MEASURE TO AMEND

Mr. Alex Kindy (Calgary East) moved:

WHEREAS the *Constitution Act, 1867* provides in section 17 that there shall be one Parliament for Canada, consisting of the Queen, an Upper House styled the Senate, and the House of Commons;

AND WHEREAS it is expedient that the electors of Canada be more directly involved in the legislative process;

AND WHEREAS an initiative and referendum process is an appropriate mechanism for the determination of questions of national interest;

AND WHEREAS the Parliament of Canada should be bound to enact any measures necessary to implement decisions of the electors of Canada on questions put to them by referendum;

NOW, THEREFORE, the House of Commons resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued by Her Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

SCHEDULE
CONSTITUTION AMENDMENT, 1987

1. The *Constitution Act, 1867* is amended by inserting, immediately after section 19 thereof, the following section:

"20. (1) A referendum on any matter coming within the classes of subjects enumerated in section 91 may be initiated by proclamation of the Government of Canada or by petition of not less than twenty per cent of the electors of Canada addressed to the House of Commons.

(2) A decision of the electors of Canada in a referendum held pursuant to this section is binding on the Government and the Parliament of Canada and shall, within a reasonable time after the holding of the referendum, be implemented by them in a manner consistent with their powers and authority.

(3) No referendum shall be held on a question that is substantially the same as a question on which a referendum has been held within the previous four years.

(4) The Parliament of Canada shall, before the expiration of the first parliament following the coming into force of this section, enact a measure consistent with it to provide a reasonable procedure for the orderly administration of referendums to be held pursuant to this section."

2. This amendment may be cited as the *Constitution Amendment, 1987*.

Mr. Hawkes: Mr. Speaker, I rise on a point of order. You may have noticed at one o'clock when we concluded our vote this afternoon that we were seeking the floor on a point of order. The Hon. Member for Windsor—Walkerville (Mr. McCurdy) is here at this time, and I wonder if I might simply invite the Hon. Member, on a point of order, to recognize that it is a very important principle of this place, that before one votes in the Chamber, one is in his or her place when the question is put.

Inadvertently, I am sure, the Member was somewhat tardy in arriving in the House and achieving his place earlier this day, but I do note—and I have checked with the Table—that a vote was recorded. Even though it is not particularly important in this particular instance, I think that it might be in the best traditions of the House for the Member to ask that his vote held earlier this day not be counted. That would give us a chance to clear the record before the proceedings of the day are sort of written in stone in *Hansard* or the proceedings are published.

Mr. McCurdy: Mr. Speaker, if in fact the evidence indicates that I failed to hear the putting of the motion, then I would be perfectly willing to defer to the request of the Hon. Member, but that is not what I understand to have been the case.

I heard the motion being put. I got into my seat just in time to hear the beginning of the statement and, under those circumstances, although I came in subsequent to the rising of the Speaker, I do not believe that I missed the putting of the motion.

The Acting Speaker (Mr. Paproski): The Hon. Member for Calgary West (Mr. Hawkes) should give notice to the Speaker, because this has not arisen out of this portion of business. Therefore, upon doing this, the Speaker will rule on it.

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I would like to emphasize the fact that immediately upon the conclusion of the vote we shouted: "Point of order" and attempted to be recognized, and we were not, at one o'clock. I did not think it was appropriate to raise it at a subsequent point until the Hon. Member was in the House.

The Acting Speaker (Mr. Paproski): That is fine, except that I was in the chair and I did not hear it. I did not see the Hon. Member come into the Chamber and therefore you will have to raise it with the Speaker as written notice.

Mr. Kindy: Mr. Speaker, my motion today deals with a very important issue, that of direct participation of Canadians in the democratic process.

As we all know, there is no provision in Canada or in the provinces to have binding referendums on Governments. As we move into the 21st century it is extremely important that people be consulted. Therefore I have presented this motion to the House.

As you know, Mr. Speaker, a Private Member's Motion can be voted upon only if it is not talked out. I am looking at the clock; if nobody is talking one minute before six o'clock, the motion can be voted upon. I hope for the sake of democracy that those present in the House will abide by the wishes of their constituents so that the Private Member's Motion can be voted upon.

I will read my motion. It indicates:

WHEREAS the *Constitution Act, 1867* provides in section 17 that there shall be one Parliament for Canada, consisting of the Queen, an Upper House styled the Senate, and the House of Commons;

AND WHEREAS it is expedient that the electors of Canada be more directly involved in the legislative process;

AND WHEREAS an initiative and referendum process is an appropriate mechanism for the determination of questions of national interest;

AND WHEREAS the Parliament of Canada should be bound to enact any measures necessary to implement decisions of the electors of Canada on questions put to them by referendum;

NOW, THEREFORE, the House of Commons resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued by Her Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

I will read the schedule because it is important to note the mechanisms of a referendum and it needs an amendment to the Constitution:

1. The *Constitution Act, 1867* is amended by inserting, immediately after section 19 thereof, the following section:

Constitution Amendment, 1987

"20. (1) A referendum on any matter coming within the classes of subjects enumerated in section 91 may be initiated by proclamation of the Government of Canada or by petition of not less than twenty per cent of the electors of Canada addressed to the House of Commons.

(2) A decision of the electors of Canada in a referendum held pursuant to this section is binding on the Government and the Parliament of Canada and shall, within a reasonable time after the holding of the referendum, be implemented by them in a manner consistent with their powers and authority.

(3) No referendum shall be held on a question that is substantially the same as a question on which a referendum has been held within the previous four years.

(4) The Parliament of Canada shall, before the expiration of the first parliament following the coming into force of this section, enact a measure consistent with it to provide a reasonable procedure for the orderly administration of referendums to be held pursuant to this section."

2. This amendment may be cited as the *Constitution Amendment, 1987*.

I read the motion so that the people of Canada will be cognizant of the fact that we need a referendum.

Why do we need a referendum? At the present time there is no federal enabling legislation for Canadians to initiate a vote on public policy or law. The closest example of direct federal legislation is the Canada Elections Act, which governs the election of Members of Parliament. Nevertheless, it is not a law of general application as the public has no mechanism to invoke its application. This means that once Members are elected they cannot be revoked even if they vote against the wishes of their constituents.

My motion before the House is to consider an advance of the referendum process in Canada. The referendum process is created to enhance a direct democracy. It means the participation of constituents in the legislative process. A federal referendum process will enable electors of Canada to become more directly involved in the legislative process.

The particular advantage of the referendum is that it permits the severance of a specific issue of national importance from political party philosophies and enables the public to determine the value of specific national objectives.

Referendums can become a democratic tool to encourage greater public input and control over national objectives by individuals. Presently Canadians are frustrated by public policy being influenced by unelected Senators and appointed judges. More and more Senators and judges are creating legislative policy in Canada rather than interpreting existing legislation.

Conversely the referendum process establishes a method of presenting or referring important legislative issues to a direct public vote of the whole society. The results of a referendum would bind the federal Government to enact legislation to reflect the public will.

There are precedents for this in other countries. For instance, Switzerland enacted in 1848 a referendum process whereby 50,000 signatures can direct the Government to have a referendum on a specific issue. Switzerland is one of the best direct democracies in the world. It has a system that enables public input on different issues. For instance, recently we had a vote on capital punishment but the public had no input whatsoever. Therefore, it is extremely important that the public be consulted continuously.

• (1710)

In Switzerland, which has these types of referendums, 50,000 signatures can demand a referendum. Even if the upper and lower House have voted on a Bill, that Bill remains not proclaimed for three months. If the 50,000 signatures demand it, the Bill is put to the whole country. It happened quite frequently in Switzerland, that even though both Houses voted on a certain Bill, the Bill did not pass the test of direct democracy.

In Canada, as we know, we have representatives of the people, Members of the House of Commons. But we have as well the non-elected Senate appointed by the Prime Minister of the day. Those Senators are not accountable to anyone but themselves.

Mr. Waddell: We should get rid of them.

Mr. Kindy: As the Hon. Member says, we should vote for a referendum so we can get rid of those Senators or have Senators who are elected. In western Canada, we believe that it is essential to have a Triple E Senate, an elected, effective and equal Senate. This would have brought more democracy to our Confederation. But as the House knows, with the Meech Lake Accord, it will be extremely difficult to bring about an equal, elected and effective Senate because we have created with the Meech Lake Accord a third government institution, the conference of First Ministers. I would say that those are the 11 backroom boys who are going to determine the fate of Canada. It certainly is not a democratic process. We are moving away from direct democracy, a representative democracy, to a Government of 11 First Ministers. Recently, they have determined we should have free trade. On this issue all but two or three First Ministers were in agreement. But a question of national importance should be put directly to the people of Canada. Referendums create a democratic forum where the public will be involved. Federal general elections do not represent single issues of policy and law. Referendums will not be greatly influenced by personalities and political loyalties.

It has become apparent to many Canadians that Parliament is no longer the sole forum of Canadian political policy formation. Our constitutional system of Government has reduced the control and input of individual Canadians in the federal Government. The growth of the Constitution and its Parliamentary rule in Canada has weakened the traditional role and contribution of individual Members of Parliament. The growth of the constitutional rights and laws have created corresponding powers for the courts.

In the past five years we have witnessed unelected judges not only interpreting laws but in fact creating new federal policies

based upon their interpretation of Canadian society. We have permitted a constitutional democracy to develop whereby the policies of a duly elected Government of Canadians can be declared unacceptable by five appointed judges who are not directly accountable to Canadians. As I said previously, the Meech Lake Accord has further reduced the public's representative role in Canadian policy development. An unelected Senate will remain enshrined in the Constitution with appointment powers delegated to the provincial Premiers.

A referendum process will enable Canadians to directly introduce policies of national importance to rectify such judicial powers. Judges employ the interpretation of laws based upon their personal interpretation of Canadian values and morals. The recent Supreme Court Morgentaler decision is a clear example of a constitutional system enabling judges to set social standards upon Canadians. Referendums will be an effective mechanism for categorizing and articulating the popular will of Canadians directly into the parliamentary process. Referendums would also enable the consistent protection of Canadian public policy as changes in elected Government often leaves important social issues exposed to change by bureaucrats.

The federal civil service has become the permanent Government of Canada, always present to protect its role and status in policy development. It has become clear to Canadians that upper echelon civil servants, the mandarins, control exceptional power in our public policy domain. Many mandarins possess greater access to cabinet Ministers than do the duly elected Members who compose the accountable Government of Canada. Referendums could act as a control mechanism to provide the Canadian public greater accountability from the permanent Government of Canada and its accountable mandarins.

Referendums are a concept that has been advocated by advocates of direct democracy. This is what we want, direct democracy. People should be able to express their will upon the Government. I think this is a fundamental principle of democracy. I hope that Members of this House will allow this motion to be voted upon because if they do not, I think at that point they do not believe in direct democracy.

We have created in Canada a monster. I would call it a monster of governments. We have the unelected Senate which does not represent the will of the people. As we have seen recently, it is refusing to pass a Bill on immigration that is so important to Canadians. If Meech Lake is accepted, it will contain a unanimity clause which will prevent us from getting rid of this institution that prevents Canadians from having input into their legislation.

• (1720)

It is proposed that a referendum on any matter within the exclusive jurisdiction of the federal Parliament could be initiated by proclamation of the Government of Canada or by a petition of not less than 20 per cent of the electors of Canada. I use the figure 20 per cent. In Switzerland, they use the figure of 3 per cent but we must have safeguards and I accept the figure of 20 per cent. Those electors address their petition to the House of Commons, thereby petitioning for a referendum addressing an issue of national importance as determined by the electors of Canada.

I would hope that once this motion passes, the provincial Governments and municipalities would as well accept a referendum process. Such a process exists in Switzerland where there is a referendum process at the national level, at the canton level which corresponds to our provincial level and at the municipal level. The process is binding on those Governments.

Issues of monetary policy of national interest, whether it is abortion or capital punishment, should be voted upon directly by the people if the people feel that their representatives have not brought forward a Bill in accordance with the wishes of the majority of Canadians. As I said, I hope that Members across who believe in direct democracy will not talk out this motion. I hope they will be faithful to their electors and will permit the motion to be voted upon.

I see Members from the New Democratic Party and from the Liberal Party here. I am sure they believe in democracy. Therefore, I would ask them to let this motion be voted upon.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, it was interesting to hear part of the argument presented by the Hon. Member in defence of his motion. I think he will find that it is not likely to be deemed altogether defensible on both sides of the House. His problem is not that Members on this side will keep it from coming to a vote. The probability is that Members on all sides would defeat it on the basis of what they know to be the parliamentary system.

I would like to discuss this motion in the context of the experience to which I am privy as the Member from Windsor—Walkerville, a riding which is close to the American border. I will refer to a few examples of what he has suggested be done and will indicate what the dangers are if what he proposes were to be done. Of course, we understand that the Hon. Member's philosophical bent would not necessarily reject the situations that have arisen as a consequence of the acceptance of his proposition in the states of the United States at least.

During the course of the Hon. Member's intervention, he indicated, as an example of his complete misapprehension of what the democratic process is all about under a parliamentary system, that during the debate on capital punishment, the people were not allowed to be heard. If it were not unparliamentary to say so, I would say that that was a flat-out lie, but I cannot say that it is a flat-out lie. All I can say is that it certainly was not the truth.

The fact is that the people were heard. They were heard extensively. I for one, and I am sure most Members of the House as well, considered very carefully the views of those who

expressed themselves as they did to a very extensive degree on the question of capital punishment. We reached a conclusion based, we think, on well informed opinion and a strong sense of responsibility.

I do not want to be trite by quoting the historical references with respect to the duties of Members of Parliament to be advised by their own intellect and their own knowledge and to strain in so much as possible to make decisions on behalf of those who elect them on the basis of good, solid information and careful thought. Nevertheless, I will remind the Hon. Member, as most of us have been reminded repeatedly, that there is a view of this House which imposes upon us that responsibility. To suggest for a moment that it is a contradiction of democracy to state quite clearly that there are issues so complex as not to be easily subject to a referendum method does not follow that view.

Let us look at some of the consequences of the Hon. Member's particular point of view in the State of Michigan, for example. In the State of Michigan, as in so many other states of the United States, there is the most horrible kind of poverty in large urban areas. This occurs in states which have referenda. Why is this? It is because those referenda have allowed the taxpayers to make decisions about when the taxpayers will or will not, for example, pay taxes and whether or not taxes will be paid.

It would take some kind of empty-headed thinking process to believe that the responsibility we have to raise taxes from time to time would be given a favourable response from most taxpayers. In the United States, the consequences of this have been clear. The majority have seen that the black minority in Detroit, for example, is without satisfactory schools. A situation has been created where there is no chance of that being corrected. The Hon. Member would have the majority make every decision without limitation and without assuring a process of careful deliberation of all the factors involved in any decision.

We have a responsibility here which I consider to be a very important one and at times a very trying one. It may be the Hon. Member's bent to avoid the necessity of making decisions, but I for one, and I am sure other Members of the House as well, recognize that the democratic process is not one which is satisfied by collecting signatures on referenda or petitions. It is a question of the electorate choosing those who will represent them best, not because they always reflect the majority opinion but because they are equally able to defend the rights of minorities and, much more important, because they are willing to give the study to any issue that is necessary to reach a decision that will be in the interests of all the people, without conceding to a method which, on the basis of our experiences with petitions, would lead to a fallacious image of democracy and in fact to its utter failure. Therefore, if this motion comes to a vote, I will vote against it. I would support the Hon. Member on only one thing. Let us have the vote and let us reject the proposition.

Mr. W. R. Bud Jardine (Northumberland—Miramichi): Mr. Speaker, it gives me pleasure to take part in this afternoon's debate. My colleague, the Hon. Member for Calgary East (Mr. Kindy), is asking us to consider an amendment to the Constitution entitled the Constitution Amendment, 1987. This amendment would allow for referenda to be initiated on any matter coming within the purview of Section 91 of the Constitution Act, 1867, by proclamation of the Government of Canada or by petition of not less than 20 per cent of the electors of Canada.

I would like to begin my comments by reminding Hon. Members of another constitutional amendment, the 1987 Constitutional Accord. On October 23, 1987, by an overwhelming majority of 246 to 16 votes, and with the support of all three Party Leaders, this House approved the 1987 Accord which truly marks a turning point in our constitutional history. The Accord closes the difficult chapter that began when Quebec was left out of the agreement leading to patriation and to the Canadian Charter of Rights and Freedoms in 1982.

The 1982 reform was a major advance. Besides patriation, it included constitutional recognition of equality and other fundamental rights of our multicultural heritage, aboriginal rights, the rights of official language minorities and our regional strengths.

• (1730)

However, the 1982 Agreement was incomplete: It did not include Quebec. Quebec's return to the constitutional fold is the signal achievement of the 1987 Accord. To bring Quebec fully into the constitutional fold, to strengthen and reaffirm the partnership of Confederation, and to establish a framework for building the partnership of tomorrow are proud achievements, and ones which strengthen the fabric of Confederation as a whole.

Quebec was, of course, legally bound by the Constitution Act, 1982, but it rejected the legitimacy of the new Act, including the Charter, and subsequently announced its intention not to participate in the constitutional process until its constitutional concerns had been addressed.

This was damaging for Canada in two respects. Quebec's isolation made constitutional amendments more difficult to achieve, as we witnessed in our discussions on aboriginal constitutional issues. However, more importantly, Quebec's continued isolation ran the risk of festering and creating a very serious problem for another generation to resolve, perhaps in less tranquil times. That is why it was such a joyous occasion when First Ministers reached unanimous agreement on an Accord which satisfies Quebec's aspirations within Canada and allows Quebec to embrace voluntarily and completely the Canadian Charter of Rights and Freedoms.

A major reason for the success of the Quebec round of negotiations was the agreement by all Governments to deal with the Quebec issue as a constitutional priority and to defer discussions on other constitutional issues. This distinction

between the Quebec round and a second round of constitutional negotiations effectively prevented linkage and was key to the Meech Lake success. With great respect to my colleague, the Member from Calgary East we must not lose sight of that objective by entertaining further amendments to the Constitution of Canada, however commendable those proposals may be, before the Accord is ratified by all provincial legislative assemblies.

The place to deal with further constitutional progress is in the second round. The Accord itself guarantees a forum for further constitutional talks at annual conferences of First Ministers. In particular, the Accord requires the Prime Minister (Mr. Mulroney) to convene a First Ministers' Conference on the Constitution at least once a year. Agenda items will include Senate reform, roles and responsibilities in relation to fisheries, and such other matters as may be agreed upon.

Before I sit down, I would like to reflect briefly on the role of public participation in the constitutional process and in particular with regard to the 1987 Accord.

The Accord was forged in the democratic tradition of our country. The issues it resolves have been debated for years in past constitutional negotiations, by the media, by scholars, and by interested Canadians. First Ministers scrupulously respected and surpassed the procedures laid down in the 1982 amending formula.

The hearings of the Special Joint Committee on the Accord ensured that the terms of the Accord were well communicated to the people of Canada and that it was carefully scrutinized. During four weeks of intensive hearings, the joint committee elicited 246 briefs and communications, and heard testimony from more than 80 individuals or groups. The joint committee concluded the Accord represents a reasonable and workable package of constitutional reforms and recommended its adoption by Parliament.

I might point out that the hearings of the joint committee were the first of their kind to have been held on a specific constitutional amendment. The timetable of the hearings was a demanding one, and one which required all involved to focus their energies and attention on the task at hand. While recognizing the magnitude of their task, the committee concluded their schedule was not an unrealistic one or one which excluded meaningful public participation. As the committee put it, "The process has provided us with a strong basis upon which to evaluate the 1987 Accord." The committee also noted that "any fundamental flaws in the Accord would have emerged in the course of this process." However, it is clear that we as parliamentarians, and our opposite numbers in provincial legislatures, could do more, and I welcome the joint committee's recommendations for an expanded parliamentary role through the committee process in giving expert and interested Canadians a voice in proposing the agenda items for First Ministers and in exploring issues First Ministers have agreed to address.

I do not think anyone can realistically quarrel with the joint committee's conclusion that "a conference of First Ministers will likely always be necessary as the final step to reach agreement on proposed constitutional amendments." Nor, however, can we quarrel with the committee's observation that flexibility after First Ministers have made a decision will always be limited.

In this regard, I note the committee's recommendation that, together with the other place, we create a standing joint committee on constitutional reform, to, as the committee recommends, put "the emphasis on a more open process before First Ministers meet to discuss constitutional issues." I think this is an interesting idea and one which merits further consideration. Indeed, it seems to me that a committee process might provide an ideal forum to examine proposals such as the one we have before us today. Public hearings could be held where Canadians, experts and interested individuals and groups, could make known their concerns and contribute their ideas into the process. Through such processes, Canadians could have a real influence on the course of constitutional reform.

In the meantime, let us not forget that our immediate task is to do everything in our power to ensure the Accord is adopted as quickly as possible, so that the second round can begin on a sound basis, with Quebec's full participation.

I am pleased to note that, in addition to this House, the Accord has been ratified by the legislative assemblies of Quebec, Saskatchewan and Alberta, and debate on the resolution is well under way in Nova Scotia, Newfoundland, and Prince Edward Island. The Ontario Select Committee has nearly completed its hearings, and I understand from media reports that debate has begun in British Columbia.

It is heartening to see that the momentum generated by First Ministers on June 3, 1987, continues. For the Constitutional Accord of 1987 is not an ending. It is a beginning. It will set the constitutional reform process on the road again.

[*Translation*]

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, I want to take this opportunity, before this numerous audience, to speak to the motion of the Hon. Member for Calgary East (Mr. Kindy) in which he proposes to amend the Constitution of Canada by introducing the referendum concept. The Hon. Member would have us include this concept in the Constitution of Canada because he sees this process as absolutely essential to our democratic system. This means that we would put what he calls questions of national interest to a direct vote by all citizens of Canada.

Referendums and direct democracy are not exactly new. In fact, the very concept of democracy, of *demos kratos*, the strength of the people, apparently originated in Greece, and more precisely in Athens, many centuries ago. At the time, when Athens, like all other cities, was actually a City State, all citizens would be called on when decisions had to be made.

Whenever a decision had to be made on politics, on the *polis*—the city—on the city's administration, everyone was called to a meeting and a direct, democratic vote was taken.

• (1740)

However, as the city's territory grew, its population realized that direct democracy created certain problems. People were constantly being asked to come and vote on any number of questions related to the city's administration. The farmer in his field and soldiers in their barracks had to drop everything to come and vote. So people said: Direct democracy is all very well, but it might be better to elect a few people to represent us and save us the trouble of going back and forth all the time. This led to an initial form, which developed over time, of a parliamentary system with elected representatives. People chose certain other people to represent them and to speak on their behalf.

That is how a government administered directly by the people changed, over time, and not without great difficulty, into a parliamentary system in which the people elect a number of representatives. In other words, we have people who become part of the government and who defend the general and more specific interests of the people they represent.

Obviously, people opted for a functional rather than an ideal government. And I think the very concept of a referendum is probably the "tentatively" ideal government, provided that referendums are held often. However, we must not forget that a referendum is a kind of snapshot of public opinion at a given time on a given question. These images change over time. Opinions change. The ideals, customs and morality of one era are gone in the next.

The referendum concept, idealistic though it may be, is not without problems. For instance, how are we to define what the Hon. Member refers to in his amendment as national interest? Of course, we cannot have referendums at the drop of a hat, but are we not about to deny the importance of our parliamentary system? If we go back to direct democracy, we are saying, to a certain extent, that the people who represent us today are not doing their job, do not represent public opinion and do not stand up for the fundamental interests of the citizens of this country.

The changing nature of public opinion is one problem. And what about the protection of minority groups? Referendums can be fatal to minorities.

In his proposal, the Hon. Member suggests that 20 per cent of Canadian citizens would be sufficient justification for applying the referendum formula. It sounds like a lot. This is nearly three million people. But consider the city of Toronto. It would be relatively easy to get three million people to support an emotional issue of so-called national interest.

In that case, what about Prince Edward Island? What about Newfoundland? What about the minorities in the Northwest Territories? What about the Yukon? What about francophone or, in some cases, anglophone minority groups? What would happen to our aboriginal communities?

You know, in a referendum, what with the emotion and public pressure, some rather startling events widely broadcast on television can make public opinion swing and waver; it does not take so long. We saw a striking example of that recently with the refugee issue. A child crying on television has much more impact than a minister's speech. However, with the rather massive arrival of people from abroad, Canadians might say no to any further immigration, if asked in a referendum. It might come down to such a referendum.

And you know what happened in the United States, in California, with Proposition 13 where Californians said they were fed up with taxes. So they put it to a referendum. It was decided that there would be no more tax increases.

At first, that seemed like a bright idea, a good thing to do. It is true that we are burdened by taxes; everyone is fed up with them. Of course the referendum carried by an overwhelming majority, but what have the consequences of this famous Proposition 13 been? It has deprived the government of some $100 billion since 1978. Everyone will say, "Great! Way to go! They got $100 billion less—that money would have come from us. Wonderful!" But what have the consequences been? The highway system is deteriorating. All kinds of municipal and government facilities are running down because of a referendum, a snapshot of public opinion reflecting a temporary fashion, what almost amounted to collective vengeance, because of too many tax increases too close together, perhaps, but now Californians are paying the price. It is the same individuals and communities who are paying for it. Everything is deteriorating, compared to other surrounding states or municipalities that may have undergone tax increases, but at least have quality services.

So there are dangers in going the referendum route. Of course, compared to a constitutional document, for example, a referendum seems to be supported by the whole country. Let us have Canada's Constitution ratified by the whole population. I, for one, would have liked the BNA Act to have been endorsed by a strong majority, and by that I mean most of the citizens. We would have been on much firmer ground had the Constitution Act of 1982 been the subject of a referendum with a very strong majority in favour of it. But what happens when a referendum is won by something like 50.1 per cent or lost by 49.4 per cent? You will find yourselves in situations leading to the kind of divisions which leave no room for change or negotiation.

So, Mr. Speaker, imagine the people being asked directly to consider a Bill of some 350 pages, 12 paragraphs, 14 subsections, printed as big as this.

An Hon. Member: Fifteen appendices!

Mr. Hamelin: And 15 appendices, says my colleague. It will be impossible, I admit, you can see for yourself, Mr. Speaker, you will readily admit it in spite of your great intelligence, we

have a hard time figuring out what is what. So think of the ordinary man who is given an 18-inch thick document and told to make up his mind. Are you for or against? Even we are lost. What a mess, Mr. Speaker, you know that, we have to work full time at it just to be able to single out the positive elements of national interest—when there are any, which does not happen very often.

So there is danger in these referendums which may indeed put us in a straitjacket from which escape does not come easily. The advantage of the parliamentary system is that we can be thrown out every four years or so, we can propose new policies or seek re-election. Like you, Mr. Speaker, I hope we will be able to keep up the good work. But if we have to revert to direct democracy in every instance, then we have problems.

• (1750)

There is an other aspect to the question. The laws, as we know, are often ahead of or lag behind public opinion. There may be some pieces of legislation in Canada that are some years ahead of public attitudes, but, Mr. Speaker, some others are reactionary and need to be adapted to take into account the will of the people. But could we accept a decision based on an occasional and dangerous snapshot of opinion polls? I find it hard to live with that but despite all the shortcomings of our system, despite the theoretical and almost romantic appeal of direct democracy, I would not put such a proposition in the Constitution, at least in Canada.

Mr. Speaker, it is our role to represent this country and our constituents.

Mr. Ricardo Lopez (Châteauguay): Mr. Speaker, I am pleased in turn to take a few minutes of the House to express my views on the motion just tabled by the Hon. Member for Calgary East (Mr. Kindy). In the first place, Mr. Speaker, I would like to commend my colleague for Calgary East for the work he put into the preparation of his motion. I would like to add that for a major part of his presentation, Mr. Speaker, I can but agree with him on that part, certainly, that deals with the Senate's encroachment on elected Members of this House. There are many other things also on which I had to fight alongside the Hon. Member for Calgary East and on which I was in total agreement with him. I also note that a lot of work went into his motion, his bill, a lot of research coming from a man of absolute integrity and a very able Member.

As to the actual contents of his motion, Mr. Speaker, this is another story, and I cannot agree with the motion as such. He constantly refers to democracy, direct democracy. Mr. Speaker, each election is an exercise in democracy. That is a democratic process, direct democracy needless to say.

I feel that Canadians are rather bored with being called upon to vote so often. They often told me: We elected a Government, we elected a Member, let him do his job afterwards. If we have to give our views each time the Government has a decision to make, we have other things to look after. We should trust our elected representatives, that is what we elected them for.

If each time the Government wants to make a decision, everyone had to go out and vote, there would be no end to that, and there would be no need for the House of Commons, with its Speaker, for a Prime Minister, etc., if on every major decision we went through direct democracy. As you know, Mr. Speaker, major questions are like an accordion. Some might say for instance that what is significant is the budget, or capital punishment; it could be abortion, it could be a million matters. And each individual would have his or her own priorities. Will these matters be put directly to voters each time, in order to know what is the significant issue? Would that not lead to chaos? In my view, it would also be a loss of time, it would be disturbing our fellow citizens in an absolutely needless way, not to mention the costs. As we know, a referendum is very expensive, just as elections are, and Canadians have other things to do than spend money for absolutely no reason and also be disturbed at every moment.

Some colleagues referred to the process in Switzerland. Apparently this would be the country in which there is the greatest number of referendums. Even in that country, Mr. Speaker, the credibility of that referendum process is declining. Initially, it would seem that from 60 to 65 per cent of citizens used it, went to vote. But currently the percentage has sunk below 40 per cent. So if the Swiss could be called the fathers of referendums, they themselves do not believe in it anymore.

My colleague for Calgary East (Mr. Kindy) also referred to the vote we had a few weeks ago, or rather a few months, concerning capital punishment. But on that I think he overlooked one essential aspect. What did he forget? Something I am sure he, like most of my colleagues, did: before voting in the House, he made an effort to find out what the people thought. And since it was a free vote, I should now congratulate our Prime Minister for having allowed us to hold a free vote on an extremely important and controversial issue. I did it myself: I consulted my constituents before voting. Of course, I am not here to represent myself or to defend some personal idea but to represent my constituents' ideas. So when the issue is extremely important in my view, as capital punishment was in the past and other issues will be in the future—I am thinking about abortion legislation, etc.—we should ask Canadians what they think. This kind of consultation would be much less costly than a referendum and make it possible for us to find out just what our constituents think.

You know that when only 20 or 25 per cent of the people respond through a referendum they do not necessarily represent the interests and the will of the whole population.

We have excellent tools at our disposal to be able to consult the people, such as parliamentary bulletins, and we can send householders four times a year. I should think that is enough. We can consult people four times a year on what we feel are major issues, and it does not cost us a cent. I do that all the

time and I urge my colleagues to do the same thing. If we really believe in democracy, which consists in representing the views of our constituents as eloquently and faithfully as we can, that is an essential tool to ask them what they think. We could always include a removable page which they can return to us. A constituent does not have to change his routine, he does not have to leave work to go and vote, yet at the same time he can tell us what he thinks. In a case like that they just send us the removable page and tell us their views, and after that the parliamentarians or the Members should act accordingly.

To me that kind of democracy is much more direct than . . .

[*English*]

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired.

[*Translation*]

Pursuant to Standing Order 42(1), the order shall be dropped from the Order Paper.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

OFFICIAL LANGUAGES—SASKATCHEWAN BILL—REQUEST THAT FEDERAL FINANCIAL ASSISTANCE BE OFFERED TO PROVINCE / SURVIVAL OF MINORITIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I rise on the adjournment motion to refer to a question which I put to the Prime Minister (Mr. Mulroney) on April 12 last as recorded on page 14 387 of *Hansard*. I do so because I think that the Prime Minister erred in his answer and I should like to bring a correction to *Hansard* and stick with the facts.

I put a question to the Prime Minister about conditions in Saskatchewan and pointed out that the Government has introduced and is discussing Bill 2 which according to many is a step backward and will restrict considerably language legislation confirmed on February 25 last under a decision delivered by the Supreme Court.

It will be remembered that the Supreme Court had pronounced judgment in the case of Saskatchewan and perhaps also with respect to Alberta because both provinces were carved within the same territory; it decided that section 110 of the legislation creating the provinces had been copied as it were from the same legislation concerning the Northwest Territories . . . therefore clause 110 directed the Government to allow English and French in the legislature and in the courts.

The Supreme Court rendered its judgment and gave the government two options, as we all know. The first option: You can declare you are unilingual by adopting legislation that says all statutes enacted since 1905 are valid. The second option: Instead of saying you are unilingual, you could have your statutes translated and negotiate appropriate arrangements with the official language minority group.

I put the question to the Prime Minister to establish that many premiers, Mr. Bourassa as well as Mr. Getty and Mr. Devine, are using the language question in Saskatchewan for their own political and provincial purposes. I am sorry I have to say this, but I think it is high time these premiers took action and stopped making promises or the kind of unacceptable statements made by Mr. Bourassa who said, substantially, and I am quoting from an article that appeared in *La Presse* on April 12: "I wouldn't want other governments to interefere with the way we treat our Anglophone minority in Quebec, and so I respect the way the province is treating its Francophone minority".

I could quote many more instances, Mr. Speaker. The papers are full of them. Mr. Getty said he would proceed like Saskatchewan did but that in any event, Alberta would take care of its own business. Mr. Devine tells us that in ten or fifteen years the province of Saskatchewan will be bilingual. No kidding!

The majority of the population of Saskatchewan is anglophone. We know that. The Province has statutes, and under those statutes, it had certain statutory obligations. There was one obligation that had not been met, through no fault of the Saskatchewan Francophones who, until recently with Father Mercure, lacked the money and the legal arguments to go before the courts and stand up for their rights.

Hon. Members will recall that Manitobans were given back their language rights when George Forest, in 1974-75-76, decided to go before the courts to stand up for his rights in Manitoba. Finally, in 1979, he won his case.

However, my main point today is the point I was trying to make to the Prime Minister, namely that asking Francophone communities to put their faith in Mr. Devine's statements would, in my view, be asking too much of this minority which today has yet to receive from the Saskatchewan Government the most basic, the most essential services as far as education is concerned. In fact, the courts have been asked to decide whether Section 23 of the Constitution Act of 1982 gives Francophones in this province the right to have their own autonomous school boards.

• (1805)

He should not go too far in his suggestion that there is much good will on the part of the Government.

In his reply, the Prime Minister said:

> If I am not mistaken, Mr. Speaker,—

—I am quoting him *verbatim*—

—the report of the Commissioner for Official Languages indicates that in recent years there has been substantial progress in Saskatchewan with respect to the use of French.

I perused the report of the Commissioner for Official Languages which I had read before and tried to find the comment which could have given the Prime Minister this idea and suggest that in recent years there had been substantial progress in Saskatchewan with respect to the use of French. Well, Mr. Speaker, there is no mention of that in this report; on the contrary, and I should like to quote a statement made by the Commissioner for Official Languages on page 159, and I quote:

Their relative weight no doubt accounts for some of the special difficulties they—

—the Fransaskois—

. . . face and for the sharp debates which sometimes surround the issue of official bilingualism in the West.

—I continue—

—the year—

—this is 1987—

—witnessed a number of unfortunate confrontations over demands for French language schools, legal battles over the right of accused persons to trials in the official language of their choice and controversy surrounding the status and use of French in provincial legislatures.

I was quoting the Commissioner for Official Languages. What he said is entirely different from what the Prime Minister stated in the House in his reply on April 12 when he said that there had been substantial progress. He should not try to . . . I am not saying that he tried intentionally to mislead me, but the Prime Minister should state openly that there are serious problems in western Canada. These are serious problems which must be dealt with. We are going to solve them if we deal seriously with western Canadians and declare outright that the rights of minorities should be respected wherever they are, whether in Saskatchewan, Alberta, Manitoba or Ontario, in short, all Canadian provinces, including Quebec. They have a right to survive in Canada and I hope that the Prime Minister whom I know very well will make sure from now on—

The Acting Speaker (Mr. Paproski): Order, please! I must regretfully interrupt the Hon. Member, but his time has expired. The Hon. Parliamentary Secretary has the floor.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member must realize that there have been many Commissionner reports and many words in this one, but this is not the gist of the issue. I am sure the Hon. Member realizes that the Prime Minister has already been questioned at length on the issue of language rights in Saskatchewan. He clearly explained his own and the Government's position on this issue.

The Prime Minister also recalled his own and the Government's commitment to promote the full recognition and the use of French and English in Canadian society. But there is a difference between the parties in this House, a difference of attitude. We, the Conservatives, believe that discussion and co-operation have more to offer than confrontation. But the Liberals and the NDP believe that confrontation is better than co-operation and discussion.

[*English*]

There is a big difference on a very important and fundamental issue in this country, the issue of language. I do not think the nation is well served by any political tactic that attempts to heighten divisions. It is surely an issue in this country, and I commend the Prime Minister (Mr. Mulroney) for the degree to which he provides that co-operation and discussion of leadership on this very important and essential issue to the fabric of our nation.

[*Translation*]

I urge the Hon. Member for Ottawa—Vanier (Mr. Gauthier) to study the issue in the same non-partisan spirit that he demonstrated when previously taking stands; he will recognize, as did the NDP leader, that the Prime Minister is making positive and constructive efforts in that matter.

• (1810)

[*English*]

He is meeting today in the Province of Saskatchewan. He has offered the House his willingness to report fully and completely on those discussions.

I simply say to the Hon. Member opposite: "Be non-partisan on this issue, invite the Prime Minister to report to the House". Surely co-operation and discussion is the way to advance national unity on the language issue.

IMMIGRATION—QUERY WHETHER MINISTER HAS CONSULTED CANADIAN BAR AND THE SENATE/ REQUEST FOR 60-DAY DELAY ON DEPORTATIONS

Mr. Dan Heap (Spadina): Mr. Speaker, I am very happy to have a chance to speak on a question that I raised two weeks ago. The question concerned the problem or collection of problems that our country has in connection with the backlog of refugee claimants and the need for new legislation on refugee determination.

The legislation has been stalled by a number of causes, which I will not take time to go into now because I have discussed them before, and the backlog has been increased by the allowing of various national groups to enter through a loophole without imposing a visa restriction as early as could have been done. Also there have been no convictions yet of any of the operators of those scams and no legislation yet to provide the means for better regulating those operators, or no proposal for legislation.

However, the problem is with us. Two weeks ago I asked the then Minister to consider the need for consulting to resolve a practical problem. I asked him if he would consider a package as follows: (1) a 60-day delay on deportation, that is of

backlog members, to allow time for consultation; (2) consultation with the Canadian Bar Association and the Senate to make Bill C-55 workable under our existing Constitution and Supreme Court; and (3) creation of a new administrative review that fairly identifies the people who are effectively established in Canada, taking into account help from their relatives and their work record.

I want to take up each of those points in order. The 60-day freeze is an arbitrary number that I picked, two months, to give time for consultation. I agree with the words that I heard from across the way, from the speaker for the Government, that there are times when confrontation is not wanted. I think this is a time when consultation could be appropriate.

At present the Turks are being deported, although Canadians where they are living have said that they want them to stay. Obviously there are many others of the 48,000 who will come into question in the very near future and farther. Many people doubt that this Government will in fact deport 48,000 people during this year. The number might be greater, or it might be smaller, but it is in the tens of thousands.

The suggestion therefore is, rather than deporting a few and then perhaps working out a plan that would have treated them differently had it been in operation earlier, that we hold in order to treat all in the same way. During that two-month hold we could do two major things. There could be consultation on Bill C-55. Granted there has been a lot of talk on it so far, but the main point on which we should consult is to bring it into line with the Supreme Court decision given three years ago which says that everybody who comes here—that is, if he claims refugee status and if he is in Canada—has a right to have his or her claim fully heard by the people who will decide on the merits of the claim. That is denied to most people by Bill C-55. Furthermore, what we have for those people who do go to have their claims heard is a double process, two hearings instead of one. If we could get rid of that screening, in accordance with the advice of the Bar Association and all the lawyers in private practice who have discussed this with anyone I know of, we would do two things; we would speed up the process of Bill B-55 itself, which we all agree is desirable, and we would be bringing it into line with the Supreme Court decision on the meaning of our Constitution.

• (1815)

If we do not do that, what we have is a Bill that is unworkable. Even if it were declared today, it would be found to be unworkable. We have that on the advice of all the lawyers who are not being hired by the Government to support it. That is part of the reason for its delay.

The second thing that could be done would be to work out fairer plans for a new administrative review, to review the backlog of refugee claimants on an individual basis to find out who is or who is about to be adequately settled. The Government has already done that with tens of thousands of people. The Minister issues tens of thousands of permits every year. There is nothing extraordinary and certainly nothing illegal about this procedure. It would not be hurting the regular immigrants because the Government last year, according to its figures, brought in 9,000 more than it had planned to bring in. So for the ones who were brought in in the administrative review last year, it did not block them.

It should be made more fair than the last administrative review. It should take account of the people who are receiving genuine help from their families in getting settled. It should take account, for example, of a Guyanese woman who is earning $13,000 a year in a factory. That does not come up to our Stats Canada standards, but she is in fact supporting her two children. She has done that for several years. That should be recognized. She, like many Canadian born people, is paid less than what we consider an acceptable wage but she is surviving. She is working and looking after her family. She should not be turfed out because she does not come up to an abstract wage standard.

Likewise, people in areas of high unemployment should not be penalized because they are in areas of high unemployment. Therefore, I am hoping the Government will consider a package like this which would benefit the Government, the refugees and the country by resolving this impasse.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member and I have served for some considerable period of time on inquiries into immigration. In many ways we have similar attitudes about many kinds of solutions. However, I think the Member is off base in several ways. He starts his discourse today by he saying he cares about the operators of scams and the fact that none have yet been convicted, but there is a problem in the current law in getting evidence and convicting. Then the Member says that nothing is on the table that would change that situation. Bill C-84 is on the table. It has very clear-cut provisions designed to stop that kind of scam, to get convictions, and to stop the assault on Canada's immigration borders. I think the Hon. Member knows that. I am not quite sure why he said what he said.

There is an argument on the constitutionality of some of the provisions in Bill C-84 and Bill C-55. These two pieces of legislation were dealt with by this House on an emergency basis last summer. They were stalled in the Senate month after month after month.

My experience goes back to June of 1985 when we got into a real clear understanding of the refugee situation. We were dealing in this Chamber with a piece of legislation designed to increase the strength of the number of people in the Immigration Appeal Board so they could deal with the reunification of family members, the real immigration side, and the assault on refugee claims by bogus claimants. We were delayed by the New Democratic Party and the Liberal Party. We have had this since June of 1985. Every time the Government tries to do something positive to straighten out the situation, to clear up the difference between bogus claimants and real refugees, to

really help refugees and to help the family reunification process, we get delays.

What is the Hon. Member asking us to do? The very first thing out of the box in his original question and again today, is a 60-day delay. Well 60 days more delay will invite more scams. This Government says no to more scams. Let us get on with it. Let us get the deal back from the Senate, get it in place and start to clear up the mess.

• (1820)

TAX REFORM—REQUEST THAT GOVERNMENT PAY INTEREST ON INCOME TAX COLLECTED

Miss Aideen Nicholson (Trinity): Mr. Speaker, on March 18, I pointed out to the Minister of Finance (Mr. Wilson) that the Government had just given itself an interest-free loan of over $1 billion. This is because, under what the Government is pleased to call tax reform, income tax has been reduced for Canadians since January 1, 1988, in some ways, but they will not see this reduction in their pay cheques until July 1988.

I noted as well that the Conservative chairman of the finance committee had been quoted as calling this situation a rip-off. The Minister did not say that he would do the correct thing by paying the interest on this loan back to Canadians. Instead, he responded that this situation exists for various administrative reasons.

I would like to point out again today that this rip-off is just one of many rip-offs imposed by this Government since it came to power. It is just one of others that the Government has tried to keep rather quiet about.

Another silent tax grab is the Government's requirement that employers deduct their income tax, unemployment insurance premiums and Canada Pension Plan contributions and remit them weekly instead of fortnightly. That was increased from once a month in January of 1987. This gives the Government a one-time increase in its cash flow for this year of $1.6 billion.

The Government made another silent tax grab in the 1985 Budget when it deindexed the income tax system. By doing this, the Government has made inflation work for it. Each year since 1985, the rate of increase of benefits such as family allowance has not kept pace with inflation. Neither has the rate at which taxpayers could deduct certain allowances for income tax purposes. This year alone, as a result of deindexation, taxpayers had to pay an extra $750 million to the Government.

I would ask again, when will the Government admit to Canadians that it is at their expense that the smoke-and-mirrors routine that is miscalled tax reform is being carried out?

Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, with reference to the question posed by the Hon. Member with regard to the Government paying interest on income tax collected as a result of the tax reform measures, I would offer the following comments.

In June of 1987 when the White Paper on tax reform was tabled in the House, we were aware that we would not introduce the detailed Ways and Means Motion early enough to change the withholding tables for January 1, 1988, given the time necessary for detailed consultation and review by the parliamentary committee. Therefore, it follows that the earliest date for adjustment to the withholding tables could not be before July 1, 1988. Accordingly, the changes were scheduled to take effect with respect to withholdings on salary and wages paid after July 1, 1988.

It would have been difficult to provide for earlier implementation of these measures for the following reasons. The Government's fiscal year runs from April 1 to March 31. Government expenditures for the year to March 31, 1988, have been based in part upon the revenues collected under existing regulations. In addition, the current fiscal framework was one of the fundamental premises upon which the personal tax rate reductions, introduced as part of the tax reform process, were based.

If such an approach had not been adopted, the reduction in tax rates for 1988 may not have been as significant. The legislation has not yet been introduced to the House and there is no authority which would permit the withholding of lesser amounts. In addition, while the draft legislation respecting the tax reform proposals has just been made public, there may be changes made to the legislation as a result of further input from the public and the finance committee.

While most taxpayers will benefit from the lowering of rates through increased take-home pay, some taxpayers may also have an increase in tax liability due to the elimination of certain tax preferences and the restriction of certain other deductions. This situation is no different from any other year in which relieving measures are introduced in the Budget.

While these measures take effect in a particular year, employers will deduct amounts from salary and wages based upon the tax tables issued as of January of that year. The taxpayer will not receive the benefit until he files his return. Interest is paid in the normal course on refunds paid after April 30.

In closing, it is only reasonable that there be a transitional period for the implementation of such major tax revisions and it is commendable that this has been kept to a short period of six months.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Friday, April 15, 1988

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed from Thursday, April 14, consideration of the motion of Mrs. McDougall that Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I move, seconded by the Hon. Member for Western Arctic (Mr. Nickerson) that this question be now put.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Benjamin: Mr. Speaker, several of my colleagues wish to speak on this Bill. This was a type of underhanded manoeuvre of the Government, on a Friday, of all days—never on a Friday used to be the rule around here.

I hope that the Government will reconsider. We are down to 10 minute speeches, and obviously at some time today we will be forcing a vote on the Bill. It is not necessary to do it now. Today is a short day, and if there are four or five people who wish to speak at 10 minutes each, it is no handicap or hazard to the Government.

I would hope, Sir, that we could avoid this type of manoeuvring, if the Government wishes to have lots of co-operation from the opposition Parties.

The Acting Speaker (Mr. Paproski): The Hon. Member for Spadina (Mr. Heap) on debate.

Mr. Dan Heap (Spadina): Mr. Speaker, I do wish to speak on this Bill, and I am glad to have the chance today. This is a Bill to privatize Eldorado Nuclear Limited, a small firm renamed and taken over by the Government in 1942. Since then it has been the recipient of a vast amount of government subsidies. The Government has pumped taxpayers' money into this firm. In spite of that, the firm still has debts which the Government is willing to pay off as a favour to any prospective buyer.

It is a bad deal, financially, but there is another aspect that is even worse that I will address shortly. First, I wish to review the generally bad aspects of the deal. This deal is arranged in such a manner that the public sector will be taking the debts, while the private sector takes the profits. This is what is traditionally known as socialism for the rich. Many corporations that will indirectly benefit from this, and many individuals who will directly benefit from this, pay no tax. We do not know exactly who until the time comes, but we do know that they will be among those rich people in Canada who pay no tax, and they will be subsidized by the working people, small business people, and farmers of Canada who pay taxes. As I said, large multimillion dollar debts of this company will be taken over by the Government after the agreement to sell this company to private owners for their private profit. That is one problem.

• (1010)

Another problem is that the safety regulations, which have not been enforced as well as they ought to be in the case of a public corporation, will be much less enforced in the case of a private corporation. I am speaking of safety to the workers, safety to the neighbouring public, and safety to the environment. The sale of this company into private hands will put the industry in the position of becoming a much greater physical risk to those who work there, to those who live nearby, and to the air, water, and soil of our country. Those are the general problems.

What I want to speak of particularly is that this company, Eldorado, has been from the outset part of a scam. I am not referring only to the cartel for price fixing, of which it was part and on which the evidence was gathered by the Department of Justice; 75,000 documents of evidence gathered and kept secret until this day. Nevertheless, clearly there is no question that Eldorado and other companies in the cartel, Canadian and international, were guilty of price fixing. The matter was never brought to court, because Eldorado during this time has been a Crown corporation and was therefore able to misuse or to abuse the royal prerogative to avoid being sued for its violation

of the laws of Canada. I am speaking of a still more serious scam, and that is a scam in the relationship between nuclear power and nuclear weapons.

I refer partly to an address recorded in *The Gazette* for April 14, 1988 by Helen Caldicott who says to us through the audience she addressed in Montreal:

> You are the root of half the arsenal of nuclear bombs in the world.

This is what she told her audience of about 900 people at St. Patrick's Church in Montreal. She goes on to say that if we continue with the proposed nuclear powered subs, we will be extending our guilt for the proliferation of the threat of nuclear devastation either by accident or by war.

What happened was that in the 1940s Canada helped the United States to build the atomic bombs that were tested in the U.S., mostly on non-humans, not deliberately on humans though some American and some Canadian soldiers have suffered severely from the radiation to which they were exposed there, but they were tested cold-bloodedly on the people of Hiroshima and Nagasaki. Canada helped by providing uranium and by providing expertise. This was done primarily through Eldorado. Canada for many years, then, has sold uranium to the United States.

When the United States uranium industry became protectionist and objected to the importing of Canadian uranium, the Canadian Government under Lester Pearson became more peace loving and said: "We won't sell uranium except for peaceful purposes". They never explained from that date to this how you identify a uranium atom or a uranium molecule or a uranium shipment, for that matter, when it has been stockpiled with uranium from other mines, or how you tell which one was used for peaceful purposes only and which one was used to produce weapons grade plutonium for bombs.

At the time this scam was promoted by Eisenhower, the former General commanding U.S. Forces in Europe and later recycled as President of Columbia University and then as President of the United States. In 1953, when Eisenhower spoke to the United Nations General Assembly, he undertook to announce a new nuclear policy for the U.S. He proposed, and I quote, "to take this weapon out of the hands of the soldiers and put it into the hands of those who will know how to strip its military casing and adapt it to the arts of peace". He was going to establish a new international agency called "Atoms for Peace". They were going to provide abundant electrical power, growing roses in the Antarctic, and so on and so forth. It was quite a paradise that he described. He assured us that this Atoms for Peace would "diminish the potential destructive power of the world's atomic stockpiles", and a further quote that they would be "entirely eliminating the use of atomic energy for destructive purposes and promoting its use for industrial and humanitarian purposes".

Canada, through Eldorado, went along with this project disguised as a pipe-dream for Utopia with cheap, safe power. Canada helped to set up the International Atomic Energy Agency, which facilitated the sale of uranium and overlooked the serious dangers of uranium from Canada and other uranium producing countries being used to produce nuclear weapons.

During these years Canada prided itself on not manufacturing or storing nuclear weapons, except for a few years when we had the Bomarc nuclear warhead here. Some Canadians were making plenty of money. Other Canadians were subsidizing the industry from the beginning, but the owners of uranium industries were making plenty of money by selling uranium to the United States and to other bomb-producing countries, including even the Soviet Union.

There was also the project of producing the CANDU reactor. The CANDU was a flop commercially. It has had to be constantly subsidized by the taxpayers; again the profits go mainly to the owners directly or indirectly, to the financiers, to the banks and others that lend the money to this money losing, weapons producing industry. I call it "weapons producing" because even though no Canadian agency has manufactured the bombs, we have been an important part of the American bomb manufacturing industry.

This has been well documented in a book called *Canada and the Nuclear Arms Race*, particularly a section by Gordon Edwards, a professor of mathematics, called "Canada's Nuclear Industry and the Myth of the Peaceful Atom". He points out that when, for example, there was concern about proliferation of nuclear weaponry into Argentina through the use of Canada's CANDU reactor and materials associated with it, there was a high level discussion and there was an inquiry, not a public inquiry but a judiciously private inquiry. Edwards says in the book, and I quote:

> The nuclear review was carried out by an interdepartmental committee of government officials, with assistance and advice from AECL—

That is Atomic Energy of Canada Limited. That is to say not the regulatory board but a corporation interested in producing and selling atomic energy. He went on to say:

• (1020)

> —Eldorado Nuclear Limited, the Atomic Energy Control Board, and the Canadian Nuclear Association—all organizations which are dedicated to the promotion of nuclear technology. However—

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

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I am taking part in this debate because I feel that from now until June, the Government will use delaying tactics of this kind to put an end to debates in the House, to shorten them, and perhaps even to silence some opposition Members who would like to speak on certain subjects.

I will remind Hon. Members that yesterday in the House, I raised a series of issues that the Government must address, subjects as important as the privatization of Air Canada and

abortion. So the Government must present the legislation as soon as possible if we are to study these issues seriously in the House by the end of June.

[*English*]

In speaking to the motion before us, which motion is that the question be now put, I would like to state that the Liberal caucus does not like this tactic of the Government. Nevertheless, it has been done now. We hope that the Government will not make a habit of it and will allow for the exercise of free speech without having to go to such extremes.

Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, with reservations from the Liberal caucus, will receive our affirmative vote. That is the case basically because this Bill seems to be a step in the right direction, and we favour the move.

I must tell Hon. Members that for political reasons and from a political perspective I personally may have some difficulties with this merger. It is a gift to Premier Grant Devine and his Saskatchewan buddies. I am not very inclined at this time to be very nice to Mr. Devine because he is not being very nice to me. Therefore with that reservation, a personal one, and without putting that reservation before my vote, I will stand in my place to support the Bill. I hope that Premier Devine will do the same in his province, stand up and support some of the things for which we all fight, that is, basic fundamental rights in Canada, and give generously to his people.

The assets of Eldorado are valued at about $915.9 million while the assets of Saskatchewan Mining and Development Corporation, which is the company with which Eldorado will be merged, are $973.2 million. The Government of Canada will have a 38.5 per cent share of the new company while Saskatchewan will have a 61.5 per cent share.

The new company will issue promissory notes valued at 40 per cent of fixed assets to cover all the debt owed to the Saskatchewan Government, and $230 million of the $570 million owed to the Government of Canada.

It is indeed a gift to the Province of Saskatchewan. We are covering the debt by doing this and helping Saskatchewan balance its books. However, the price for which the Government of Canada is selling Eldorado nevertheless appears low to some of us.

Some stock brokerage companies, in particular Burns Fry, which is assisting the Government with this sale, has explained to us some of the difficulties of placing a value on the Saskatchewan Mining and Development Corporation and Eldorado Nuclear, which is a federally owned company. The two companies were evaluated from a discounted cash flow basis rather than from an assets basis. SMDC had lower operating costs, partially as a result of lower royalties. Eldorado was also determined to be lower in value as a result of its less profitable refinery business.

We know that the product that the Canadian uranium industry exports makes Canada one of the leading producers and exporters of uranium. I have statistics with which I will not bore the House but which state that in 1987 Canadian output and exports each exceeded 12,000 tonnes of uranium, surpassing the five year highs set in 1986. The value of Canadian uranium production exceeded $1 billion in 1987.

One of the points that I would like to touch upon in the few minutes available to me is that the head office of the new merged company will be moved to Saskatchewan. This means that there will be 50 employees who will be without jobs. However, if we are to believe some of the press reports, there will be some efforts made by the new merged privatized company to look very attentively at the possibility of offering to these people future employment if at all possible. I hope that they will be treated fairly and justly and that they will not suffer from this decision and from this transfer to Saskatchewan.

I hope that if among these employees there are francophones, they will be able to go to Saskatchewan, have their kids educated in Saskatchewan *en français, s'il vous plaît*, and have access to their courts as well as access to the legislature, in French as well as in English because of course that is a fact of life in Saskatchewan.

Having made these few remarks I would like to say to the House once again that we indeed support Bill C-121. I do not think that we have any further speakers on it.

Mr. Neil Young (Beaches): Mr. Speaker, we in the New Democratic Party oppose the sale of Eldorado Nuclear Limited because in our opinion it is a bad deal. It is a bad deal for Canadians. I have a whole number of concerns. I have listened to the speeches over the last several days on this Bill. I think anyone watching this debate will readily recognize that there are many facets to what the Government is attempting to do here. One of those with which I have a great deal of concern is the environmental implications of this deal.

Considering the environmental aspects of Bill C-121 I think a greater consideration should be given to the situation of Eldorado Nuclear now and the wider implications of uranium mining which the new merged company will encounter. Eldorado Nuclear has severe environmental problems with which to deal, especially at its Port Hope, Ontario, refinery, and at its northern Saskatchewan mine sites. Essentially the Eldorado Port Hope dump site is full.

The situation has been summarized this way by research staff from the Library of Parliament. The researchers have pointed out that the effluent treatment process at the Port Hope refinery produces approximately 600 tonnes per year of solid waste which is mainly calcium oxide containing calcium fluoride and uranium at 500 to 1000 parts per thousand.

This material and much smaller quantities of other smaller wastes that contain metallic impurities, including arsenic, are dumped at a licensed site near Port Hope, the Granby dump

site. This depository is close to being full and yet no alternate site or plan has been selected. Eldorado has been waiting for the federal Government to decide what should be done with this dump, and presumably the new company will also wait for direction.

• (1030)

Any plan that requires the removal of the material to a new site will be very expensive, mainly in terms of transportation, and according to the details released with the merger plans, the costs, possibly up to as much as $100 million, will be borne mainly by the federal Government.

That is according to the research staff of the Parliamentary Library, and I think all Hon. Members have a great respect for the integrity of the research done by the staff in the research branch.

The resolution of Port Hope is mainly to dump the responsibility onto the federal Government which will pay the bulk of the costs. In our estimation, the first $2 million will be borne by the company and the next $98 million or 23.5 per cent will be borne by the company, with 76.5 per cent of the cost being borne by the federal Government. Any cost above $100 million will be borne entirely by the federal Government. I defy anyone to say that that is a good deal for the taxpayers of Canada who will end up absorbing these costs.

Why is there such a sweetheart deal for a company being purchased as it is? Companies are normally purchased with assets and liabilities, but some of the key liabilities in this transaction have been taken over by the federal Government. We must ask why this is so. The answer is simply that the Government is desperately anxious for a good share price on the flotation of the new company's stock. What better way to achieve that than for the federal Government to assume the liability of environmental responsibilities and Eldorado's enormous debt?

Eldorado's environmental difficulties do not end with the dump sites. There are further problems in Port Hope and in Saskatchewan's mine mills. Again, according to the researchers from the Library of Parliament, the continued operation of the Port Hope facility, especially at present high rates of production, will generate considerable levels of solid and liquid waste. With the proximity of the plant to both Lake Ontario and the town site, the new company would do its image a great deal of good by committing itself to efforts to recycle or clean up and sell all such wastes. No mention has been made of such an approach, according to the researchers.

Clean-up problems exist at the mills in Saskatchewan as well. The tailings that are produced contain small amounts of uranium, radium and other elements. Very good effluent treatment is required on an ongoing basis, and a thorough understanding of the principles involved have to be taught to the personnel involved. Historically, such understanding has been suspect at best.

The two areas I have just pointed out have been identified as problems which the Government has yet to acknowledge. This leads to the suspicion that the Government feels that the less said about environmental aspects of uranium production, the better. This is unfortunate for a Government that assumed office with some expectations that it would examine the inherent difficulties of the nuclear fuel cycle.

Although there is considerable public support for such an inquiry, there has not been one. We in the New Democratic Party have formed our own inquiry headed by the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) and the Hon. Member for Vancouver—Kingsway (Mr. Waddell).

At this time when the Government is backing away from involvement with uranium, it would be an appropriate time to review the issues involved with uranium mining, particularly in light of recent experience in Canada where new high-grade ore mines have developed in recent years and are likely to require both novel and sophisticated technologies. Similarly, Atomic Energy control regulations have been under review for a number of years. A public inquiry could reveal the problems of mining uranium at this time.

I think this issue begs that I ask some of the environmental questions associated with uranium mining which are grouped around three themes: occupational safety for miners, public health hazards from mine waste and disposal and the propriety of producing material for possible use in nuclear weapons.

As I pointed out earlier, the New Democratic Party opposes this deal because it is a bad deal. It is a bad deal on environmental grounds and it is certainly a bad deal for the taxpayers of Canada. I say that because the deal is structured so that the public sector takes the risks and obligations and the private sector gets the profits, profits not only from the commercial activities of the company merged from Eldorado and the Saskatchewan Mining Development Corporation but also from the heavy public subsidies which are given the uranium mining industry in the form of favourable taxation, marketing arrangements and sweetheart contracts.

The House has been given no assurances from the Government that it recognizes the sacrifice of the public sector and the public interest in this deal. It is clear that this deal has been structured so that the Government can say that privatization works, just look at the share price. However, of all sectors of industry, I cannot think of another that is less appropriate for privatization than the nuclear industry. In my opinion, it displays an ideological approach that defies any kind of logic or responsibility to the public which is supposed to be represented by the Government.

In order for this stock flotation deal to succeed, and that is all it really is, the public sector will underwrite the risks by assuming the debt of Eldorado Nuclear and Saskatchewan Mining Development Corporation and the federal Government will assume the further liability of Eldorado's nuclear waste problems at Port Hope at a cost of perhaps some $75 million. This take-back of debt has been described by the financial

advisers to the Government, Burns Fry, another respected organization, as being necessary for the flotation. Eldorado's debts are substantial. They are in the range of $550 million.

The federal Government will receive from the newly merged company about $250 million, leaving $300 million that must be made up in the sale of shares in the new company before the Government breaks even on its debt obligations alone. This is to say nothing of the cumulative investment which has been made in Eldorado in the form of government equity.

The Government needs a high share price or else it will wind up with a brick in its hands, or something like a BCRIC, the B.C. resource privatization under the Bennett Government which issued shares at $5, shares which now trade for about 80 cents or 90 cents.

There are a whole number of concerns to which the Government has not responded in the House in its defence of this Bill. I am rather disappointed that more Members from the government side have not spoken out on behalf of their own constituents' interest in this matter. I am sure the concerns I have expressed are shared by many Canadians, regardless of where they live in Canada.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise to participate in the debate on this very important piece of legislation. My colleague from Beaches has set out in his usual eloquent manner a number of reasons, both environmental and financial, for our opposition to this legislation. He has noted that government Members seem somewhat reluctant to defend this provision, and I am saddened as well to note that the Official Opposition seems to be supporting this legislation. Indeed, I suppose that this is not terribly surprising because too often we have seen that the initial suggestion for other privatization ventures by this Government came from the Liberal Party of Canada.

• (1040)

We know that the Conservative Government, in its obsession with the private sector and its contempt for a strong and vibrant public sector accountable to the people of Canada, is now in the process of selling off, in a sense, Canada's heritage as a nation. I speak of Crown corporations such as Air Canada where we had the announcement earlier this week that the Conservative Government intends to sell it off. We have put the Government on notice that we will do everything in our power to block this sale, which is not only wrong in principle but which is opposed by the great majority of Canadians from coast to coast.

I would point out that among those who oppose the sale of Air Canada are federal Progressive Conservative supporters. A majority of them are saying to their Government: Back off. Air Canada is running well. We are concerned that smaller communities should not be denied effective transportation and if it is privatized, then there is a real risk that both service and safety will deteriorate.

I mentioned the fact that, sadly, it was the Liberal Party that started this trend towards privatization. Indeed, it was the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), then Minister of Transport, who suggested, I believe in March of 1984, that the time had come to privatize Air Canada. However, not only will we in the NDP do everything in our power to block the sale of this vital Crown corporation, we have also said that following the next federal election an NDP Government will take Air Canada back into public hands. That is our commitment to the people of Canada.

We approached this legislation with deep concern from a number of perspectives, including environmental and sound financial management, from the perspective of those who work in the industry, and certainly from the perspective of a movement which has historically argued for a strong public sector, particularly in essential areas of the economy. Let us not forget that it was in the 1940s that the federal Government recognized the importance of nuclear energy by first expropriating the assets of Eldorado Mines and then using the declaratory power in the then British North America Act to take jurisdiction over this resource. It was precisely that action which underlined the seriousness with which nuclear energy was regarded and certainly should still be regarded.

We as New Democrats also believe we must break the cycle of nuclear proliferation. The risks inherent in continued nuclear proliferation at all stages are very great. My colleague from Beaches spoke of the concern over nuclear wastes and the fact that the Port Hope facility is almost full. As a society we still have not come up with a method for safely disposing of nuclear wastes.

As well, we are concerned about the health of those who work in the industry. There are serious occupational health and safety concerns that arise. That is partly why two of the major unions who represent workers at Eldorado and Saskatchewan Mining Development Corporation are fundamentally opposed to this legislation. I am speaking of the Energy and Chemical Workers Union that represents employees at the Cluff Lake Mine in northern Saskatchewan in which SMDC holds a majority share, and the United Steelworkers, who represent employees at the Key Lake Mine, the Rabbit Lake Mine, and three locals of the Eldorado uranium refinery at Port Hope. Those people who work in the field are asking the Government to back off on its ideological obsession with privatization, with paying off its friends in the private sector.

We say that this matter is of concern on environmental grounds also. We say it is a concern to the workers. We also say it is a bad deal economically. Why? Because the deal is structured in such a way that the public sector takes all of the real risks and obligations, and the private sector gets the profits. It is the same old story that Tommy Douglas used to tell so effectively, and we are seeing it again in this legislation. For example, we have just learned, I believe it was in this morning's *Globe and Mail*, that the profits of SMDC have doubled. The company recorded a $60.3 million profit in 1987, almost double what it made the previous year. What is

happening to that company? It is being sold off to the private sector.

I am a Member of Parliament from British Columbia and I remember a similar sale of public assets by the British Columbia Resources Investment Corporation. I remember the Premier of British Columbia telling us that this was an example of private enterprise at work, of the market system at its finest. If that is an example of the market system at its finest, God help us, because it was a disaster for the ordinary people of British Columbia who, after all, owned all of the assets in those corporations in the first place.

[*Translation*]

Mr. Speaker, we in the NDP support a large public sector in Canada. For example, we called for the nationalization of a Canadian bank. This would allow us some influence on the banks' policies throughout Canada. It would also allow us to exert greater influence on financial policies in Canada. This is not a very radical policy. All, or almost all, countries in the western world, including France, Italy, West Germany, Belgium and many others, have a public stake in the financial sector.

And I take this opportunity to correct the suggestion made in an article in today's *La Presse* by Mario Fontaine, who suggests that the NDP's policy is to nationalize all the banks in Canada. That is not at all the case, Mr. Speaker, but we are in favor of nationalizing one bank, as many other countries in the world have already done.

[*English*]

My time, Mr. Speaker—

The Acting Speaker (Mr. Paproski): Has expired.

Mr. Robinson: —has expired. Thank you.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am delighted to have the opportunity that the Hon. Member for Calgary West (Mr. Hawkes) gave me to speak again. I appreciate that very much. I hope he continues to use that kind of strategy and tactic in the conduct of the business of the House.

We in the NDP have no problem with the merging of two Crown corporations, Eldorado Nuclear and the Saskatchewan Mining Development Corporation. Eldorado is mainly in the refining end of the business with some mining, and SMDC is in the mining business in the main. However, the Government then says it will privatize that merged company and turn it over to private investors via the stock market. With the shape which the stockmarket is in, this is perhaps a stupid time to be making share offerings for Eldorado and Air Canada which would amount to something in the order of $400 million to $500 million. The offering will either fail or the shares will go for a pittance, which means that the taxpayers are again taken to the cleaners.

• (1050)

I would like to point out another example of the poor treatment which the taxpayers get at the hands of the Government. The people of Canada invested hundreds of millions of dollars in Eldorado. The people of Saskatchewan probably invested hundreds of millions of dollars in the Saskatchewan Mining Development Corporation.

We all know that over the last number of years the uranium market has been soft, to put it mildly. In fact, prices were down so badly that we could hardly give the stuff away. However, things have improved. As was reported in today's *Globe and Mail*, the Saskatchewan Mining Development Corporation had a net profit last year of $60.3 million, double the profit of the year before, and it reduced its long-term debt from $600 million to around $315 million over the last three or four years. However, it still has long-term debts in excess of $300 million. Eldorado Nuclear has debts of about $300 million.

The pattern is the same in the case of the Saskatchewan Mining Development Corporation. Every time the taxpayers get a chance to get a return on their investment, or to get their money back, the free enterprise nonsense comes out from under the rocks, the Tories come out of the woodwork and say that because it is making a profit it should be sold to their private enterprise friends.

You cannot win with the Tories. If a Crown corporation loses money, ergo Crown corporations are bad in principle and in general. They are terrible, they do not work, they are inefficient, et cetera. If a Crown corporation makes a profit, it is equally bad, according to the Tories. The Government and the taxpayers have no business being in an enterprise which should be in the hands of the private sector. You cannot win with these birds.

That kind of convoluted thinking and double standard set out by the Government over nearly the last four years cause many people to believe that the Government does not know what it is doing, that it does not know what it wants to do or how it wants to do it. The only thing the Government has been consistent about is the narrow ideological binge that it is on in this case, the case of Air Canada, and a number of other matters.

In addition to being taken again by the privatization of a company which will be making a profit and being denied a chance to get a return on their investment or to get their money back, this Bill saddles the taxpayers with $300 million of the debt of Eldorado Nuclear. That is not the first time the Government has done that. You and I, Mr. Speaker, could be good capitalists and free enterprisers too if someone would offer us a company on the cheap without any of the debts and all of the assets.

Why should the taxpayer be victimized by the Government's headlong plunge into turning an industry over to the private sector when the long-term future of the investment is good and

the opportunity exists for the taxpayers to get their money back and maybe even make a profit on it? The Conservatives want the taxpayer to pay both ways.

If you were in the private sector and went to the stock exchange in Toronto, Vancouver, Montreal or New York and announced a share offering in a private company, announcing as well that you were going to keep a majority interest in the company and instruct your members of the board of directors to vote with the minority private shareholders, they would laugh you out of the place. You would not be able to give a share away.

However, that is the methodology of the Tories in their announcement about Air Canada. If the Government sells 45 per cent of the shares of the company to the private sector it still retains, on behalf of the taxpayers, 55 per cent of the ownership of Air Canada. The Minister says that the Government will instruct the government members on the board of directors to vote the majority stock with the minority stockholders. If you were to do that in a private company you would be fired the next day. No group of a majority of shareholders would hold still for that kind of nonsense.

However, that is the way the Government is treating the taxpayers. We think that the deal itself and the way the public is being treated by the Government is so fundamentally bad that the Bill should be withdrawn. The Bill should go back to the drawing board. Those two Crown corporations should simply be merged into one and the taxpayers should be given an opportunity to get their money back.

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

Some Hon. Members: Question.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I should think not. I know that you yourself have quite enjoyed the debate that has been entered into with particular vigour over the last couple of days on a matter of increasingly obvious importance. I am sure that you enjoyed our examination yesterday of the ideological basis of this legislation which would merge the Saskatchewan Mining Development Corporation and Eldorado Nuclear. I am sorry to see that the Member for Calgary West (Mr. Hawkes) is not here to continue the exploration of the faults underlying this Bill.

Yesterday we said that this Bill was a very nice example of the triumphs of ideology in that Eldorado Nuclear dramatized many of the difficulties and the failures of the Government to consider all of the ramifications of actions that it takes under the umbrella of ideology.

The Acting Speaker (Mr. Paproski): It being eleven o'clock, pursuant to Standing Order 19(4), the House will now proceed to Statements by Members pursuant to Standing Order 21.

S. O. 21

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

TRANSPORT

NATIONAL CAPITAL REGION—BRIDGE REQUIREMENTS

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, in 1984 after this Government was elected, Benoît Bouchard, as Minister of State (Transport), asked me to identify my region's transportation needs. I organized a meeting with him for the mayors of Buckingham, Gatineau and the Chairman of Société d'Aménagement de l'Outaouais, in order to explain to the Minister the needs of my riding and the issue of bridges, a matter that had been neglected for over fifty years.

The NCC, which is responsible for the National Capital Region which includes my riding, was asked to do a feasibility study. Subsequently, the NCC decided to consider the bridge requirements of Aylmer and Hull as well. This week, the consulting firm hired by the NCC caused considerable concern and anger among our Quebec communities as result of its cavalier approach to this study. We demand that the people in our respective communities be formally consulted as soon as possible. They may be afraid of the truth, Mr. Speaker, but there is no escaping hard facts. Taxpayers want to have their say. We cannot tolerate development in our area unless the people, through their elected representatives, are allowed to establish their priorities in this respect.

* * *

• (1100)

RADIO-CANADA

IMPORTANCE OF RETAINING ANIMATION BRANCH

M. Ian Waddell (Vancouver—Kingsway): While senior Radio-Canada executives are dancing around Frédéric Back and the Department of Communications is celebrating because of the Oscar, in the wings we can get a glimpse of how Radio-Canada is dismantling its animation department.

I may remind Hon. Members that the network sold one of the two cameras used to make animated films, and that the Department will no longer be authorized to make fiction films.

We must not forget that most of the international recognition received by Radio-Canada in the past was based on the quality of the productions of its animation department. We see here one of the disastrous results of the Government's budget cuts in cultural affairs.

[*English*]

Frédéric Back and his colleagues in the animation department at Radio-Canada have won two Oscars in six years. I call on the Minister of Communications (Miss MacDonald) to start funding the CBC in such a way that future generations of

Canadian artists will have the opportunity to match Mr. Back's achievement.

Mr. Speaker: I am afraid the Hon. Member's time has expired.

* * *

THE ECONOMY

EFFECTS OF GOVERNMENT POLICY

Mr. Jim Caldwell (Essex—Kent): Mr. Speaker, Canadians are becoming more and more convinced that the present Government is providing good government.

Canadians have sifted through the rhetoric of the NDP and have found it lacking in substance. Canadians see an Official Opposition devoid of policies and direction, and we are watching a Liberal Government in Ontario increase spending by 10 per cent per year while in good economic times. It has even threatened higher taxes in its upcoming budget.

This Government's record of job creation is unprecedented. The unemployment rate in Ontario is at its lowest in 14 years. Canadians are saying that they do not want to return to double digit inflation, double digit interest rates, a double digit unemployment rate, and runaway deficits. Canadians want good government and they are getting it.

* * *

OFFICIAL LANGUAGES

SASKATCHEWAN LANGUAGE BILL—POSITION OF QUÉBEC PREMIER

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, how can Premier Bourassa of Québec condone Saskatchewan Bill 2 when every language minority group in the country says that this Bill is a step backward for language justice? Is it because Premier Bourassa wants to hand out similar treatment to the anglophone minority in Québec once the Supreme Court renders its judgment on bilingual signs under Québec Bill 101?

Saskatchewan Bill 2 cuts back on francophone rights which the Supreme Court of Canada said existed in Saskatchewan prior to 1905, and the sign provisions of Bill 101 cut back on rights held by Québec Anglophones for over 100 years. Both measures are contrary to the spirit of the Canadian Constitution, the Meech Accord, and federal Bill C-72.

In these circumstances, I urge Premier Bourassa and Devine to adopt a spirit of tolerance, generosity, and fairness with respect to their language minorities and to amend their language Bills accordingly.

GOVERNMENT APPOINTMENTS

REVIEW PROCESS—POSITION OF ONTARIO PREMIER

Mr. Alan Redway (York East): Mr. Speaker, yesterday's announcement by the Minister of Justice (Mr. Hnatyshyn) concerning the establishment of review committees for federal judicial appointments is another step in the right direction toward an open and public appointments process. As you know, appointments to federal boards and agencies have been subject to a parliamentary review for almost three years now.

Unfortunately, the same cannot be said for the Province of Ontario where Premier David Peterson has rejected a recommendation signed by some of his own Liberal members of the Legislature calling for the establishment of a similar review process for appointments to provincial boards and agencies. Instead, Premier Peterson has opted to consult opposition Party Leaders in private in connection with only a few appointments.

What we need at all levels of government is not a secret process but an open one; a process in which all positions are publicly advertised and applied for, and where all positions are subject to a parliamentary review.

* * *

NATIONAL PAROLE BOARD

PRISON INMATE'S HALFWAY HOUSE APPLICATION DENIED

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise to speak out on a grave injustice which has been done to the son of a couple who live in my constituency in Burnaby. His name is Sonny McLaren. He is a man who has served over 12 years on a sentence of 61-1/2 years for breaking into a Masonic lodge in the United States, with no injury involved, and stealing less than $100.

As I say, he served over 12 years. Recently, though, he has had solid support from correction officials and parole officers and from his family to move into a halfway house in Vancouver, operated by the Salvation Army. Yesterday, the National Parole Board dashed Sonny McLaren's hopes. He has been treated in an appalling fashion by the National Parole Board. It ignored all of the recommendations of those who have been working with him.

This is the same National Parole Board that lets out a Foster but keeps in a Sonny McLaren. I say shame on the National Parole Board for its treatment of Sonny McLaren in these circumstances.

I call on Ole Ingstrup, Chairman of the National Parole Board, to review this cruel decision very quickly and to grant Sonny McLaren's appeal in order to allow him to get on with his life.

AIR SAFETY

TRIBUTE TO WORK OF CIVIL AVIATION TRIBUNAL

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the mandate of the Civil Aviation Tribunal established June 1, 1986, pursuant to the recommendations of the Dubin inquiry into aviation safety in Canada, is to provide the aviation community with an independent appeal system with regard to enforcement decisions and penalties assessed by the Ministry of Transport under the Aeronautics Act.

The Tribunal is now bringing natural justice to aviation matters. Under the chairmanship of Mr. J. W. Snow, the Tribunal has done an excellent job disposing of some 127 cases in 1987, its first full year of operation. Both the aviation fraternity and the Ministry of Transport are served well by this independent tribunal.

* * *

HUMAN RIGHTS

GUATEMALA—RETURN OF HUMAN RIGHTS ADVOCATES

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, this weekend a group of Guatemalan nationals will be returning to their country for the first time. These are a group of individuals who have valiantly fought for the cause of human rights in their own country. In the last several years they have been forced into exile and have been speaking and trying to interest other countries in the plight of their colleagues and friends in their own country.

This weekend they will be returning for the first time to give test to the new Guatemalan Government's commitment to open up human rights and provide for a more beneficial environment. They will be accompanied by a group of international observers, including a clergyman from Canada. I think it is essential that other countries take note of this very important action both as a way of providing protection and also giving testimony to their valiant and courageous act.

I call upon our Department of External Affairs to ensure that the observation monitoring of our own Department will be carefully directed toward Guatemala this weekend, and it may want to contact the Guatemalan Government. Most important, I hope Members of this House will not only recognize the importance of this act of courage but also lend their support to this very initiative.

S. O. 21

[*Translation*]

JUSTICE

APPOINTMENT OF JUDGES—GOVERNMENT POSITION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, for many years the Liberals appointed judges on a strictly partisan basis, almost like the Senate. Yesterday, our Government and our Minister of Justice (Mr. Hnatyshyn) put an end to this system of partisan appointments.

This Government is not only cleaning up patronage but also changing the system, so that once and for all on Parliament Hill, procedures will be open and crystal clear, so that competence will be the only basis for selection.

Under the Conservatives, Mr. Speaker, integrity is gaining ground on Parliament Hill.

* * *

• (1110)

[*English*]

CANADA POST CORPORATION

SUSPENSION OF UNIONIZED WORKERS

Mr. Neil Young (Beaches): Mr. Speaker, last night on the evening shift at Canada Post's Alta Vista Terminal in Ottawa, 50 to 75 unionized workers were suspended. According to some reports, more than 90 per cent of the women on the shift were suspended. For the most part these women were suspended for having their purses in the work area.

Canada Post says it is doing this to protect the security of the mail. It already had the right to search purses of people entering or leaving the workplace. It already had the right to search lockers. The difference is that in the Marchment report that looked at the Post Office, Judge Marchment said people should only be searched if there were reasonable grounds to believe something was wrong.

The Post Office has gone much further. One woman was suspended because she wanted to keep her purse with medication in it. One man was suspended because he had a sports paper in his back pocket. One man was suspended for not putting his jacket in his locker even though, according to witnesses, the man had not been issued a locker.

The Post Office is being stupid and provocative. It already has the tools to deal with security. What it is trying to do is pick a fight with the union and abuse the workers. This is not the way to build a better Post Office.

S. O. 21

NORTH ATLANTIC TREATY ORGANIZATION

CONTINUED CANADIAN PARTICIPATION

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker, for the past few days the Canada-Europe Parliamentary Association has been hosting a delegation from the Western European Union which consists of members of the national Parliaments of Germany, Luxembourg, France, Belgium, Italy, Netherlands, Portugal, and the United Kingdom. The members of this very important group of European countries are most interested in our mutual defence, arms limitation, and other similar topics which impinge on the NATO alliance and on our countries individually.

These are our colleagues. These are our friends. These are our allies. In fact, most members of this House can trace their heritage to one of these countries.

I want to emphasize the policy of our Government that we will remain in NATO, that we will continue to enhance our presence in the alliance in Europe with men and material. To do less, to weaken our resolve in any way, would be to betray our friends, our colleagues, our allies, our forefathers. This we will not do.

* * *

WELFARE

CHANGES TO BRITISH COLUMBIA SYSTEM

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I read with absolute shock and dismay the latest in the series of actions taken by the Premier of British Columbia who claims to be in support of the family. With his latest decision to cut off welfare for single mothers who have one child over the age of three and one-half months, or have two children under the age of 12 years, he is penalizing the children of this country.

The federal Government, through its CAP funding, does much to support welfare programs in various provinces. I call upon the Minister of National Health and Welfare (Mr. Epp) to show some leadership in this area, to contact the Premier of British Columbia and tell him that this latest action is completely unacceptable. It is going to hurt the children of British Columbia and, what is more, if the Minister stands by silently and lets this happen, it is going to be hurtful to the children and the families of Canada.

* * *

FISHERIES

GEORGES BANK—GRANTING OF NEW OFFSHORE LOBSTER FISHING LICENCES OPPOSED

Mr. Gerald Comeau (South West Nova): Mr. Speaker, on January 1 the Minister of Fisheries and Oceans (Mr. Siddon) issued four new offshore lobster licences giving access to the lobster grounds on Georges Bank. This decision has been widely criticized by the provincial Legislature, the inshore lobster fishermen, the community in general, and by this Member of Parliament.

The Minister must realize that the fishing industry is serious business in western Nova Scotia and my constituents do not take lightly to having decisions imposed upon them. The message from my constituents is very clear. The issuing of new offshore lobster licences was unacceptable in the past, and nothing has changed to make the decision acceptable. On this issue, I stand with my fishermen.

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EXTERNAL AFFAIRS

ISRAEL—REPORTED USE OF TOXIC GASES AGAINST PALESTINIAN DEMONSTRATORS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, in recent days there have been reports that Israeli forces may be using highly toxic gases in their efforts to control Palestinian demonstrations in the occupied territories. These gases are reported to cause severe abdominal pain and impaired muscle control, to cause miscarriages and even death. If these reports are accurate, the use of toxic gases represents a frightening development in the ongoing violence in the occupied territories and should be condemned by all Members of this House and, indeed, the entire world community.

Just as Canadians are outraged at the use of chemical weapons in the Iran-Iraq war, so should we be outraged if these most recent reports are true. The use of chemical weapons by any nation is morally abhorrent and has absolutely no place in a civilized world.

I urge the Government to endeavour vigorously to determine the accuracy of the recent reports and, if they are true, to speak out forcefully against the use of chemical weapons against Palestinians, or anyone else for that matter.

* * *

RESEARCH AND DEVELOPMENT

TAX MEASURES WELCOMED

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, I was delighted with the announcement of the Government that Revenue Canada will carry into effect administrative measures and amendments to the Income Tax Act to expedite tax credit refunds for qualified Canadian controlled private corporations engaged in scientific research. The R and D tax credit provides assistance for corporations in those years in which they do not have any tax liability. This program has already stimulated over $1 billion of research activity in Canada.

The Government will issue refunds or partial refunds for R and D claims made by Canadian controlled private corporations, with established track records as research and development performers, within two months of their filing complete claims with the Department, in other words, prior to an audit of those companies. This will ensure that companies with a proven track record in R and D do not experience administrative delays in the processing of tax refunds.

These tax improvements will assist the cash flow of small firms and enable them to plan their long-term activities better. The announced tax amendments will mean a more stable research and development sector, more jobs for highly qualified Canadians, and a more competitive economy.

ORAL QUESTION PERIOD

[*English*]

TRADE

UNITED STATES OMNIBUS TRADE BILL—APPLICATION OF COUNTERVAIL MEASURES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this question would have been directed to the Minister for International Trade, but in his absence I will put the question to the Deputy Prime Minister. On April 3, 1987, the Prime Minister of Canada told the *Wall Street Journal*: "Trade remedy laws can't apply to Canada. You can't have a free trade arrangement and expect the traditional laws of countervail to apply". But the omnibus trade legislation currently before the U.S. Congress contains 15 new protectionist moves by the United States which are harmful to Canada.

The Prime Minister said that the American countervail and anti-dumping laws could not apply. This new Bill applies 15 separate new measures. These new measures did not even exist when the Prime Minister signed his trade deal with the President. These measures include a redefinition of subsidy which is unfavourable to Canada, and a provision for monitoring our products which is unfavourable to Canada.

Could the Deputy Prime Minister tell us how his Minister for International Trade could say yesterday that the American Bill is, to use the Minister's words, "likely a Bill we can live with", when there are now rules in that Bill which are worse than when the Prime Minister signed his deal with the United States?

Hon. Don Mazankowski (Deputy Prime Minister, President of the Privy Council and President of the Treasury Board): Mr. Speaker, on behalf of the Minister for International Trade I can say that I think he dealt with that question quite completely yesterday. I refer my hon. friend to page 14469 of *Hansard*. I think he did say that there have been continuing discussions going on between the administration and Congress with respect to the omnibus Trade Bill. Representations are certainly being made from Canadian authorities in an attempt to modify some of the areas of concern to us.

Obviously, the Government will conduct a detailed examination of the final version of the Bill to identify those provisions we consider to be inconsistent with the free trade agreement. That work is going on and I think the comments made by the Right Hon. Leader of the Opposition are to some extent premature because the discussions are continuing.

GOVERNMENT POSITION

Mr. John N.Turner (Leader of the Opposition): The document reintroduced in the House yesterday is a discussion consensus of the two Houses of the United States Congress. Mr. Yeutter, the United States trade representative, told the Minister for International Trade yesterday that the administration would accept that Bill. So we have a very serious situation on our hands.

[*Translation*]

Mr. Speaker, the argument made by the present Minister of International Trade that we need the trade agreement to protect us from the omnibus bill before the United States Congress is dishonest and false because this very bad U.S. law is included in the trade agreement under Section 1904. The Prime Minister therefore agreed that this bad law would be automatically included in his trade agreement. How can the Deputy Prime Minister continue to maintain, together with his minister, that Canada is sheltered from the American law and that the Prime Minister's agreement improves the situation when he knows very well that this argument is completely misleading? We are not protected. The Deputy Prime Minister knows this and so does his minister.

• (1120)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, to the extent that there are any inconsistencies between the omnibus Trade Bill and the free trade agreement, certainly the Government of Canada will pursue those issues with vigour. It is our expectation that the United States of America will live up to the spirit of the free trade agreement, and that is what we will be working toward.

Whether or not we have an omnibus Trade Bill, there is clearly no doubt that Canadians will be much better off under a bilateral trading arrangement with the United States, as is proposed, to settle disputes by a neutral body on a binational basis, plus all the other inherent benefits that will accrue to Canadians.

I know that the Leader of the Opposition has consistently tried to discredit the agreement. I know that it is still his desire to rip it up. There are many millions of Canadians who hold a different view, and perhaps one of these days the Hon. Leader of the Opposition may have to reconsider his position.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I think that we ought to give those millions of Canadians an opportunity to express their views at a very early opportunity in a general election.

Some Hon. Members: Hear, hear!

UNITED STATES TRADE REMEDY LAWS

Right Hon. John N. Turner (Leader of the Opposition): The Prime Minister said that U.S. trade remedy law should not apply to Canada, period. The unanimous view of the trade committee of the House of Commons, including Conservative Members, was that there should have been an exemption from this omnibus trade legislation. There is not. Yesterday the Minister retreated and outside the House stated that the Government could live with that Trade Bill.

Does the Deputy Prime Minister not understand the argument that the only purpose of any bilateral agreement was secure access to the American market? That meant an exemption from American trade remedy law. We didn't get it. Articles 1902 and 1904 of the agreement show that we didn't get it. The legislation currently before Congress does not give us an exemption, and by virtue of the agreement it is incorporated into that trade agreement.

Does the Deputy Prime Minister not recognize that we have a very dangerous and difficult situation before the country?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, may I remind the Right Hon. Leader of the Opposition that there is a Premier in this country who asked for a vote to determine, among other things, what position Canadians are taking on the free trade agreement. It will be very interesting to see how Premier Pawley and his Party fare in the case of Manitoba, they being vigorously opposed to the free trade agreement. That will be a very good test.

Mr. Turner (Vancouver Quadra): How about David Peterson?

Mr. Mazankowski: The Right Hon. Leader of the Opposition talks about David Peterson. I think he knows that Mr. Peterson lost a very important by-election right in his own home town.

Mr. Axworthy: That was just an act of charity.

Mr. Mazankowski: If that's charity, we will take it.

Mr. Turner (Vancouver Quadra): Any time, Don. Think about it over the weekend.

Mr. Mazankowski: Mr. Speaker, as I indicated earlier, we have every expectation that the omnibus Trade Bill will be consistent with the spirit of the free trade agreement.

I might also indicate to the Right Hon. Leader of the Opposition, as he is obviously aware, that both countries have committed themselves to developing a substitute system for the rules and regulations with regard to countervail, duties, and tariffs. That process will take place over the next five-year period.

Within the ambit of the free trade agreement, the provision to deal with many of the issues referred to by the Right Hon. Leader of the Opposition is precisely incorporated, so that we can move forward to establish—

Some Hon. Members: Order.

Mr. Speaker: It is a fascinating discussion, but I think we will have to move on. The Hon. Member for Ottawa—Vanier.

* * *

[*Translation*]

OFFICIAL LANGUAGES

SASKATCHEWAN—PROTECTION OF MINORITIES—GOVERNMENT POSITION

Mr. Jean Robert-Gauthier (Ottawa—Vanier): Mr. Speaker, my question is for the Deputy Prime Minister. On Monday, April 11, the Prime Minister said in the House that his Government was disappointed with the solution proposed by Saskatchewan to comply with the recent Supreme Court decision. Page 14325, the Government Leader in the Senate quotes on the Government's position, expressing his disappointment with this legislation and hoping that the Government of Saskatchewan would go much further in protecting minority rights. Again on Monday, the Prime Minister announced to us that three ministers were to negotiate with Saskatchewan, that they had visited Saskatchewan on the weekend. On Tuesday morning, Grant Devine said, "No way, I'm not going to change a thing." On Wednesday, the Prime Minister told me that fundamental rights are not negotiable.

What have the ministers been doing since April 8? Are they negotiating Canadians' fundamental rights with Mr. Devine or do these rights really exist today in the Constitution?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I find the question a little puzzling from the Hon. Member who is normally quite up to date with respect to these important minority language rights.

If the Hon. Member wants to be correct with respect to the record, the fact is that indeed there are ongoing discussions between senior Ministers of the Saskatchewan Government, senior Ministers of the federal Government, the Prime Minister, and the Premier. This is for the very purpose of dealing with a situation which has intruded itself by virtue of a judgment of the Supreme Court of Canada. It requires leadership on the part of not only the Premier of Saskatchewan but also the federal Government.

The Prime Minister had a very full discussion with the Premier yesterday for some two hours, looking at the implications of the *Mercure* decision. There are areas with which we are not *au courant*. But the fact is that we are working together in a constructive and positive way.

I wish to point out to the Hon. Member that Premier Devine has made a very important statement with respect to the position he sees for Saskatchewan, and he is moving toward Saskatchewan becoming a part of a bilingual Canada, for which he should be given full credit. We are now trying to give the assistance of the federal Government in any way we can to move the process along so that equity for minorities across the country will in fact be recognized.

POSITION OF PRIME MINISTER

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, that fuzzy statement begs another question.

On April 13, as reported at page 14420 of *Hansard*, I asked the Prime Minister:

> I trust the Prime Minister will agree with me that basic and vested rights are not negotiable.

The Prime Minister replied in part:

> In fact, I have already indicated to my hon. friend that I fully share his views. There are no differences between the Hon. Member and myself.

Today the Prime Minister is quoted in the press as "*M. Mulroney appuie M. Devine*". Would the Minister please tell us what is the position of the Prime Minister? Does he support Mr. Devine fully, or does he support fundamental basic rights in this country?

Some Hon. Members: Hear, hear!

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the premise of the question put forward by the Hon. Member was that we were somehow negotiating with Saskatchewan. I attempted to point out that that is not the case. We are having discussions with respect to a position of principle which the Prime Minister has laid out clearly. There is, in fact, no question about the position that we have put forward.

Mr. Gauthier: What is it?

Mr. Hnatyshyn: The Prime Minister's letter set it out. If the Hon. Member wishes me to read the letter into the record, that is fine.

The fact is that we are making progress. There are encouraging discussions going on. The statement made by the Premier of Saskatchewan is encouraging. I would hope that the Liberal Party would work in a constructive way to ensure that the legitimate rights of the minority in Saskatchewan are properly protected, and not take a confrontational attitude with respect to the people of Saskatchewan at a time when they are trying to do the best they can.

FISHERIES

CANADA-FRANCE DISPUTE—BOARDING OF FRENCH VESSEL

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Minister of Fisheries, and it has to do with the boarding yesterday by Canadian authorities of a French vessel. I wonder if the Minister could bring the House up to date as to what the Government's intentions are with respect to the event yesterday and with respect to the people who were apprehended.

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I wish to indicate to the Hon. Member that we made a statement at 10.30 this morning on this issue indicating that the vessel, the *Croix de Lorraine*, has been successfully apprehended after suspicion of fishing contrary to Canadian law. It has been brought to the Port of St. John's, and at the present moment charges are being brought against members of the crew on that vessel.

• (1130)

There is a full examination under way of the circumstances, and collaboration between officials of the Department of Justice and of the Department of Fisheries and Oceans on the nature of the charges, and that is the extent of my ability to report at the moment.

POSITION OF FRENCH GOVERNMENT

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, could the Minister tell us what the Government has heard from the Government of France in respect of this issue? Has the Government of France officially disowned this provocative action? If it has not, will the Government be seeking that kind of statement from the Government of France?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): I do not intend to comment on the position or otherwise of the Government of France in this matter, Mr. Speaker. However, I would indicate that, as is our usual practice in these kinds of apprehensions and suspected violations of our fishing laws, the Ambassador for France in Canada was notified the moment the vessel was boarded that it was a factual report, that the vessel had been suspected of fishing contrary to our law and was being brought to port.

POSSIBLE EFFECT ON NEGOTIATIONS WITH FRANCE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the point is that if the Government of France is not prepared to disown this provocative action, obviously the suspicion remains that this is part of an over-all strategy by France in its ongoing negotiations with Canada in respect fishing rights.

Is the Government prepared to seek that kind of message from the Government of France? What effect does the Government foresee it having on negotiations between Canada and France, if France is not prepared to disown this action and

is prepared to see it as part of the way in which it hopes to succeed in its negotiations with Canada?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, obviously the Hon. Member wishes to engage in speculation. Perhaps he should ask his question of the Government of France.

We have in fact notified the French Embassy that this action was undertaken. We continue to seek a return to the discussion table with France on the matter of the referral of this important boundary question, the boundary around St. Pierre and Miquelon, to some form of international arbitration and discussion on fish quotas.

Since France suspended those discussions last October 9, we continue to seek its early co-operation to get that process back on track.

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[*Translation*]

CANADIAN NATIONAL RAILWAYS

CONCENTRATION OF CONTROL AND SWITCHING OF RAILWAY TRAFFIC—MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Transport. I would like to indicate to the Minister the concern of Members on this side of the House regarding CN's rationalization plan, which would concentrate control over all railway traffic in Eastern Canada in the Toronto area and in the process shift 100 jobs from Montreal to Toronto. We raised the issue earlier in March, when the oddball Minister from Newfoundland who was then Minister of Transport gave us the following answer, no more: "I was not consulted by CN on this proposal which would involve the loss of 100 jobs in Montreal".

I would like to ask the Minister of Transport whether CN management is keeping him informed of plans as sinister as the one I just described, and whether he has expressed his firm disagreement with a project that would threaten hundreds of jobs in the Montreal area.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I would certainly not assume CN's plans are sinister. I will wait and see exactly what is going to happen. The Hon. Member knows perfectly well, in this connection, that following an accident, the Canadian Transport Commission had advised Canadian National that it should tighten up its safety regulations. CN is now assessing a number of options, including centralizing security operations. However, I think it is premature to say that Canadian National wants to proceed with an operation of this kind and would do so at the earliest opportunity. I repeat that this is certainly not the case, although I certainly intend to keep informed and keep a close watch on developments. If a decision of this kind is taken by CN, we intend to consider the various options with the Corporation.

DEMAND THAT MINISTER GIVE COMMITMENT

Mr. Jacques Guilbault (St-Jacques): Mr. Speaker, with respect, I would like to make it clear to the Minister that we feel it is imperative that part of railway traffic control operations continue to be based in Montreal and take place in French.

I would like to ask the Minister to commit himself to opposing any plan that would export these specialized jobs, where French is spoken, from Montreal to any other part of the country.

Could the Minister at least give us a commitment that he will not approve a plan of this kind?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, by giving this kind of commitment, I would be making assumptions about decisions the Corporation has yet to make, and I would be assuming that given the proposed options, Canadian National would not consider the concerns you mentioned.

Railway security and the use of French in security services are issues we feel are very important. But once again, the Hon. Member must recognize the fact that we will have to let Canadian National look at the various options, and we will monitor developments and bear in mind the Hon. Member's concerns.

* * *

[*English*]

EXTERNAL AID

ETHIOPIA—DELIVERY OF FOOD TO NORTHERN AREA

Mr. Howard McCurdy (Windsor—Walkerville): As you know, Mr. Speaker, on Wednesday the Minister for External Relations indicated that the Canadian Government was seeking means by which a ship laden with food could in fact be sent to relieve the starvation in northern Ethiopia.

I guess my question must be directed to the Hon. Deputy Prime Minister, and it is simply this. In view of the fact that NGOs operating in the north have indicated that they are ready, willing, and able to deliver this food, would the Government not find it in the interests of the people to deliver that food now to the Port of Sudan to allow the NGOs to deliver the food to starving people in Ethiopia?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I thank the Hon. Member for his question. I regret that I am not able to respond in any detailed way on the progress being made. I simply want to take the question as notice and will try to get back to the Hon. Member as soon as I can.

CONTINUATION OF WAR—EFFECT ON STARVING PEOPLES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, there is another question which I would like the Deputy Prime Minister to explore with his colleagues. As he knows, Resolution 390 passed by the United Nations some years ago, recognized the autonomy of Eritrea and Tygre in confederation with Ethiopia. The war occurring there now is in contradiction to that resolution and underlies the starvation and deprivation occurring in that country.

Will the Government take initiatives in the United Nations to seek a solution to that war based on the contents of Resolution 390 and, in addition, in bringing this before the United Nations, to address the culpability of the Ethiopian Government in taking aid deliverers out of Ethiopia who are trying desperately to feed the Ethiopian people?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Government of Canada and all Canadians can be very proud of the work we have done and the support we have given, particularly under the leadership of David MacDonald. Outstanding work has been ongoing on behalf of the Government and of all Canadians.

I simply want to assure the Hon. Member that that commitment on the part of the Government of Canada has not diminished. However, I most certainly will take his point into consideration and, as I said earlier, I will try to get back to him as early as possible at the beginning of the week.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF ANGOLAN VICE-MINISTER OF FOREIGN AFFAIRS

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in the gallery today of Venancio Da Silva Moura, Angolan Vice-Minister of Foreign Affairs.

Some Hon. Members: Hear, hear!

* * *

• (1140)

THE JUDICIARY

REVIEW OF FEDERAL APPOINTMENTS

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of Justice. The Minister's announcement yesterday about the establishment of review committees for federal judicial appointments is, in my opinion, a major step forward in the process of creating a fully open and public appointments process.

Will the Minister take that process one step further and agree to a parliamentary review of those appointments once they are made? Does the Minister agree with the Premier of Ontario who has actually rejected the concept of a parliamentary review even for provincial appointments to boards and agencies?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I thank the Hon. Member for his very important question. I am very pleased with the response that I received to my announcement on behalf of the Government. By way of example, the President of the Canadian Bar Association said that this is without a doubt the most important development in the judicial appointment process of Canada since Confederation.

Mr. Turner (Vancouver Quadra): What's his name?

Mr. Hnatyshyn: This is hard for the Leader of the Opposition. He is used to Senators criticizing his policies. I believe that such support by Senators of our policy is a very helpful and hopeful sign.

With respect to the question that was posed, I want to remind the Hon. Member that I had the honour as Government House Leader to bring in a number of reforms to the process and procedures of the House of Commons, including the scrutiny of all Governor in Council appointments. At that time in its wisdom the House decided, with the co-operation of opposition Parties in this process, to exclude judicial appointments as such. However, we have moved to consult widely. This process is an important step.

In terms of Meech Lake, we are now involved with consulting the provincial levels of government as well with respect to appointments to the Supreme Court of Canada. We are expanding accountability. It is very important in this age of the Charter of Rights and Freedoms that we have widespread input with respect to appointments made to the bench.

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DISASTERS

CANADIAN AVIATION SAFETY BOARD—REPORT ON GANDER AIR CRASH

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the report of the Canadian Aviation Safety Board into the cause of the 1985 air disaster in Gander, Newfoundland, which killed 248 U.S. servicemen and eight crew members, has been sent to interested parties in Gander, Newfoundland, and in the United States. It excludes key evidence that cyanide was found in the blood of many of the 248 who were killed.

I ask the Minister of Transport this. Will he order that this report be withdrawn by the Canadian Aviation Safety Board, and order that another report be drawn up which would include all the evidence found during the autopsies that were

done, including the fact that most likely many of the servicemen had breathed in deadly gas prior to the crash?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think the Hon. Member for Gander—Twillingate is normally well informed about transport matters. He knows full well that the report to which he refers is a draft report tabled in December for all parties. Those parties have requested to be heard again by the board, which is what is being done at the present time.

When an official report is issued in due course I believe the Minister will have to ask some questions or make some comments. It would be imprudent at this period of time for the Minister of Transport to comment on anything concerning what we call the draft report.

MINISTER'S POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, half the members of the Aviation Safety Board disagree with the findings of the report that has been sent out. How can the Minister be satisfied with the draft report that has been sent out? Does he not agree that those people who live around airports in Canada have a right to know all the facts surrounding air disasters? If that is the way that investigations are to be carried out by the Government then perhaps we should investigate the Aviation Safety Board.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the premise of the question bothers me somewhat. I believe that the Hon. Member would not want me to comment on a leaked report. If there is anything which has to be said about what happened in Gander it must be said in an official way. That official way will be the report that is to be tabled. I will have to see what I can do. I will consider very seriously the recommendations made by the board.

At the present time, once again, I believe it would be very imprudent to make any serious comment about what happened in Gander that day.

CONTENT OF REPORT

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is on the same subject to the Minister of Transport. This is my first chance to ask him a question since his appointment. I want to congratulate him on it. I wish him well. He will need all the help he can get. I will be glad to help if he will accept some of my policies.

I am assuming that the Minister has received a copy of this report, whether it is draft, preliminary, or whatever. Will he confirm whether it is true or not true that key evidence, as my hon. friend pointed out earlier, has been excluded from the report, and that other matters such as the likelihood that the aircraft was on fire, experienced a loss of power, had problems with reverse thrust of an outer starboard engine and elevator trimmer flaps, were excluded from the report as well?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I thank my hon. friend for his best wishes. I would have more respect for the Hon. Member than I have for his policies.

The answer has to be the same as the one I gave to the Hon. Member for Gander—Twillingate. Once again, it is a draft report. The Government is one of the parties which could be heard again by the Canadian Aviation Safety Board. I think that any comment by the Minister could prejudice the quality of the report itself when it is issued by the board.

I think it would be better to await the official report, not the draft report which we received in December.

ACTIVITIES OF BOARD

Mr. Les Benjamin (Regina West): Mr. Speaker, it is absolutely essential that the Canadian Aviation Safety Board have the utmost of credibility and confidence of the public. It has been riven with internal wrangling, bickering, and other allegations. How a board could have a meeting and make a decision on a draft, or whatever kind of report, with half the board members absent looks to me as it it is not conducting its affairs properly.

Will the Minister get hold of the Aviation Safety Board, see to it that its operations are improved and straightened out, get us a new chairman who has the confidence of all concerned, and have it again go over its investigation concerning the Gander crash?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, what I said before is still true. The Canadian Aviation Safety Board has a very good record. In 1987 there were 500 reports for the Minister of Transport. They were all considered very carefully and very seriously.

I believe that the Hon. Member will agree that I never have and I will not start to comment about a leak. If we have to make any comment, it has to be done in the regular way. In the meantime, this is a serious issue. I think we all agree that this is the worst air disaster which has happened in the country. We have to give time to the board to make an official report and at the same time ensure that what will be recommended to the Minister of Transport will be the best. For that reason I think my friend will agree that we have to give some time and await what I call the official report of the Canadian Aviation Safety Board.

* * *

[*Translation*]

TELEFILM CANADA

JEAN SIROIS AFFAIR—MODE OF DEPARTURE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, on Wednesday evening, the French CBC program *Le*

Point reported the sad story of Telefilm Canada, under the leadership of the Prime Minister's friend Jean Sirois. I would like to put my question to the Deputy Prime Minister, in the absence of the Minister of Communications. Since less than two years after Jean Sirois took over as president of Telefilm Canada, this first-class agency has lost 25 per cent of its managers, the executive director has resigned, the president's expenses have increased fivefold and a consultant was even required to pick up the pieces at Telefilm Canada, why has Mr. Jean Sirois been kept in his position until Wednesday of this week? Is it because he is the Prime Minister's friend or is there another even lousier reason?

• (1150)

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that question has been asked in the House before and the Minister of Communications has responded fully.

RETENTION OF PRESIDENT

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, we have asked questions on that before but we never did receive answers. I want to ask the question of the Deputy Prime Minister here and now.

We now know what happened at Telefilm Canada. We have had numerous reports about the activities there and we know that perhaps irreparable—though hopefully not—but certainly considerable damage was done to that corporation under the leadership of Mr. Jean Sirois. Why was he kept as the president when we knew that everything was going wrong? What is the answer to that very simple question?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the answer to the question is that it is a repetition of the Hon. Member's earlier question and other questions he has posed to the Minister of Communications, questions which are not founded and to which the Minister has responded fully.

* * *

RADIO-CANADA

USE OF CANADIAN BROADCAST MATERIAL BY SOUTH AFRICAN BROADCASTING CORPORATION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to turn to the Deputy Prime Minister on a new topic. Is the Government aware that Radio-Canada International has been sending tapes and disks of Canadian programs and commentaries to the South African Broadcasting Corporation which has sometimes been using them out of context? An example of this is that Michel Valpy's comments on the one-Party state in Zimbabwe were used for propaganda purposes by South African Broadcasting Corporation against the interests of front-line states and against Canada. Is that the Canadian Government's policy? If it is not, why is Radio-Canada International doing that?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not personally aware of the allegations the Hon. Member makes. I will certainly make inquiries and report back to him.

Mr. Beatty: Are you proposing censorship?

Mr. Waddell: No, I am not proposing censorship, as someone has said.

GOVERNMENT OF SOUTH AFRICA'S PROPAGANDA CAMPAIGN

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, if Radio-Canada International and the Government are permitting this, are they not being incredibly naive about the motives of South Africa? Is it not a fact that the Government of South Africa has been mounting a propaganda campaign not only against the front-line states—one of whose members is represented today in the gallery—but against Canada as well, the friend of the front-line states? Why are we naively sending these tapes to South Africa so that South Africa can use them for propaganda purposes?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, first I would want to check out the veracity of the statement the Hon. Member makes, and I think I should state very clearly here and now that the position of the federal Government is very clear with respect to its policy on South Africa. If the Hon. Member is suggesting that this is part of a government policy, I think he is somewhat wrong.

I said that I will check out the allegation he has made here, find out if there is any validity to it, and report back to him as soon as I possibly can.

* * *

EMPLOYMENT

EFFECTS OF CANADA-UNITED STATES FREE TRADE AGREEMENT—REQUEST FOR SPECIAL RETRAINING AND ADJUSTMENT PROGRAMS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister of Employment and Immigration, whom I congratulate on her recent appointment.

According to the report of the Economic Council tabled Wednesday, the Canada-U.S. Free Trade Agreement will result in a major realignment of jobs in Canada, with job losses in 17 manufacturing industries including electrical products, metals, plastics, textiles, machinery and chemicals, while job increases will take place principally in clerical, sales, service and administrative positions, very different fields.

On Tuesday of this week, the Standing Committee on Labour said that special retraining and adjustment programs were necessary to deal with the U.S. trade agreement. In December, the Standing Committee on International Trade said the same thing.

In these circumstances, when will the Government announce special adjustment and retraining programs in anticipation of the U.S. trade agreement? When will the Government do something about this very important matter?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I thank the Hon. Member for his congratulations, and I appreciate them. However, I do have to correct the impression he has given to the House about what will happen after free trade.

That same report says that calculations suggest an estimated net gain of 251,000 jobs, resulting from about 439,000 being created. It says that set against the number of jobs that appear and disappear each year under the impetus of competitive realities, technological shifts, changes in consumer tastes and so on, or against the three million new jobs that will be filled during the same period as the labour force grows, these are not large numbers.

We have also made it clear that we have in place a labour adjustment board from the private sector which will help workers take advantage of new opportunities in more sophisticated industries as a result of free trade. That is good for Canadians. Those are better jobs and we are standing by Canadian workers to fill them.

RECOMMENDATIONS MADE BY PARLIAMENTARY COMMITTEES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, the report says that the dislocation and adjustment set in train by the trade agreement will certainly be important for the people involved. In fact, jobs will be lost in 17 manufacturing areas and the new jobs will be in service sectors, very different types of jobs.

Two committees of the House made up of a majority of Conservative members prepared unanimous reports indicating that new training and adjustment programs were necessary. Will the Minister not read those reports and listen to the Standing Committees of the House instead of rejecting them outright?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I congratulate the Standing Committee for its work on labour adjustment and on the Canadian Jobs Strategy. As the Hon. Member knows, we have already met many of its recommendations.

All the reports say that compared with the normal economic adjustments that are to be made, we expect minimal adjustment. Within the Canadian Jobs Strategy we have the correct mechanism to help people adjust, as we do on an ongoing basis.

I agree with the Hon. Member. Of course this is important to the people who are affected. It is very important to them. However, other job adjustment is important to people who are affected as well. Separating out the factors that go into job adjustment every year is part of our job. We do that all the time, as the Hon. Member knows, and will continue to do it under free trade, and make sure that the people affected do have an opportunity to take advantage of the new opportunities created by free trade.

* * *

[*Translation*]

FINANCE

REFORM OF LEGISLATION—CONSEQUENCES FOR MOUVEMENT DESJARDINS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is for the Minister of State for Finance and it relates to our proposed reform of legislation concerning financial institutions. Will *Caisses populaires* and the Mouvement Desjardins be affected by this reform; more specifically, is it true that the Mouvement Desjardins will have to dispose of all of its non-financial sector?

Mr. Tom Hockin (Minister of State for Finance): Mr. Speaker, the Hon. Member knows that the Mouvement Desjardins is made up of several institutions, of which only two have a federal charter. All the others are chartered by the Province of Quebec. Those are the facts. But our policy, the federal policy, will in no way oblige the Mouvement Desjardins to dispose of what is called its non-financial sector.

* * *

[*English*]

HATE LITERATURE

CRIMINAL CODE—REQUEST FOR STRENGTHENING OF PROVISIONS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Minister of Justice. On November 8, 1984, the then Conservative Minister of Justice promised the House the following:

> The area of hate propaganda will be dealt with and those amendments will come after Christmas as well.

Given the serious weakness of the existing Criminal Code hate literature provisions, a weakness demonstrated most recently in the case of the virulently anti-Semitic books and articles written by Moncton teacher Malcom Ross and also demonstrated by the offensive writings of R. L. Smith in British Columbia, inciting violence against Slocan Valley environmentalists, does the Government remain committed to strengthening hate literature laws as promised over three years

ago? If so, when will the Minister finally bring forward this long overdue legislation?

• (1200)

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the question. I should point out that I will have an opportunity of discussing this matter with my provincial counterparts at the next meeting of federal-provincial Ministers to be held in Quebec City at the end of May.

We are looking at this particular section of the Criminal Code, and the Hon. Member will be the first one to understand that under the Charter of Rights and Freedoms one has to consider Criminal Code amendments in light of the balance which has to be demonstrated between, on the one hand, the type of statements which cause harm and damage and, on the other, the right of freedom of speech.

I appreciate the representation. I hope that if the Hon. Member has any specific suggestions he will bring them to my attention and we will be glad to give them the consideration they deserve.

Mr. Robinson: Mr. Speaker, the Minister is suggesting that he is just looking at these possibilities. He is backing away from the commitment made by his predecessor.

REQUEST FOR MINISTERIAL COMMITMENT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Attorney General of New Brunswick recently said that while Malcolm Ross' writings, which speak of a global Jewish conspiracy and deny the Holocaust, almost certainly constitute hate literature, he says the existing law is effectively useless. His Conservative predecessor said the same thing.

I am asking this Minister of Justice if he is prepared to make the same commitment made by his predecessor to amend these laws which are simply not enforceable right now? Will he take that important step?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the difficulty we often have with the NDP is that they find it very easy to get up and suggest we take all sorts of legislative action. I would ask the NDP to help my House Leader to deal with the legislation we now have before us. There was a concerted effort with respect to this matter and if we had some co-operation we could work together in the better interests of the Canadian public.

Mr. Speaker: I will recognize the Hon. Member for Trinity and ask that there be one question in view of the time.

FINANCE

MANUFACTURERS SALES TAX

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Acting Minister of Finance and it concerns the manufacturers sales tax which the Minister of Finance describes as a silent killer of jobs even though he goes on using it more and more. As the Canadian Chamber of Commerce pointed out, the last Budget increase in the rate of sales tax creates a bias in that Canadian produced capital goods will attract a tax of up to 14 per cent, while imports are taxed 2 1/2 per cent less.

Can the Minister tell the House whether the Government plans to correct this inequity, particularly since, as the Chamber points out, the bias will become more marked as a result of the Canada-U.S. trade deal?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member's question should be looked at in context. We now have a manufacturers sales tax which is flawed. The Minister of Finance made it clear that his interim approach to that tax is just that, an interim measure, and has to be improved. This the Minister is doing. In the process he hopes to bring in a national sales tax at a level which is not only fair for Canadians but will also make us competitive with the U.S.

Mr. Speaker: A single question by the Hon. Member for Beaches.

* * *

ENVIRONMENTAL AFFAIRS

GREAT LAKES WATER POLLUTION—PRIME MINISTER'S FORTHCOMING MEETING WITH UNITED STATES PRESIDENT

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns the summit meeting later this month between the Prime Minister and the U.S. President.

Can he advise the House whether or not he can ensure that the matter of Great Lakes water pollution is on the agenda for that meeting, and can he secure an agreement from the U.S. President that there will be a clean-up of the Great Lakes water system, say, over the next 10-year period?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): I cannot confirm that precisely, Mr. Speaker. However, I would be very surprised if environmental issues in general were not discussed at the meeting. I will certainly take the Hon. Member's question as a representation and take it up with the Prime Minister. I am sure it is of interest to the Hon. Member and I appreciate him raising the matter at this time.

Tabling of Documents

Mr. Speaker: The Hon. Member for Western Arctic on the last question.

* * *

RESEARCH AND DEVELOPMENT

TAX CREDIT PAYMENTS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. Refundable investment tax credits for research and development are of considerable benefit, especially to small Canadian controlled firms. However, there have been numerous complaints about slow payment of refunds. What is being done to solve this problem?

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, this research tax credit was made refundable in 1985 and has since triggered over $1 billion worth of industrial research. Experience shows that unless these kinds of programs are properly audited and managed they could invite abuse. Therefore, the regime put in place did create some delays in the process. I am pleased to tell the Hon. Member that these delays have been reduced if not eliminated, and I am very pleased with the reaction we are receiving from the research community which endorses this program and also with the fact we still have the best and most generous treatment of research tax credits in the world.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to the 13 petitions with the following Nos.: 332-3972, 332-3996, 332-4005, 332-4106 to and including 332-4112, 332-4139, 332-4156 and 332-4177.

* * *

[*English*]

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty in accordance with Standing Order 106 to present a petition from a number of residents of Spadina and Trinity and other ridings in Toronto. They are very concerned that, as they see it, Canadian sovereignty is threatened by the proposed trade deal between the Prime Minister of Canada (Mr. Mulroney) and the President of the U.S., which the Prime Minister had absolutely no mandate to negotiate given his approach to the people in the last election. They point out that this deal will reduce Canada's ability to plan economic, social and cultural programs that we need and will integrate Canada still further into the North American defence-industrial base.

For those reasons they ask the House of Commons to ensure that a national debate takes place on the Mulroney-Reagan trade deal and that it result in a national general election before the agreement is finalized.

PROHIBITION OF DISCRIMINATION ON GROUNDS OF SEXUAL ORIENTATION

Mr. Neil Young (Beaches): Mr. Speaker, in February, 1985, the Government ordered the Standing Committee on Justice and Legal Affairs to prepare a report on equality rights in Canada. In March of 1986 the Government accepted this report and its recommendation, saying it would take whatever measures necessary to ensure that sexual orientation is a prohibited ground of discrimination. As the Government has yet to introduce significant legislation acting upon these recommendations supported by the Government, the petitioners humbly pray and call upon Parliament to ensure that the Government and Parliament act to implement all the recommendations contained in this report as specified above with all due haste and speed.

• (1210)

REQUEST FOR REPARATIONS TO VICTIMS OF EXPERIMENTS AT ALLAN MEMORIAL INSTITUTE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have the honour to present a petition signed by a number of residents of Oshawa and Toronto, Ontario; from Edmonton; and from various other cities in Canada who note that the Canadian Government funded unethical brainwashing experiments of the late psychiatrist, D. Ewen Cameron, which were conducted at the Allan Memorial Institute in Montreal in the 1950s and early 1960s.

They note that many Canadians were permanently damaged, both psychologically and neurologically, by these experiments which were inflicted on them without their knowledge or consent. A number of these individuals are suing the CIA in the United States for its complicity. They note, finally, that the Canadian Government has refused to admit its legal or moral responsibility for these Canadians or to offer them any reparations for their permanent damage, pain, and suffering.

They therefore call upon Parliament to release all incriminating evidence to assist them, to acknowledge the legal and moral responsibility of the Government of Canada to these Canadians, and to offer reparations to these Canadians who were victims of such unethical experiments.

PROHIBITION OF DISCRIMINATION ON GROUNDS OF SEXUAL ORIENTATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have another petition which is signed primarily by residents of Ontario, *mais, il y a aussi beaucoup de résidants de Montréal et de la Ville de Québec.* These petitioners note that over two years ago the Government of Canada accepted the unanimous report of the Subcommittee on Equality Rights and its recommendations and said that it would take whatever measures were necessary to ensure that sexual orientation is a prohibited ground of discrimination.

They note that the Government has not yet acted on this important promise and therefore urge the Government to implement the recommendations contained in that report with all due haste and speed.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have another petition signed by a large number of residents of Burnaby, my own constituency, who express their deep concern about the implications of the Mulroney-Reagan trade deal for Canada.

They note that the Government had no mandate from the Canadian people to negotiate this trade deal. In fact, they note that during the course of these negotiations the Prime Minister (Mr. Mulroney) promised that Canadian sovereignty would not be compromised. They note that this deal would deny Canada the policy freedom to determine our own economic future and undermine our ability to build a society distinct from that of the United States.

They therefore call upon the Government to dissolve Parliament and allow the people of Canada the opportunity to accept or reject this profoundly dangerous agreement during a national general election.

The Acting Speaker (Mr. Paproski): Is the Hon. Member rising on petitions? Members will have to rise so that I will know. When Hon. Members are running in and out of the House it makes it difficult for the Chair to know whether they are rising on petitions or on something else.

PROHIBITION OF DISCRIMINATION ON GROUNDS OF SEXUAL ORIENTATION

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the duty to submit a petition to the House from citizens of Victoria, Nanaimo, and Calgary. They say that the Government commissioned the Standing Committee on Justice and Legal Affairs to prepare a report on equality rights in Canada and they humbly pray and call upon Parliament to ensure that the Government and Parliament act to implement the recommendations contained in that report with all due haste and speed.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I am sorry. I remember that a senior fellow from the Edmonton area once told me to do only one thing at a time and I might get something accomplished. I have been trying to do four or five things and I take that to heart.

I have two petitions, Mr. Speaker, which I will introduce at the same time. One is with regard to the trade agreement. The petitioners are asking the Prime Minister (Mr. Mulroney) to dissolve Parliament and call an election in order that we can have a national debate on the issue and a determination.

These people from my own riding of Vancouver—Kingsway are concerned about the loss of economic sovereignty by removing the power of the Canadian Government to control foreign ownership effectively.

PROHIBITION OF DISCRIMINATION ON GROUNDS OF SEXUAL ORIENTATION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, the other petition I have is signed by a number of people from the Toronto and Mississauga areas. In 1986 the Government accepted a report of an all-Party committee of the House on sexual orientation. It said that it would "take whatever measures are necessary to ensure that sexual orientation is a prohibited ground of discrimination" in order that there would be no discrimination on that basis. These petitioners would like the Government to act on that.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I am pleased and honoured, on behalf of some 200 members of my constituency, to submit a petition which has been properly certified under Standing Order 106.

The petitioners state that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States and that the Prime Minister (Mr. Mulroney) promised, in the course of the bilateral trade negotiations, that Canadian sovereignty would not be compromised.

They say that the trade agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to control foreign ownership effectively, to develop Canadian energy resources in the best interests of Canadians, and to equalize opportunities between regions.

They say that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the United States. They state that the proposed trade agreement not only denies Canadians the secure access to the U.S. markets that was the key objective of

these negotiations but threatens the loss of hundreds of thousands of Canadian jobs.

Therefore, the undersigned, your petitioners, humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 203, 271, and 272. I ask that the remaining questions be allowed to stand.

[*Text*]

JOB CREATION IN VICTORIA—HALIBURTON

Question No. 203—**Mr. Scott (Victoria—Haliburton):**

1. Since September, 1984, how many jobs, per year, have been created in the constituency of Victoria—Haliburton as a direct result of the programs of the government?

2. How many of the jobs are full-time new positions and in what way does this compare to the record of the previous government between 1980 and 1984?

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board): I am informed by the Departments of Employment and Immigration and Regional Industrial Expansion as follows: In so far as the Department of Employment and Immigration is concerned:

1. Between September 1, 1984, and September 30, 1987 (a period of 37 months), 1,111 people received training and work experience under the Canadian Jobs Strategy (EIC). This represents a monthly average of 30 jobs and a yearly average of 360 jobs.

Between April 1, 1980, and August 31, 1984 (a period of 53 months), 1,210 jobs were created by the programs of Employment and Immigration Canada. This represents a monthly average of 23 jobs and a yearly average of 276 jobs.

2. As jobs in both periods have a wide combination of training and work experience sometimes becoming permanent jobs, sometimes qualifying the participant for another permanent job and sometimes providing a limited period only of employment, it is not possible to compile data on the number of "full-time new positions" involved.

In so far as the Department of Regional Industrial Expansion is concerned:

1. During the period of September 1, 1984, to September 30, 1987, a total of nine projects were approved under programs administered by the Department of Regional Industrial Expansion, generating an estimated 492 full-time jobs, 477 of which would be considered new jobs, between 1985 and 1993. The number of jobs actually created in a given year is not estimated pending the completion and final review of each project. Therefore, an accurate annual tabulation of the jobs created is not readily available.

2. During the period of October 1, 1980, to August 31, 1984, a total of ten projects were approved, two of which were subsequently cancelled by the applicant, under programs of the Departments of Regional Industrial Expansion and predecessors, the Depatments of Regional Economic Expansion and Industry, Trade and Commerce. These eight projects generated an estimated 97 full-time jobs, 87 which would be considered new jobs.

INCREASE OF CANADIAN FORCES IN ARCTIC

Question No. 271—**Ms. McLaughlin:**

Will consultations be held concerning the three major projects announced February 4, 1988, which will increase Canadian Forces in the Arctic, specifically the northern training centre at Nanisivik, N.W.T. and, if so (*a*) what groups and individuals will be consulted (*b*) at what (*i*) time (*ii*) place will the consultations be held (*c*) at what time will the consultation process be completed (*d*) will there be guarantees that permanent skilled positions will be created and that training for northerners will be a priority?

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence): 1. Yes, consultation on the concept began well before the Minister's announcement.

(a) Other federal departments, Government of the Northwest Territories, the Inuit Tapirisat of Canada, the Tungavik Federation of Nunavut, the Baffin Region Council, the Baffin Region Inuit Association, the Arctic Bay Community, the Management of Nanisivik Mines.

(b) (i) (ii) All of the foregoing groups have been contacted again by letter and there is a standing offer for follow-on briefings. To date no specific dates, times or places have been suggested by the above groups.

(c) There is no cut-off date for consultation at this time, sufficient to say that the target occupancy date of 1992-93 will allow adequate time for full and thorough consultation and discussion.

(d) It is too early to give details. Certainly the Government will follow all in place guidelines with respect to the development in the North of those skills required to support emerging infrastructures.

RIMPAC EXERCISES

Question No. 272—**Mr. Frith:**

1. During the period 1970 to 1987 (*a*) were Canadian naval ships involved in RIMPAC exercises off Hawaii and, if so, how often (*b*) did they use the Kaho'olawe firing range and, if so (*i*) how often (*ii*) for how long (*c*) have there been Canadian naval ships off California and, if so, how often (*d*) was the San Clemente firing range used and, if so (*i*) how often (*ii*) for how long?

2. What is the rental or usage fee (*a*) per day (*b*) per usage for the (*i*) Kaho'olawe (*ii*) San Clemente range?

3. Has the government investigated specific options for setting up a Canadian test firing range and, if so, what are they and, in each case (*a*) when were they investigated (*b*) what is the estimated cost?

4. What is the minimum annual need for actual bombardment training to maintain operational capability?

5. What are the dates for (*a*) RIMPAC'88 exercises (*b*) Canada's use of the Kaho'olawe firing range?

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence): 1. (a) Yes in 1973, 75, 77, 78, 80, 82, 84 and 86. (b) Yes. (i) Each time. (ii) Three Canadian naval vessels have utilized the range during each exercise since 1980. Record of usage prior to 1980 is not readily available but would approximate that reported after 1980. The exact length of time has varied with each exercise and the naval ships involved, but is normally about four hours per ship.

(c) Yes, an average of four times per year.

(d) Yes. (i) Since 1980, the San Clemente range has been utilized by Squadrons of three Canadian naval ships, twice per year.

(ii) Record of usage prior to 1980 is not readily available but would approximate that reported after 1980. The time of the range varies but is normally about four hours per ship.

2. (a) (i) $3,600 (U.S.) per four hours. (ii) $3,600 (U.S.) per four hours.

3. The concept has been researched frequently and rejected due to the high capital costs involved. Further, the time required on the range by west coast would not justify this large expenditure.

4. Canadian naval ships utilizing the San Clemente and Kaho'olawe ranges at every possible opportunity only permit us to achieve minimum Combat Readiness requirements.

5. (a) Early summer 1988. (b) As scheduled by the USN authorities.

[*English*]

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

Some Hon. Members: Agreed.

Mr. Robinson: Mr. Speaker, I would like to ask a question, through you, of the Parliamentary Secretary with respect to question No. 219 which has been on the Order Paper since November 16, 1987. A response to this question was requested within 45 days. Over two months ago I asked the Parliamentary Secretary when the answer to this important question would be forthcoming and he assured me that it would be within a matter of days.

Since that time there has been no answer whatsoever, as is the case with question No. 243 which has been on the Order Paper since January 18 of this year to which a response was again requested within 45 days. Both of these questions relate to contracting within the Correctional Service of Canada.

Given the earlier assurance of the Parliamentary Secretary that these answers would be forthcoming very soon, why the delay? Why has it taken so long? When can I finally expect a response to these important questions?

Mr. Hawkes: Mr. Speaker, I believe the Member opposite has been personally in correspondence with the Solicitor General (Mr. Kelleher) asking for the reasons for the delay. I can give him no more detailed information in this Chamber than he is likely to get on his own. I will make further inquiries into this. There seems to be some problem in finalizing the answer to the question, but I do not know what it is.

GOVERNMENT ORDERS

[*English*]

NATIONAL PARKS ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of the Environment) moved that Bill C-30, an Act to amend the National Parks Act and to amend an Act to amend the National Parks Act, be read the second time and referred to a legislative committee.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, it gives me a great deal of pleasure to see Bill C-30, an Act to amend the National Parks Act, brought forward for second reading. Bill C-30 represents the first major overhaul of this Act since it was proclaimed more than half a century ago. The 37 proposed amendments are a measure of the Government's commitment to national parks and of the extent to which the current Act is outdated. The amendments proposed in the House of Commons will provide this country with an integrated, contemporary and forward-looking conservation framework for our national parks.

• (1220)

Reform is long overdue. For example, when the first poaching provisions for national parks were set in 1919, a $500 maximum fine may have been sufficiently onerous to deter violators. Now, however, that fine really represents a licence to kill.

Modern poachers of park wildlife are part of a highly organized, lucrative, international criminal network. The stakes are very high. A trophy head of Dall's sheep can command $50,000, a live falcon $20,000. Taking rare and endangered species anywhere on this planet is indeed a crime, not just against the animal or that species, but a crime against humanity. The taking of such animals from within the boundaries of wilderness areas protected by our most stringent conservation law is an outrage.

Meaningful sanctions must be put in place and enforced. The amendments before us today will create maximum penalties of $150,000 or six months in jail. These penalties will be matched by a tough new enforcement regime, with the help of the RCMP.

For poachers of non-threatened species for meat or fur, the Bill proposes a fine of $2,000. However, we have concluded that that will not be enough. Therefore, the Government will seek an additional amendment to increase fines to $10,000 or six months in jail.

Let me highlight some of the main provisions of Bill C-30. Fines will be increased for destructive activities in our parks, such as use of all terrain vehicles in ecologically sensitive areas. A new provision will allow for traditional subsistence activities in new parks, such as hunting and fishing, by native communities. An enabling section will allow self- government for the towns of Jasper and Banff if and when and residents so elect. The Bill will also allow the setting of legislative boundaries for the two towns, will limit the development of new commercial ski areas, and restrict any further transportation and energy supply corridors through our parks.

Provisions will also be made for a citizens' heritage fund to allow Canadians to contribute directly to our national parks system. Amendments will regulate the use of pesticides in parks.

The Bill provides for the establishment of Ellesmere Island National Park in the far North and Grasslands National Park, which we hope will soon be a reality in Saskatchewan.

The Government will also ask the legislative committee to propose the necessary amendments to create our first national marine park, combined with the terrestrial park at Bruce Peninsula in the great Province of Ontario.

I want to go into some detail on the poaching provisions of the amendment. Under the proposed amendments, poaching on certain species of endangered and trophy animals indeed would be subject to a maximum fine of $150,000 on summary conviction, or in the case of a conviction and indictment, a maximum fine of $150,000 or up to six months in prison, or both.

Poaching of all other wildlife would be subject to a maximum fine of $2,000 on summary conviction. The inadequacy of the penalties for poaching in national parks has been cited repeatedly by judges annoyed by the reliance on multiple charges and forfeiture of vehicles and equipment to create at least some deterrent to poaching.

The current maximum fine of $500 has been in effect since 1919 and is inadequate as a deterrent to poaching.

Combatting organized poaching activities is of particular concern. Provisions to proceed by indictment should serve as a deterrent both to the organizers and their clients who are often wealthy individuals.

How serious is this problem of poaching in national parks? Since many poaching incidents go undetected, it is difficult to provide accurate statistics on the problem. However, in the mountain parks it is estimated that at least 50 animals are poached each year, many of which are trophy animals.

The poaching of trophy animals is not a problem of large numbers being taken but rather the significance of losing any of these animals. Not only is the public deprived of the opportunity to view them in the wild, the loss of even a few prime animals each year can affect the long-term health of their populations.

These animals are still relatively abundant in the national parks, and as they become scarce in areas where they can be hunted legally, the parks are becoming more and more attractive to poachers. Perhaps the most insidious aspect of the problem has been the development of the sophisticated organized poaching rings.

In parks where animals are poached primarily for meat, the incidents of poaching are much higher. Estimates of up to 100 or 200 incidents of poaching a year are not uncommon in some parks.

The actual number of incidents of poaching vary from park to park, depending on local factors such as access to game close to park boundaries and along highway corridors, park size, and the actual types of species within the park. Recent studies in several U.S. states show that only about 5 per cent of poaching incidents are ever detected.

Based on a more conservative estimate that 20 per cent of poaching incidents are detected, it is suspected that about 50 big game animals are poached in the mountain parks each year. This would include many that are on the schedule that is available to those persons interested.

On the same basis, it is estimated that on average a total of 800 big game animals are poached each year in all national parks.

Poaching of trophy animals is particularly of concern in mountain parks and Kluane National Park in the Yukon Territory.

Poaching in the parks is very serious and is very much a part of the amendments we are discussing today. Wildlife that is not covered under Section 8(1.1) are poached primarily for their meat. The $2,000 maximum fine exceeds the highest prices paid for big game carcasses in the black market for

wildlife meat. This fine is in the mid-range of similar penalties in the provinces and territories.

Across the country, the array of penalties for poaching is complex. Penalties vary depending on several factors, such as the species involved, the poaching methods used, and whether or not the case involved is the first or second offence.

Some jurisdictions include provisions for imprisonment. On balance, the $2,000 maximum fine is already falling below comparable penalties in the provinces and territories, and several jurisdictions have recently increased their levels. Therefore, the Government will propose an additional amendment to increase fines to $10,000 or six months in jail on indictment, which would put the penalty back in the top range. Another species schedule relating to wildlife which are poached primarily for meat or fur would trigger this penalty.

• (1230)

We are very pleased that in relation to penalties for poaching in national parks, a special budget has been established to fund the activities of warden enforcement support teams. These teams will be deployed to parks where poaching is a problem in order to boost enforcement capabilities at key times of the year. A number of special surveillance operations have been initiated this year to coincide with the fall season. Park officials are in the process of renewing their law enforcement procedures and training programs to identify areas where improvements will be made.

The feasibility of an awards program for information leading to the conviction of poachers is under investigation also. An agreement with the RCMP for greater co-operation in law enforcement in national parks has been drafted and signed. That part of the amendment is very important.

I would just like to refer to another section of the Act, which is the traditional subsistence activities. There are two groups implicated by these provisions, the traditional subsistence use by local people, and the traditional subsistence use by native groups. The former are, in some cases, dependent on resources in a park area for their subsistence needs. The latter have both subsistence and cultural associations with the land and its resources. These activities are generally fishing, trapping, woodcutting and other limited use of renewable resources.

Subsistence resource use has been an issue since the early 1970s, both in public consultations and in federal-provincial negotiations. The rights of native people to hunt and fish for domestic purposes must be respected and integrated into park planning and management in the context of claims and establishment negotiations. Similarly, concessions have been made to certain resource uses by non-native local people in order to avoid detrimental impact on the livelihood of such residents. Non-native resource uses would only apply for one or more generations where no alternatives exist outside the park.

Controls will allow natives or local users to continue to exercise their traditional practices while allowing parks to fulfil their mandate to protect natural heritage resources. All such activities are subject to the requirement to protect natural resources of the park. Providing the continuation of subsistence level activities will permit the creation of new parks for the benefit of all Canadians while at the same time not penalizing local people who have traditionally relied on the area for the necessities of life.

For natives, such activities as hunting and fishing have been an essential part of their culture for thousands of years. Such subsistence activities would be closely monitored and regulated where necessary to ensure the maintenance of viable populations of fish and wildlife.

The amendment is intended to provide a greater degree of protection for the wilderness areas of national parks. Over the last few years, conservation groups and northern native groups have expressed concern that wilderness areas could in the future be subjected to increased pressure for development of visitor facilities, and they should, therefore, be given added protection in the law. This amendment will ensure that wilderness areas remain essentially undeveloped lands and that any proposed change to the boundaries of a wilderness area will be open for public review, not only during the park planning process but also through the regulatory process.

As new national park plans are completed, or existing park plan management plans are reviewed with the public, it is the Government's intention to recommend designation of its wilderness areas to the Governor in Council.

I would like to go to another section of this Act which concerns pollution. We have recently passed the Environmental Protection Act. We are very pleased it has passed committee stage and has come back into the House for third reading. It deals with toxic chemicals. I would like to mention here pollution in national parks as related to these amendments. Section 8(1.3) reads:

> . . . recognizes the special status of national park lands as areas set aside for the benefit of all Canadians. Its effect, and that of (1.4), (1.5), and (1.6) which follow it, is to provide the necessary level of protection to the environment and ensure public health and safety in parks. These amendments will limit the deleterious effects of potentially harmful substances by giving the Minister the ability to take action forthwith if compliance does not occur, and to recover costs for any such mitigating activities. It is important to note that existing and proposed legislation can be used where an incident is of such great proportions that a much higher penalty is called for.

Modern society produces or uses many substances that can adversely affect natural processes or threaten human health. Parks are not exempt from these consequences of industrialization. Recognizing that this danger exists, it is imperative to minimize any negative impact as quickly and effectively as possible. When the person discharging or depositing an undesirable substance will not take responsibility, significant measures would be allowed both to force action and to exact payment when Her Majesty must undertake the appropriate action.

You may recall, Mr. Speaker, that on May 14 of last year, this House made history by unanimously endorsing a resolution for the protection of the South Moresby area of the Queen Charlotte Islands of British Columbia as a national park reserve. In the last three and a half years, more new parks have been created than in the previous decade and a half. Indeed none were established in that desolate period. This Government is a parks Government. We intend not only to save individual wilderness areas as parks but to lay the groundwork for the completion of our national parks' system.

• (1240)

Over 100 years ago Sir John A. Macdonald established Canada's first national park in what is now Banff. Since then Canada's parks system has become the best in the world encompassing over 140,000 square kilometres and attracting some 25 million visitors every year. We are proud of that as Canadians.

The environmental commitment made by Sir John A. Macdonald to protect and preserve Canada's unique natural beauty is being continued by this Government. In addition to creating three new parks and introducing these amendments, the Minister of the Environment (Mr. McMillan) commissioned a national task force on new park establishment chaired by Professor John Theberge of the University of Waterloo. The mandate of the commission was to propose new ideas for expanding our national parks system.

One of the key recommendations of the task force was to urge all levels of government to work together and to develop new ways of preserving unique natural areas. A new designation called Heritage Lands was also proposed by the task force. It could act as a mechanism for protecting more unique wilderness areas. An example of how this designation could be used can be found in the City of Scarborough, that part of Canada that I have the honour and privilege of representing.

The Rouge River Valley which winds its way through 5,000 acres of wilderness in northeast Scarborough represents the last wildlife area in Metropolitan Toronto. The valley is home to white-tailed deer, coyotes, red fox, and a host of nationally rare birds and plant life. The valley also serves as a huge outdoor classroom for thousands of school children who visit the area to learn about nature and conservation.

Unfortunately, the Ontario Government, which owns virtually all of the land, is considering using this precious natural area for luxury housing, or indeed it even talked about a garbage dump. The people of Scarborough and the people of Canada cannot let that happen. Once we lose an area like the Rouge, we can never get it back.

Earlier this week I invited representatives of Save the Rouge Valley Citizens' Group in Scarborough to come to Ottawa and bring this important issue to the attention of Members of Parliament. I was especially honoured that you, Mr. Speaker, took the time to meet with the group and you expressed your support for saving the Rouge Valley.

Mr. Turner (Ottawa—Carleton): Save the Rouge.

Mrs. Browes: Members of Parliament are saying that saving the Rouge is very important to the House of Commons.

Mr. Turner (Ottawa—Carleton): It is extremely important to Canada.

Mrs. Browes: Also this week the federal Minister of the Environment (Mr. McMillan) joined me in a tour of the Rouge. He offered his support for preserving the valley. In fact, the federal Government has provided nearly $80,000 to date to the Save the Rouge Valley organization to help them direct public attention to this issue and persuade the Province of Ontario to listen to the people.

The recommendations of this task force report, together with the outstanding parks record of the Minister of the Environment, should be enough to convince the Ontario Government to work with Environment Canada to protect this environmentally significant area.

In conclusion, when the House stood together to save South Moresby, we accomplished a dream. We now have an opportunity to realize another dream in Scarborough, and in all the special wildlife areas across Canada.

As Wildlife Week draws to a close, it is appropriate that we are discussing Bill C-30. It is only fitting that we give speedy passage to Bill C-30, because, as the task force noted, national parks do not impede our future, they anchor it.

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, to the Parliamentary Secretary and to her Minister I would like to say that this day could well be described as a red letter day for Canada's national parks. It is a red letter day that has taken a little while to get here. By my calculations, it has been 487 days since the Bill was first introduced. However, we now have the Bill, and we want to see it move quickly through all stages and become the law of the land.

The amendments to the National Parks Act which are contained in Bill C-30 are amendments that we in the Liberal Party, the Official Opposition, in principle welcome. It should be noted that these amendments have not come about suddenly. They were developed through a long process of evolution that goes back for quite a number of years in the recent history of our country.

It was in the 1970s that there began some extensive national public consultations regarding a new parks policy. These consultations led to the 1978 statement on a new national parks policy. The House ought to know that most of the amendments that are found in Bill C-30 that we are debating today were actually introduced into Cabinet and approved in the Liberal administration in the month of March, 1984. They did not reach the House in the form of a Bill prior to the dissolution of that Parliament.

The Bill that we are dealing with today, Bill C-30, could really be called Liberal legislation. But even putting that aside,

we could certainly describe it as liberal in spirit. The amendments find support on this side of the House.

I want to point out again that it did take a long while for these amendments to be debated at second reading stage. In fact, it took the Government two full years from when it first took office to even recognize that national parks were needed. I say that because there was no mention of national parks in the Government's program until the Throne Speech of October, 1986. In the Throne Speech it states:

> Canada's National Parks represent a heritage of great importance to the present and future generations. My government will ask Parliament to approve major reforms to the National Parks Act . . .

That can be found at page 12 of *Hansard* on October 1, 1986.

Shortly thereafter, in the same month, the Minister of the Environment (Mr. McMillan) told the House:

> The Parks amendments will be ready for first reading in Parliament soon, and I urge the Opposition to give them expeditious passage.

That can be found at page 290 of *Hansard* on October 10, 1986.

Finally, on December 11, 1986 the Minister tabled Bill C-30 for first reading and now it is back in the House for the first time for expeditious passage.

Ever since Bill C-30 was given that first reading in 1986 we in this Party, parks and conservation groups, and the general public have been asking the Government when the second reading debate is going to take place. They have asked: "Why is second reading debate being postponed for such a long period of time? Why is the Minister's desire for expeditious passage being frustrated?"

• (1250)

I think we have a few clues about why there has been such a long delay in what I am describing as a red letter day for Canada's national parks. We know, for example, that in Banff National Park the operators of the Sunshine Village ski area want to expand their boundaries and move into some ecologically sensitive areas, those that are known as the Sunshine Meadows. With the passage of Bill C-30 they will not be able to do that. One of the most important aspects of Bill C-30 is that it clearly sets out the boundaries of ski areas in three parks—Banff, Jasper, and Riding Mountain. If one were interested, one could look at the Bill and find the boundaries in Schedule III on page 41 of the Bill. Incidentally, those were the same boundaries that were agreed to in 1978.

It is this boundary question for developers which has made the Bill controversial, not among the Parties in the House but within the ranks of the governing Party itself. The so-called developers have some very strong allies. They certainly have behind them the Government of Alberta, and they have certainly had with them many, if not all, Alberta Conservative caucus federal Members of Parliament. These two powerful groups—the Alberta caucus of the Government and the Alberta Government—have applied some enormous pressure on the Minister of the Environment regarding the boundaries contained in Bill C-30.

I believe and I hope that the fact we are now debating Bill C-30 at second reading today is testimony to the fact that the Minister of the Environment has withstood those pressures. It still has to go to the legislative committee and come back to the House at report stage. However, if the Bill survives without major amendments, particularly to the section dealing with the boundaries for development, I will credit the Minister with having scored a very major victory in the name of parks.

I want to return to the kind of opposition the Minister of the Environment has had to face. On December 15, 1987, *The Edmonton Journal* featured an article entitled "Parks plan 'held hostage' by Alta. MPs". The writer of this piece, Mr. Ed Struzik of the Ottawa Bureau of *The Edmonton Journal*, wrote as follows:

> The future of Canada's national parks is being "held hostage" by the Alberta Conservative caucus, say federal officials and national environment leaders.
>
> At issue are persistent attempts by the caucus to change Bill C-30, a National Parks Act amendment.
>
> The MPs want to allow more tourism and resource development, taking a stand that's almost a carbon copy of a confidential Alberta government paper presented to Environment Minister Tom McMillan.

In referring to that Alberta government paper, the article indicates:

> It calls for expansion of ski hills and townsites in the mountain parks.
>
> The matter has become so critical that McMillan, who rejects the Alberta position, is considering calling in the country's conservation leaders to gather support for the Bill, sources say.
>
> The Minister said last week that "if we suburbanize national parks, we'll kill them".
>
> A senior Environment official confirmed McMillan is becoming frustrated by the "stubbornness" of the Alberta MPs.
>
> "They are a powerful force and if they continue, they could kill the bill altogether," the official said.

Mr. Blaikie: The power of ignorance.

Mr. Penner: I thank my Hon. friend for his useful contribution to the debate with that interjection.

The article continues:

> John Theberge, chairman of a ministerial task force on national parks, said if Alberta had its way it will mean the end of the national park system in Canada.
>
> "It seems that a lot of people, particularly the Alberta caucus and the Alberta government, have lost sight of the fact that parks were not established to promote tourism opportunities."
>
> The bill was introduced in Parliament a year ago and still hasn't received second reading.

The article is dated December 15, 1987 and goes on to indicate:

> Keven MacNamee, executive director of the Canadian Parks and Wilderness Society, said: "What really bothers me is that cabinet has

approved these amendments. This Bill could die and it will be completely the fault of the Alberta caucus."

Alberta has "no right holding the rest of the country hostage" because of its "greedy desire" for more economic opportunities, he said.

If the bill dies, he said new national parks like Gros Morne, Northern Ellesmere, Bruce Peninsula and South Moresby may never be given full park status because of legal obstacles only the proposed amendments can clear.

I have taken a little time to read from the article to set the debate in some kind of context because it is a major piece of legislation. What we are doing today is extremely important for the future of our parks.

I suppose it is never fair when one deals with an article not to allow the other side to give its point of view. The same article tells us the position of the chairman of the Alberta caucus of the federal Government. He said that the Bill currently before us "is good, but it's just too airtight". The Hon. Member for Crowfoot (Mr. Malone) went on to say:

It won't allow for the enhancement of the tourism industry.

The article continues:

—he sees room for some "limited to moderate lumber developments" in national parks and the possibility of angle-drilling for oil and gas from outside the park boundaries".

Wilderness and development can go hand-in-hand in the big national parks, he said.

Although apparently this is the position of the Alberta caucus on the government side, and it is the position of the Alberta Government in a paper which it has given to the Minister, happily it is not the position taken by the people of the Province of Alberta. Some polls have been taken and reported upon, testing the views of the people of Alberta regarding national parks. They show that most Albertans support Bill C-30 and feel that the four mountain parks should be protected against further development.

I am sure that it will surprise you, Mr. Speaker, that the Alberta Government and the Alberta caucus on the government side could be out of touch with the people of Alberta. I found that to be astounding. I thought that there was great sensitivity within the Alberta caucus on the government side and in the Alberta Government on issues of this kind.

The Edmonton Journal certainly seems to be a great supporter of parks. In an April 7, 1987 editorial it took the Government of Alberta to task and asked the following question:

Will the Alberta Government ever learn that the natural resources found in Banff, Jasper, and Waterton Lakes are too important to sacrifice for the sake of convenience?

The Economic Development Minister wants Jasper National Park to become a provincial park. The Tourism Minister told an Alberta Tory convention that he strongly supports a proposal to build a six-storey hotel at the Sunshine Village ski development at Banff National Park.

• (1300)

The editorial concludes:

For the sake of convenience and money, they would jeopardize priceless natural resources to build condominiums on the shores of pristine mountain lakes or huge hotels on the side of a mountain.

Mr. Thacker: That is absolute nonsense.

Mr. Penner: It is. My friend says to do that would be absolute nonsense. I agree with him. The editorial agrees with the Hon. Member as well.

The editorial concludes in this way:

Tourism certainly offers great potential to diversify the province's economy. But there must be a balance between development and preservation of national parks for future generations.

I want it to be understood that the Liberal Party is committed to the passage of Bill C-30. We want those Sunshine Village boundaries to be intact. We will strongly resist and oppose any move that may be taken in the legislative committee or by the Government at report stage or whenever, either to have those boundaries removed or to have any future changes left in the hands of the Governor in Council. On this side of the House we believe that the Governor in Council would be less able to withstand the strengths of powerful lobbyists to adjust those boundaries than if we had those boundaries established in law and approved by Parliament.

The House and the country ought to know that national parks are revenue generating. They provide more than 34,000 person years of employment and over $145 million in taxes, duties and royalties for local, provincial and federal governments. That is a 300 per cent return on investment, according to the National Parks Task Force of 1986. Additionally, there is evidence that limiting development in parks is the key factor to stimulating growth in surrounding communities, in the case of Alberta such communities as Canmore and Pincher Creek, and Golden, B.C.

I have said repeatedly that we support Bill C-30, but there is in the Bill one clause that does give us some concern. It is not necessarily that we would seek to have that clause removed, but it does give us a little bit of concern. It is the clause that deals with the citizens heritage fund.

At the moment we are not in a clause-by-clause study of the Bill so I will stay away from excessive detail and deal only with the principle in this particular clause. The so-called citizens heritage fund has raised a number of questions. The Canadian Parks and Wilderness Society, for example, has written to the Minister asking some pointed questions about this fund. I will refer to just two paragraphs of the letter to the Minister which state:

During the past months, the Society has consulted with many individuals on Bill C-30. While reaction has been favourable, many expressed concern over the Citizens Heritage Fund. The proposed Fund raises three main questions: (1) Why is it being established? (2) Will it compete with existing voluntary organizations? (3) How will the Fund operate? The total lack of information on this major proposal has prompted this concern.

The letter goes on to state:

We believe the concerns expressed about the Fund are justified. A government administered Fund aimed at raising private monies to supplement

a tax based program is a fundamental shift in how government will fund the national parks program. While the Society supports in principle private initiatives to further the national parks program, clearly such involvement must evolve in an informed manner.

That is the difficulty with the citizens heritage fund. It is not evolving in an informed manner. For example, it is my understanding that this fund is to be dispensed at the discretion of the Minister. Whoever is the Minister of the Environment in charge of Parks Canada will be able to use this fund presumably as he sees fit. I am worried about that because it has at least the potential of being just another one of those infamous slush funds that governments like to have available. They like to have them available because at the appropriate moment in time, that is, the closer to an election it is, the more useful these funds become. They can be doled out on a regional basis with a political connotation.

We do not want that at all. After all, Parliament has been reformed. Government is being reformed. We want to be a part of that new wave. I believe that I probably have the support of my colleagues in the New Democratic Party and probably have at least a modest degree of support from the government benches in this regard.

Before winding down my contribution to this debate I want to talk about a couple of the other aspects of the Bill that I consider to be important. The Parliamentary Secretary made reference to the traditional subsistence activities that are contained in the Bill. This particular aspect of the Bill recognizes that new national parks must not inhibit traditional activities that are carried on by local people. The range of activities is broad. It goes from hunting, fishing and trapping by aboriginal peoples, to rabbit hunting and domestic wood cutting in the Atlantic region. It must be made clear that this provision does not apply retroactively to existing parks such as Banff and Jasper but that it will allow the settlement of aboriginal land claims outstanding in national park reserves, such as, for example, the claim of the Haida to South Moresby.

When a new national park was established quite a number of years ago in the constituency which I represent, the Government of Canada entered into extensive negotiations with the Robinson- Superior Treaty as to the extinguishment of their rights. These negotiations were very protracted in nature. The desire of the Government was to find an accommodation. It believed at the time that the best accommodation was to have these aboriginal rights relinquished in return for a cash compensation.

• (1310)

After a long period of discussion, it soon became apparent that we really cannot put a dollar value on aboriginal rights. The Government of the day had enough wisdom to drop the negotiations and say to the Robinson-Superior Treaty with reference to Pukaskwa National Park that they may retain their rights of hunting, fishing and trapping.

Happily, I can report to the House that since the Government of the day made that decision, there have been no serious problems in Pukaskwa National Park. There have been no abuses by the aboriginal people. In fact, it has been proven, as I have said on other occasions, that the aboriginal people are among this nation's finest conservationists.

I would also point out that Bill C-30 provides for wilderness zones and the activities allowed therein. This gives legislative authority to a policy that is already in practice. Environment and conservation groups were hoping for something stronger, but nevertheless, these wilderness zones are now in the Bill. The policy that is in effect has been made law, and that is a welcome development.

As well, something ought to be said about the powers of expropriation. This has been described as a particular fingerprint of this particular Minister and Government. The previous Government had wanted the powers of expropriation to remain in the National Parks Act. This legislation takes away those expropriation powers. In so doing, I believe that the future negotiating position of the Government of Canada in the establishment of new national parks is weakened.

I recognize that in the past, the power of expropriation has created serious difficulties, and perhaps in some instances it could even be described as having been abused. There ought legitimately among Members of Parliament to be concern about expropriation powers. However, I would want to point out that when dealing with national parks, it is very difficult to say that there exists something that could be described as federal greed. That is hardly the case because national parks and national park reserves total only 1.5 per cent of the Canadian landscape. Who among us would say that that is too much?

The Parliamentary Secretary spent a good part of her time dealing with the question of poaching. I am pleased that she did, and there is no need for me to go over all of that ground again, except to say that it is correct and right, in our view, that poaching will now carry significantly heavier fines under the new legislation. This, I believe, well reflects the priority the public is giving today to wildlife protection. There are to be fines of up to $150,000 for poaching any one of the nine endangered species: bighorn sheep, Dall's sheep, grizzly bear, gyrfalcon, mountain goat, peregrine falcon, piping plover, polar bear and whooping crane.

I believe Hon. Members ought to know, however, that the poaching of other game animals such as caribou, elk and deer in national parks carries a much lower fine, a fine of only $2,000. We in the Official Opposition think that the poaching of game animals should carry a higher penalty. We urge the Minister to reassess that particular aspect of the poaching provisions in the Bill.

I am convinced that Canada has far too little in the way of lands that fall under the aegis of national parks. It is certainly not my view that all wilderness in Canada should be protected,

but there are special places that ought to be protected like South Moresby, Jasper, Banff and other national parks.

If Bill C-30 passes unaltered, if it is not radically adjusted along the way, then I think it will strike a very positive note for the protection of what others in Canada, on many occasions, have described as a priceless national heritage, the national parks of Canada.

Mr. Hawkes: Mr. Speaker, I rise on a point of order.

The Acting Speaker (Mr. Paproski): I was wondering when the Hon. Member for Calgary West (Mr. Hawkes) would rise on a point of order.

Mr. Hawkes: Mr. Speaker, I have had a brief conversation with the critic for the Official Opposition who informed me that it was his understanding that there would be one speaker per Party and then we might be able to dispose of the Bill. I have not had a chance to talk to a representative of the New Democratic Party since there was some confusion today about to whom to speak. I wonder if the Members of the New Democratic Party have the same understanding or not.

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie) is the designated speaker today, so I imagine he would be the one who could answer.

Mr. Blaikie: Mr. Speaker, I am not aware of any discussions. I am aware that this Bill was sprung on us without any notice this afternoon and that the environment critic for the NDP is not present. I can only assume that she and perhaps others would want to speak on this Bill. I am afraid that I could not agree to any such proposition, given the circumstances under which the Bill was introduced.

The Acting Speaker (Mr. Paproski): I then recognize the Hon. Member for Winnipeg—Birds Hill on debate.

Mr. Turner (Ottawa—Carleton): Your environment critic supports the Bill.

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, the Hon. Member for Ottawa—Carleton (Mr. Turner) says that the Hon. Member for Broadview—Greenwood (Ms. McDonald) supports the Bill. Of course she supports it. We support the Bill. That is not the question. The question is, is this any way to run a Parliament.

At 12.30 in the afternoon on a Friday, the Government decides it will call a Bill without any notice. The environment critics for the Official Opposition and the New Democratic Party are not able to be here to comment. Fortunately for both the Liberal Party and for the NDP, the Hon. Member for Cochrane—Superior (Mr. Penner) and I happened to be around.

I was around 15 months ago when this Bill was introduced. In fact, I was the NDP environment critic at that time. It was only because I was the critic at that time and because I happened to be here this afternoon that we are able to comment on this Bill in a prepared way.

There is no way that this can be considered fair play by the Government. The Government sat on this Bill for 15 months and then on a Friday afternoon in April, without any warning, it brings it forward and hopes that it can slip it into committee. It is not our intention to delay this Bill at all, but it certainly is our intention to make some comments on the principles of the Bill at second reading stage, and that is just what I intend to do and what I expect other NDP Members to be able to do as well.

I began by saying that we support the Bill. We would have liked to have seen it go through a long time ago, but because the Government itself has delayed it for 15 months, there is no reason for us now to be pressured into dealing with it in an hour and a half.

I want to take this opportunity to go over some of the shortcomings of the Bill. First, why do we support it? We support it because it does provide the legislative housekeeping needed for the smooth operation of national parks. It puts into legislation current parks policies, particularly in the limitation of future resort development in the parks system. It provides stiff fines for poaching of rare game and birds, and, as has already been mentioned, many of the parks and wilderness associations are eager to see this Bill pass. Indeed, they are eager to see it go to committee, and that is why it will go to committee after an appropriate time has been allowed for debate at second reading stage.

If this Bill was introduced 15 months ago, one might ask what has taken it so long. With all due respect to you and your province of origin, Mr. Speaker, the cause of the delay has been what we in this House sometimes call the goon squad from Alberta. This goon squad regularly stands in the way of any kind of progressive legislation the Government might be considering. It is rare enough that the Government considers progressive legislation, but when it does you always have the goon squad from Alberta trying to retard the process.

• (1320)

The only national park, I suppose, that would be appropriate for Alberta as far as those people are concerned would be some kind of human dinosaur park where the goon squad from Alberta could be stuffed and mounted so people could see just what political dinosaurs look like.

Mr. Daubney: The NDP in Manitoba will be in a museum after the next election.

Mr. Blaikie: The Alberta caucus might go for that if you could convince them there was a buck to be made. That is the way they see the world. It is just a place out there waiting for a buck to be made.

Mr. Turner (Ottawa—Carleton): We could put Howard Pawley in a museum.

Mr. Blaikie: The goon squad has the most morally primitive view of the world you could imagine. Any Bill that would suggest there should be areas of the planet that are left alone, where no money is made out of them, is a travesty for them of Progressive Conservative doctrine. That is the reason for the delay, the goon squad from Alberta. Enough about them; history will deal with them appropriately.

Some of the points we would like to raise and elaborate upon have to do with the requirement for the Government to be more frank with Parliament in this Bill and this debate about its intentions for various parks, particularly those which have been the object of some controversy. We need to see proposed boundaries for Banff and Jasper. We need to see any agreement with the Alberta Government that might have been arrived at prior to the Bill finally being brought forward for second reading. We need to see actual proposals for what would constitute a wilderness area, and planned use, and the details of the administration of the citizens heritage fund. These are all things we are debating in the dark because the Government refuses to give us any details.

We need to know that the Government is willing to support parks as natural preserves and not as tourist sites. We need to know that the Government is willing to allocate resources to park development without having to develop quasi-private fund-raising programs like the citizens heritage fund. What is the Government's commitment to these kinds of parks separate and apart from these private fund-raising schemes it has in mind?

In short, we need to know whether the Government has a clear and unequivocal commitment to national parks. We need to know whether there will be amendments to the Park Act which give clearly articulated principles by which the parks will be administered. Parks have suffered from too much *ad hoc* and discretionary decision-making already.

We need to know about amendments to the Park Act which will legislate current policy against resource development. It is not enough just to have a policy. We want to see that policy enshrined in legislation. We remember that it is not so long ago that a former unlamented Minister of the Environment, I cannot remember the name of her riding, spoke about logging and mining in national parks. We need legislation which prevents any Minister from suddenly getting a whim about logging and mining in national parks and permitting that sort of atrocity to go on.

What does Bill C-30 do? It expands the National Parks system. We all should regard that positively. It entrenches in legislation the establishment of Ellesmere Island National Park and provides for the future establishment of Grasslands National Park in Saskatchewan. I got some mail on that park the other day. It has been dragging on and on. Some agreement was reached with respect to I believe water rights but other negotiations are still going on.

When we think about areas that need to be preserved we quite rightly think about South Moresby or places which, by their nature, command the attention of the media and others in such a way that a grasslands national park does not. However, there is very little natural grassland left in western Canada and that in and of itself is a feature of what naturally occurs and what there was a great deal of in Canada at one point. Just as much effort should go into preserving natural prairie habitat as goes into preserving natural habitat in British Columbia, Ontario or the Atlantic provinces. I make the plea on behalf of the Grasslands National Park that it might be completed very soon.

We wonder why the Bill makes no mention of the establishment of national marine parks. The federal Cabinet approved a national marine parks policy in September, 1986, well before Bill C-30 was introduced. At the moment there are no marine parks in Canada, although there are proposals for five potential parks. One of the reasons no such park exists is that the Government has no statutory authority to establish marine parks. In its marine park policy the Government decided to create this authority with an amendment to the National Parks Act. What do we have here? Amendments to the National Parks Act but nothing with respect to marine parks, the very kind of amendments that the Government said it ought to bring in before this Bill was drafted. Perhaps there will be some explanation for the absence of those kinds of amendments.

Bill C-30 also works to eliminate poaching. Under the 1930 Parks Act the maximum fine for any transgression against a park is a $500 fine. That $500 is certainly not what it used to be, certainly not what it was in 1930. The penalty is too paltry to dissuade poachers from taking the valuable game which can be found in the parks. The Parliamentary Secretary went on at some length about that.

The Bill lists nine species deserving of protection in particular, including bighorn sheep, Dall's sheep, grizzly bear, gyrfalcon, mountain goat, peregrine falcon, piping plover, polar bear and whooping crane. It creates a penalty for poaching those animals of a maximum of $150,000 or six months in jail. It also raises to $2,000 the maximum fine for other offences under the Act. We are delighted to see that and we await the day when those kinds of penalties will be available to the Government. However, the one thing it could have done, and this is very timely given the program on *The Journal* a couple of weeks ago about the poaching not of these rare animals—

Mr. Turner (Ottawa—Carleton): *The Silent Slaughter.*

Mr. Blaikie: Yes, that is what it was called, about the poaching not of animals considered to be rare but animals that are normally hunted.

Mr. Turner (Ottawa—Carleton): Like elk.

Mr. Blaikie: Yes, like elk, moose or bear. The Government has not moved on that in this Bill and I hope it will. It will have an opportunity in committee to move amendments to

provide stiffer penalties for the poaching of animals like black bear, moose, elk, caribou and others. Strange as it may seem, there is an incredible black market for various animal parts. I will not go into the details, Mr. Speaker, for fear of offending your great sensitivity and innocence in these things. Bear gall bladder is an example of one part for which there is great demand in Asia. With all due respect to Asian aspirations to greater virility, the people in Asia who need these products and the people who are providing them with these products should stay out of Canada, leave our wildlife alone, and sort out their assorted problems in some other way.

• (1330)

I hope that we will see amendments to this Act which take into account that which we have come to know since this Bill was introduced about the silent slaughter of many ordinary game animals here in Canada because once they are gone, there is no way of getting them back.

I would like to say a word about the National Parks citizens' heritage fund. The Government wishes to establish a fund to which Canadians could make tax deductible donations to expand or enhance the parks site system. Since this fund was first discussed Canadians have been trying to find out exactly what the Government has in mind. All we have learned is that the Minister says that any money raised via the fund will not diminish the allocation to the department through Parliament. That should be "will not diminish an already diminished allocation" because we all know of the cut-backs which have already occurred in the Department of the Environment. There is, however, no assurance from the Prime Minister (Mr. Mulroney) or Treasury officials that we will see no further diminishing of the Parks Canada budget. That is not much of a guarantee at all.

The Minister says that the money will be used for special projects and not regular operations. The Bill itself is ambiguous on that point and offers no definition of "enhancing the park and site system". Furthermore, there will not be an arm's length agency to administer the fund. It will be at the Minister's discretion.

Where I come from and where the Hon. Member for Cochrane—Superior comes from this is called a slush fund and is suspect. I appreciate that the Member for Cochrane—Superior brought his vast experience with slush funds to bear on this debate and that he has now repented of his association with slush funds through his membership in the Liberal Party and a new day has dawned in the Liberal Party.

In any event, being enshrined in this Bill is a ministerial slush fund of which we are critical. We feel that it is an irresponsible and dangerous measure. It is irresponsible because there is already a mechanism for Canadians to make gifts to the Crown. The Minister says he wants to make it easier for Canadians to give lands and estates for parks. In effect, what he wants is a way to circumvent the Financial Administration Act.

Such a fund is dangerous because it is government encroachment on private fund-raising which already exists or may exist in the future. It would increase the moneys which are spent at the Minister's discretion, and it would consequently increase the leverage the Minister has over non-governmental organizations and other organizations which would be in line for grants flowing from this fund.

It is sad to note that some environmental groups have supported the notion of this fund. They are entitled to their view, but we feel that they have perhaps been influenced by the Minister's officials who have told them that this is the only way in which money can be made available for park projects. It is a sad commentary that this Minister sees more hope in getting money to enhance and expand his department's operations through voluntary taxation than through Treasury Board.

We in the New Democratic Party are not prepared to accept that we are at the limit of what Canadians are willing to spend on the preservation of their natural heritage. Obviously the Minister feels that we have reached that limit and that he must arrange a fund through which he can raid the moneys that might be available to other voluntary groups which are concerned about the environment.

Bill C-30 permits the Government to set boundaries for Banff and Jasper. The Government offers two reasons why it wants these boundaries to be legislated. It says that boundaries are needed before local self-government can be negotiated and that it wants to limit the development of town sites. Yet, we are not offered any idea of what these boundaries will be. By passing Bill C-30 Parliament may be agreeing to boundaries far wider than it would desire. We are basically asked to sign a blank cheque, to turn over the question of what boundaries may be established for Banff and Jasper to the Government. That is something we are not willing to do.

By the way, I understand that the citizens of Jasper have already indicated that they do not wish to pursue self-government at this time. Residents of Banff, however, will be voting later this year on whether they wish to negotiate self-government. I know that there are people in Alberta, who are looking to a different kind of self-government. They would like self-government for Alberta and I understand that some of them will be running against the Secretary of State for External Affairs (Mr. Clark) and other incumbents in Alberta.

I take it that the movement for self-government has really got off the ground in Alberta. That which is happening in the town site of Banff is only a manifestation of a larger phenomenon. We hope that this will not develop into a political movement which will sweep away the goon squad because we value them so highly. Besides, what would be the point of replacing the current goon squad with a separatist goon squad? We intend to sweep away the Alberta goon squad and replace them with New Democrats. That is the solution which we see to that problem.

Another issue in Bill C-30 is the definition and limitation of a ski area. Bill C-30 very explicitly states the exact boundaries of permitted ski resorts and places a moratorium on future ski development in the parks. There are currently five ski areas in national parks and a sixth is provided for by the federal-provincial arrangement which established Gros Morne National Park in Newfoundland.

It has been government policy for some years to limit the development of ski areas. This policy has not, unfortunately, been rigorously implemented and ski resorts have continued to expand, particularly in Banff National Park. There is a clear need to legislate boundaries for ski development and we welcome this provision of the Bill.

However, the Minister has already expressed his willingness to entertain changes to this section of Bill C-30. We know why. We know that it is because of the pressure applied on the Minister by the goon squad in Alberta with respect to a particular development in one of the national parks, the Sunshine ski hill. The Minister has said that it is okay with him if the committee studying the Bill decides to defer a decision on the Sunshine ski hill to some future date. Sunshine is remarkably successful, it seems, at getting Parks Canada to bend its policies and, although I really hope I am wrong in this, it seems to have won another round with the Minister.

I see that the Member for Ottawa—Carleton is shaking his head. I hope he is right. Time will tell. I know that the commitment of the Member for Ottawa—Carleton to this and to holding the line against the goon squad is beyond question and I wish him very well. He knows that he will have our support in this. We hope that the Minister has not been weakening on this matter of defining and living in ski areas.

Bill C-30 permits the Government to establish wilderness areas. It then requires the Minister not to authorize any activities which are likely to impair the wilderness character of the area. Notwithstanding this prohibition, Parks Canada can build rudimentary camp sites and permit aircraft to fly in.

One of the more striking deficiencies of Bill C-30 is a missing definition of wilderness. I admit that there might be some difficulty in defining wilderness, but no attempt is even made. We can infer from the activities which will be permitted that to Parks Canada wilderness is an area in which humans can camp, walk, travel by aircraft, and carry on other activities. Many Canadians would disagree with this definition. Many Canadians would say that there ought to be some wilderness which is in fact wilderness and left completely alone.

• (1340)

They would see wilderness as an area to be protected from human activity. Nowhere does Bill C-30 make any legislative provision for true wilderness sanctuaries. We see this as a serious shortcoming. For example, some members of the Alberta caucus—the same group to which I have been referring all along—are concerned that this Bill will stop the proposed condominium development at Maligne Lake. This is because Maligne Lake is apparently slated to be a wilderness area. However, Maligne Lake already has a small group of buildings at one end and motorboats, including tourist boats, on the lake. That is not my definition of wilderness. I hope it is not a definition which anyone else accepts.

One end of the lake is zoned for development and a corridor down the lake is zoned for commercial activities so that a diesel boat can travel back and forth on the lake. The sides of the lake are wilderness zones. I suggest we need a better zoning program for wilderness areas than is currently offered. It is as ridiculous as suggesting that if there is no housing in the bush at the edge of an airport, the area is a wilderness zone.

Mr. Heap: Maybe the bottom of the lake is wilderness.

Mr. Blaikie: Indeed. I would suggest that the wilderness might exist in the minds of the Alberta Tory caucus, but that would be an insult to wilderness. Before this Bill goes to committee the Minister should provide all interested Members with his plans for the zoning and preservation of a wilderness area.

Bill C-30 permits certain subsistence activities. For example, it permits the Minister to allow certain subsistence hunting and fishing and other activities in national parks when these are part of a federal-provincial agreement. We are in favour of this in principle, especially because we wish to see future parks developed in areas which are traditional hunting grounds for local peoples, particularly aboriginal peoples. The fact is that some of the new parks which we want to create are also the traditional lands of various aboriginal peoples. Some accommodation will have to be made between their rights and the desire of Canadians to establish national parks in these areas.

Those kinds of arrangements are being worked out, as in the case of South Moresby, and those kinds of arrangements will have to be worked out in future parks development where there is legitimate conflict between aboriginal rights and the desire of Canadians to establish national parks. The Government has given very little indication of its intentions in this area, and we want to see more detail.

To its credit, Bill C-30 accomplishes much housekeeping. Most of the amendments are to the regulatory power for parks administration and, generally speaking, we favour good housekeeping. Some of the proposed changes are disconcerting. For instance, the Government wishes to continue to be able to kill "dangerous or superabundant animals". The parks mandate is to permit natural processes to prevail. Therefore, is not the killing of superabundant animals against this philosophy? Likewise, permitting the destruction of dangerous animals denies what is often the reality of humans encroaching on the wildlife habitat of a park and putting these animals under the kind of pressure that results in attacks from time to time. This accepts the premise that it is appropriate to destroy

animals which are disturbed in this way. We question that rationale.

The Bill expands the activities which may exist outside of town sites in national parks to include those for accommodation, recreation or entertainment of visitors to the parks. Courtesy of Bill C-30, the Government could permit a casino or amusement park to be built anywhere in the national parks system.

Bill C-30 authorizes regulated use of pesticides and other toxic substances in the parks. We believe that is something which should have been dealt with much more stringently.

In closing, I believe I have dealt with most of the NDP views on this Bill. We have no desire to delay it, but we want to have an adequate debate at second reading. I know that the environment critic for the New Democratic Party, the Hon. Member for Broadview—Greenwood will regret that she was not here. No notice was given that this Bill might be debated, and if the Government thinks it will play these kinds of games with important legislation like this and slip it through by surprise, it has another thought coming. We have others who are willing to speak to this Bill.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is a pleasure to make a few comments about Bill C-30. First, I think I must deal with the closing comments of my hon. friend. He said that they have no desire to delay the legislation because it is important.

Four minutes prior to that he said it was his Party's position that the Bill could not even go forward to committee, where democracy could take place, until the Minister provided him with detailed zoning regulations for every national park in Canada. That is blackmail. It is the kind of blackmail that we have seen consistently with each piece of legislation that has come to this House this week. For five days we debated the joining of two Crown corporations into a stronger entity to enable it to compete better and provide more jobs. There were $3 million or $4 million in public funds expended on a piece of legislation so that those Members would be able to stand up in the future to say the Government cannot manage to get legislation through the House and we do not have time to deal with important issues. This deliberate filibustering began some three months ago. They stand up to say they are willing to co-operate, but if the Government acts in this way it will not get co-operation.

We have seen six-month hoist motions to kill two pieces of very important legislation earlier this week. One is a tax Bill to provide rebates to farmers, miners and fishermen so that there will be jobs. Every time we try to create a job the NDP fights us because they want to campaign in the next election as the champions of job creation. In spite of that we have created one and a quarter million jobs in three and one-half years.

Mr. Waddell: How many in national parks?

Mr. Hawkes: One must really listen to what they say in order to contrast it with what they do.

Canadians have a lot of common sense. It is what that Party will do that will count on voting day. That Party has embarked on a very dangerous course of obstructing this House.

Mr. Waddell: What does this have to do with national parks?

Mr. Hawkes: They are trying to subject this House to the tyranny of a minority. Every time people see those poor people from Turkey who were scammed by a travel agent and brought to this country under false pretences—

Mr. Robinson: Mr. Speaker, I rise on a point of order. I just came into the House for what I understood was a debate on the National Parks Act. Unless the Order of the Day has been changed, I would respectfully ask that you urge the Member to stick to the subject before the House.

The Acting Speaker (Mr. Paproski): I believe the Hon. Member was getting to the Bill. The Hon. Member.

• (1350)

Mr. Hawkes: I certainly was, Mr. Speaker. We are trying to move on a situation that has existed for many years, decades, in relation to our national parks. We are trying to do something in the public interest and this House and members of all parties should co-operate. But when the Opposition filibusters and delays things like the refugee legislation they cause heartache and disaster for Turks and people of one kind or another. When those Members delay something like this National Parks Bill even longer, they put wildlife population at risk.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): The Hon. Member does have 20 minutes and then we can have questions and comments. I would hope Hon. Members would keep their questions and comments for the next time we have an opportunity to question him. It has been a wonderful Friday afternoon. Please do not tax the Chair.

Mr. Hawkes: This Government was elected by the Canadian people. Three quarters of the Members of this House, members of my Party, were chosen by the Canadian people to come to this House. We were chosen because the country was in turmoil and we promised to consult and we promised to co-operate. We promised to end the era of confrontation. We have been working well for Canada in areas of language policy, in terms of job creation and with the development of sensible pieces of legislation. We have tried to produce legislation for this House in first reading stage in most instances months in advance of the debate.

This Bill was produced for this Chamber 15 months ago so that the consultation process with respect to its strengths and weaknesses could occur and we could get our act together, so

that if it needed some fine tuning at committee stage, we would know the witnesses who needed to be called and we could move it forward and put it into place.

I have sat here and listened to the New Democratic Party after getting the clear-cut support from the Liberal Party. The Liberal Party believes that national parks are important. The Liberals believe that we need to get this piece of legislation in place and the Conservatives also believe those two things. But the New Democratic Party stands up at the very first opportunity and tries to blackmail the whole House. Less than 35 Members try to blackmail this whole House. They say: "You produce a certain document, Mr. Minister, or we will not let it go to committee". That is blackmail and this House cannot allow itself to be subjected to that kind of blackmail. This Bill should go to committee now. The Bill we debated earlier today should have gone to committee a week ago. The Bill we were debating on Thursday should have gone to committee on that day. It is time to get the job done, to clear the decks, so we can have an election. Those Members holler for an election and then obstruct the House which stops us from going to the Canadian people until we get our legislation through.

For those reasons, and to stop the kind of dilatory motions we have experienced every time we have brought significant work forward this week—they moved a six-months hoist and tried to get a second round of speakers—I move, seconded by the Hon. Member for Nanaimo—Alberni (Mr. Shellenberg):

That the question be now put.

Mr. Heap: Questions and comments, Mr. Speaker?

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

Mr. Waddell: I would like to speak on the motion, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Vancouver—Kingsway (Mr. Waddell).

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, nothing could be farther from the truth when the Member says that the New Democratic Party is trying to stop this Bill.

Mr. Hawkes: You are trying to blackmail us. You tell us to give you this document or you will not go to committee. That is blackmail.

Mr. Waddell: Those Hon. Members can scream all they like. They have 211 Members of Parliament. They have control over the agenda of the House. They have had the management of this House for almost four years. They are plugged up with all their Bills and then the Hon. Member has the audacity to blame us.

Mr. Hawkes: You deserve the blame, so take it.

Mr. Waddell: Then he suggests we are stopping the calling of the election. Let me suggest to the Member, if he wants to call an election, to get the Hon. Member for Manicouagan, the Prime Minister, (Mr. Mulroney), to go to the Governor General this afternoon and call an election. We are ready for an election.

Some Hon. Members: Hear, hear!

Mr. Waddell: We will take you on in an election. We are not afraid.

Mr. McCurdy: Let us have an election right now.

Mr. Waddell: We want to talk about the honesty and promises of the Right Hon. Member for Manicouagan. We want to talk about that.

Some Hon. Members: Oh. oh!

The Acting Speaker (Mr. Paproski): Order. The Hon. Member for Vancouver—Kingsway has the floor.

Mr. Waddell: We are prepared to talk about free trade in the election campaign, the so-called free trade deal, and how it is going to end Canadian sovereignty if it goes through. We are prepared to talk about the environment. We are prepared to say exactly what the Conservatives have done about the environment and what can be done. We are also prepared to talk about jobs, not just in one section of the country but in all parts of the country, like my part of the country in British Columbia, in Newfoundland, in the north of Canada and in northern Ontario and Quebec where we still have too many people unemployed.

We are prepared to talk about the sell-out of this country to the Americans with respect to culture and the sell-out of this country in the trade deal. We are prepared to talk about the fact that the Government is prepared, at the last minute, after four years, to privatize an airline that is working well for Canadians and how it is going to be run down to the standard of Texas Air or one of those airlines in the United States. We are prepared to talk about that.

We are not shying away in any way from dealing with the environment. On May 2, 1980, I introduced a Private Member's Bill in this House entitled "An Act Respecting a National Park on Moresby Island and its Adjacent Islands". That was a long time ago and I am happy to point out that after some struggles by the Hon. Member for Skeena (Mr. Fulton), in particular, and some help from the Chair and from the Hon. Minister of the Environment (Mr. McMillan), and because of co-operation throughout the House, we were able to work together and indeed get a wilderness area for South Moresby.

The Government is taking an environment Bill which it has been sitting on for 16 months and bringing it into the House of Commons today without any notice. We were supposed to debate another Bill. We were supposed to debate Eldorado Nuclear. The Government drops it on us because it thinks it is

very smart, and then the Hon. Member brings in what amounts to a closure on this Bill.

Some other governments did that. The St. Laurent Government acted in that way in 1957. In 1958 the people showed what they thought of that Government. The Diefenbaker Government got too arrogant in 1962 and the people put that Government in a minority position and then got rid of it.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being two o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1400)

PRIVATE MEMBERS' BUSINESS—BILLS

[*English*]

CANADA SAFE DRINKING WATER ACT

MEASURE TO ENACT

Mr. Neil Young (Beaches) moved that Bill C-224, an Act to protect and enhance the quality of drinking water in Canada, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I am pleased to have the opportunity to say a few words on this Private Member's Bill that I put forward for the second time in this Parliament. The intention of the Bill is to attempt to address some of the serious concerns felt by Canadians about the quality of drinking water where they live. The Bill goes even further than that, and I will expand as I make my remarks this afternoon.

The explanation of the Bill itself is that it would protect and enhance the quality of drinking water in Canada. It provides for opportunities for public involvement in the making of regulations to set maximal permissible levels for contaminants and other substances in drinking water. The regulations would apply to both public and private water systems. The operator of a public water system would be required to monitor water quality regularly and supply the results to the users and to the Minister of the Environment. Any user of a private water system may have the water tested by the Minister of the Environment. Under this Bill, it would also be an offence for the operator of a public water system to provide water which contravenes the regulations or fails to comply with monitoring and notice requirements. It would also be an offence for anyone to pollute a public or private water system. The Bill also permits water users to sue or to recover damages for contraventions of the Act. It gives any person standing to seek judicial review against the Minister of the Environment. The Bill authorizes the Minister to commission research into matters related to drinking water quality and establish an advisory council to assist the Minister. That then is the explanation of the Bill.

During the last election campaign, the Prime Minister (Mr. Mulroney) promised:

> A P.C. Government will work with the provincial Governments to establish a set of regulations which will lead to standards for safe drinking water. This will be accomplished with due regard to the best practical technology and to economic constraints.

That promise was made by the Prime Minister during the last election campaign. The last time that the House had an opportunity to debate this Bill on January 21, 1985, the government Members' argument against having the Bill referred to a legislative committee at that time was that the Government had indeed made a commitment to do something about bringing in a safe drinking water Act. That was in January, 1985, and we still have not seen any indication from the Government that we are about to be presented with a safe drinking water Act. Some time ago in a paper tabled in the House, the Minister of the Environment also indicated that he would support bringing in such an Act.

In the absence of the Government coming forward with a proposed Act as has been promised, and assurances given to Canadians, the House is now given the opportunity to deal with this important matter and, indeed, refer it to a legislative committee for public input, discussion, and to allow Members on all sides of the House to examine the importance of this question. Since January, 1985, the House has not had an opportunity to express its views on this question. That is one of the reasons why the House of Commons committee that makes recommendations on Private Members' Business did recommend that this Bill be given some priority for debate in the House. That is why it is here again today.

In terms of the debate it is useful to take a look at some of the information that we do have about the quality of drinking water, not only in Canada but elsewhere. While Canada has less than 1 per cent of the world's population, we possess an estimated 25 per cent of the earth's fresh water. The Great Lakes contain 18 per cent of the planet's surface fresh water. Canada's rivers have a combined flow of 68,000 cubic metres per second, enough to fill all of the country's bathtubs every 10 seconds. On a global scale, fresh water constitutes only 0.2 per cent of the total water supply.

Until the first decades of the 20th century, water-borne diseases such as typhoid fever claimed the lives of many Canadians. Although modern medicine has advanced to the point where this disease is no longer a serious threat, new forms of water-borne diseases are still emerging. The World Health Organization indicates that in the Third World diseases associated with dirty water kills 50,000 people every day, more than 80 million people per year. As long as bacterial contamination of Canadian water is allowed to continue, such as that generated by food processing plants, Canadians cannot assume that they are immune to water-borne diseases that currently plague the Third World.

Currently the greatest threat to Canada's drinking water is caused by chemical contaminants. It has been estimated by many environmental scientists, including those associated with

the federal Department of the Environment that, in the Great Lakes alone, there are anywhere between 400 and 800 known chemicals which have been identified in the Great Lakes waters. Among those existing pollutants are mercury, lead, copper, chromium, zinc, PAHs (polyaromatic hydrocarbons), phenols, asbestos fibres, arsenic, PCBs, DDT, chlorinated organics, dioxin, HCB (hevachlorobenzene), ammonia, mirex and selenium.

Most of those chemicals come from a variety of sources, but one of the worst areas of concern are those chemical plants located on the U.S. side of the Niagara River. Approximately four or five years ago I had an opportunity to go to the Niagara Peninsula and over to the New York side of the Niagara River and take a look at some of those chemical companies which operate there. Some of the most serious environmental problems are coming from these chemical plants and on dump sites which, when one takes a look at the map of the U.S. side of the Niagara River, enough to scare one half to death when one notices how close those chemical dump sites are located to the face of the Niagara gorge. I will return to that in a second.

Some of the best known sources of pollution over there are the infamous Love Canal, the Hyde Park dump site, the "S" area dump, the 102nd Street dump, and the Niagara Falls, New York, Waste Water Treatment Plant, among many others.

It is worth-while pointing out that I was the chairman of this particular group that went there to take a look at this. I received agreement from all Parties in the House to table the report that we had drawn up as a result of that investigation. Certainly, the Members who were in the House at that time and who gave agreement to the tabling of the report, recognized the seriousness of the situation. What happened and is still happening is that when those chemical companies wanted to get rid of waste, all they did was excavate large holes in the ground and dumped these waste chemicals in there willy-nilly. They were dumped in a raw state without any kind of pretreatment. They were put in containers which were bound to leak and leach in later years, and that is exactly what is happening. As the chemicals are freed from the containers, they are going into ground water supplies and through the ground water into the Niagara River.

• (1410)

In fact, when we visited the area, coincidentally the CTV Television Network also had a camera crew down there which took an aquarium tank and filled it with water from the Niagara River. Then they placed a live fish in the tank. I am sure it was just coincidence but the fish immediately jumped out of the tank, even though scientific data indicate that the Niagara River is so polluted now that scientists can hardly even measure how much fresh water is in that river.

It is a very serious matter. Much of the pollutants which have gone into the Niagara River have been in the form of dioxin, the dioxin used in the Vietnam war to defoliate trees. That was the initial intention, but of course we know what it did to human beings.

I believe it was a scientist working for Environment Canada who estimated that one shovel full of dioxin thrown into the Great Lakes would kill anything that lived in the Great Lakes for the next 100 years. However, we have chemical dump sites on the U.S. side of the Niagara River containing tonnes of this stuff. It is leaching into the river and posing a very serious threat to the drinking water supply of some six million Canadians who live around Lake Ontario, not least of whom are those who happen to live in my constituency of Beaches located right on the edge of Lake Ontario.

The Government's response—and I am sure that we will hear it in this debate as well—to this kind of alarming report is that all it serves to do is to scare Canadians.

As a result of the last time that I spoke on the matter in the House, I received a number of telephone calls from people in my constituency who happened to be pregnant. They asked: "Should I be drinking water from Lake Ontario?" It is an extremely difficult question to answer. I drink the water myself, but it is absolutely clear that doctors and scientists recommend that pregnant women not eat any more than one fish per year caught in Lake Ontario. Just as a matter of interest, when I first heard that recommendation a number of years ago, I asked the then Minister of National Health and Welfare in the previous Liberal Government why the allowable dioxin contamination in fish happened to be 20 parts per trillion in Canada while in the United States the limit was 10 parts per trillion.

The response I received was that it was twice as much in Canada because Canadians ate half as much fish on a per capita basis as did Americans. In other words, the Government's response to that contamination in fish was that because we eat half as much fish as Americans supposedly do, our bodies can absorb twice as much dioxin. My answer to that was that if one eats more than the average amount of fish for a Canadian, one is out of luck; one is really out of luck.

This is the kind of response that we have been receiving from Governments. They indicate that all we are trying to do is scare people and that the trace amounts of all the contaminants I have mentioned, including dioxin, in the Great Lakes are in such minute quantities that it is inconceivable that they would present any kind of danger to anyone's health.

I should like to dispute that point, because it has been estimated that anywhere between 400 and 800 known, identifiable chemicals have been found in the Great Lakes. No one knows what effect each of these chemicals have on each other. Even although they may be in minute traces, by the time they combine with each other they may well be establishing some new kind of chemical. This was pointed out in an issue of *Protect Yourself* magazine on Canada's drinking water, wherein an environmental scientist indicated the following:

> While it is true that the Great Lakes may contain up to 800 known chemicals, and any number of unknown substances, it is also true that chemical levels are extremely low. The development of sophisticated technology in the past two decades has enabled scientists to detect minute quantities of substances in our water supply.
>
> Dioxin, for example, can be measured in parts per quadrillion. The current measurement standard is parts per billion . . . We have almost reached the stage where we are measuring numbers of molecules. Yet as Dr. Ross Hall, a professor of biochemistry at McMaster University, has pointed out, to a human cell, "a part per trillion is not a minute amount . . . It represents a few hundred molecules. And we know in the case of dioxin that a few hundred molecules is sufficient to impact on a cell harmfully." So the fact that chemical levels in drinking water are very low should not induce complacency. Once again, it is important to keep in mind that there is a great deal we don't know about the effects of modern pollutants. Much more research is needed, for example, on the phenomenon of chemical synergism, or interaction.
>
> Synergism is the process whereby two or more substances, acting together, have a combined effect that is greater than the sum of their individual effects. This process is well-illustrated by the medical histories of workers in asbestos industry. The incidence of cancer amongst asbestos workers is nine times higher than it is amongst the general population. Yet the risk of cancer is *92 times* higher amongst asbestos workers who smoke, in comparison to the rate amongst men who neither smoke nor work with asbestos.

That is just a very simple example of some of the scientific concerns which have been expressed about the lack of government action in the whole area of water quality.

In that my time has practically expired, I want to wind up by saying very seriously that the only standards which exist in Canada for the safe drinking water supply have nothing to do with human beings. The only standards which exist at the present time concern fish. If one poisons a fish by contaminating water, one is liable to charges under existing regulations. However, there is nothing to say that one cannot pollute drinking water or any kind of water to endanger human beings; it is only if it endangers fish.

I have called time and time again to have the matter referred to a standing committee of the House to allow Hon. Members to examine the matter in a much closer way than we can examine it by considering a Private Member's Bill for one hour, to call expert testimony, and to listen to and give the public an opportunity to express its concerns about the quality of drinking water in Canadian communities. I think the House would serve those people very well if it were to give them that kind of opportunity.

I say seriously to Hon. Members on all sides of the House: "Don't talk this Bill out, refer it to a legislative committee, and allow for the kind of discussion this matter of serious consequence deserves".

• (1420)

[*Translation*]

Mrs. Monique Tardif (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I welcome this opportunity to speak today about safe drinking water, an issue of vital importance to the health and well-being of all Canadians, and one that is particularly by important to the Department of National Health and Welfare. I am indeed much encouraged by the initiative taken by the Hon. Member for Beaches (Mr. Young) in tabling Bill C-224 which concerns safe drinking water. This Bill is similar to Bills C-212, C-226 and C-276 that were tabled in the past three years.

The Minister of National Health and Welfare (Mr. Epp) has stressed many times how vital safe drinking water is to public health, and that is why, as was pointed out by the Minister of the Environment (Mr. McMillan), the Department of National Health and Welfare is primarily responsible at the federal level for the quality of our drinking water.

When similar legislation, C-212, C-266 and C-276, was introduced previously, we indicated at the time that the Government intended to introduce legislation on safe drinking water in Canada.

Mr. Speaker, we must not forget that both levels of government, federal and provincial or territorial, have an important role to play in the distribution of safe drinking water. The Department of National Health and Welfare of course appreciates the fact that provincial governments have always taken responsibility for the treatment of water for the purposes of production and distribution of drinking water. While the provinces are primarily responsible for the protection and control of drinking water supplies, authority is generally delegated to municipalities and public utilities for the production and distribution of drinking water in their respective communities. The standards or guidelines to be met are defined by the Department of National Health and Welfare, in co-operation with the provincial goverments.

As a matter of fact, the Department has been actively involved in setting standards for the quality of drinking water since 1923, when an order in council was adopted to regulate the bacteriological content of drinking water on board ships using continental water supplies. In 1968, the Department published the first set of universal standards and objectives for drinking water in Canada, prescribing standards for a substantial number of toxic chemicals and also for radioactive substances and microorganisms. These standards were completely revised in 1978 by a joint federal-provincial committee, which produced recommendations for the quality of drinking water in Canada, including guidelines on fifty-one parameters, of which forty-two involved chemical substances.

Since that time, Mr. Speaker, new scientific data have found that water contains a broad range of chemical products and that some of them enter the water as a result of the treatment process itself. Considering this new information, the Department has recognized the need for revising its recommendations for the quality of drinking water in Canada, and this document is now in the process of being published. As in the past, the review process took place with the full co-operation and participation of the provincial governments, under the auspices of the Joint Federal-Provincial Advisory Board on Environmental and Occupational Health. Considering the importance of the safety of our drinking water and the rapidly increasing body of knowledge in this respect, a standing sub-committee has been set up so that we can update the recommendations on

an on-going basis and also consider other important matters related to water supplies generally. In fact, the actual changes are already being made.

The next edition of the recommendations will include 41 pesticides, of which 31 were not previously considered. The recommendations will include 15 new organic parameters and the re-evaluation of nine inorganic and organic substances, including an evaluation of the need to set guidelines for PCBs and dioxins, which interest and concern many Canadians now.

Setting guidelines is not the only activity related to drinking water that the Department of National Health and Welfare carries out. The safety of drinking water supplies can only be assured with a much broader approach. Overall, the Department's long-term goals for drinking water are:

—Ensure that all Canadians are supplied with drinking water that satisfies the recommendations for drinking water quality in Canada;

—Ensure that the operational safety of point-of-use water treatment devices sold commercially is determined by laboratory tests under actual conditions, so that potentially dangerous devices are removed from the market;

—Ensure also that all chemicals and materials directly or indirectly involved in the production, distribution or conservation of drinking water be evaluated for their potential dangers in order to guarantee their safety.

Mr. Speaker, in view of the concerns expressed about the quality of some drinking water, it seems that some Canadians have lost confidence in their municipal drinking water to the extent that they turn to other sources of supply or feel obliged to further purify their own drinking water. It is estimated that the sales of bottled water made by the soft drink industry alone amount to some $15 million a year. Spring water and other types of water sold in containers can be seen on the shelves of grocery stores and pharmacies and sometimes even at roadside stands.

Over the last few years, we have also witnessed a proliferation of devices of every imaginable kind to treat water at the point of use and it seems that these devices are increasingly popular with the general public. Departmental surveys carried out in major Canadian cities indicate that about 3 per cent of all households are using some device to treat tap water and that half of these devices are equipped with activated charcoal filters. Beside their prices, most of the devices available in stores have one or several other use-related inconveniences, so that any improvement perceived in the water quality could in fact go hand in hand with a number of potential hazards.

It is important to remember that the treatment of drinking water to make it safe and its subsequent distribution to consumers could also contribute to the contamination process. Many products may be used to treat water, including disinfectants, coagulants, dechlorination agents, fluoridation and fluoride adjustment agents, as well as corrosion and scale prevention compounds, and water softeners. Among the materials used in the building of water storage and distribution system pipes and liners, we could single out cement coated cast iron and steel, asbestos cement, plastics (for instance, polyvinyl chloride, polybutylene, chlorinated polyethylene), epoxy resins, enamels, as well as tar pitch and bituminous mastics.

As a rule, Mr. Speaker, when these products are prepared for a drinking water related application, they are of higher quality. Just the same, it would be appropriate to set up strict standards to assess the health acceptability of all products and chemical substances in contact with drinking water; the possibilities for implementation of appropriate measures are under active study by the Department of National Health and Welfare and some provincial organizations.

In conclusion, Mr. Speaker, I would say that even though the principle underlying Bill C-224 is commendable, the Department believes that it fails to address the whole series of questions which must be considered so that we can continue to have a reliable supply of safe drinking water. In addition, it does not really take into full consideration the major role played by the provinces in this field. Any new legislation in this field simply must include provisions to harmonize the respective roles of the provinces and of the federal Government. Obviously a new and specific parliamentary mandate must be established if the quality and safety of Canada's drinking water supply are to be guaranteed. Legislation does exist, but it does not cover new issues, including the one to which I have just alluded. The only requirements pertaining to drinking water in the regulations adopted pursuant to the Department of National Health and Welfare Act concern public transport companies. The Food and Drugs Act does give specific powers but, except for bottled water, they are not exercised because the executory powers are quite inappropriate in the case of collective drinking water supplies.

In this respect, in recent months, representatives of the Department of National Health and Welfare have been meeting with the interested parties, including spokesmen for the provinces, concerning the possibility of extending the powers of the federal government to monitor the quality of drinking water.

Mr. Speaker, I think that what I have just said clearly indicates that the Department of National Health and Welfare is committed to see to it that Canadians can indeed count on reliable water supplies and that, in co-operation with the other parties involved, we are seriously considering measures which will enable us to reach that goal.

• (1430)

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I welcome the opportunity this afternoon to take part in this exhaustive debate on a subject that is very important to most, perhaps I should say all, Members of this House. I am of course referring to Bill C-224, introduced by our colleague, the Hon. Member for Beaches (Mr. Young).

Mr. Fontaine: Colleague?

Mr. Boudria: Mr. Speaker, I maintain that all Members of this House are colleagues, and even that the Hon. Member opposite is a colleague of the socialist Members. We are all colleagues.

But seriously, and I say this because we are talking about a very serious subject which is the pollution of our water supply and our drinking water in this country.

[*English*]

The Hon. Member for Beaches (Mr. Young) presented a Bill in the House some time ago. As a matter of fact, I believe it was first debated on January 21, 1985. I would like to bring to the attention of the Conservative Member who just spoke what the position of the Government on the Bill was at that time. The Conservative speaker who was designated to talk the Bill out that day was the Hon. Member for Matapédia—Matane (Mr. Joncas). He is the one who had been given notes to read in the House, and this is what the Hon. Member for Matapédia—Matane read on January 21, 1985:

> I bring this to your attention, Mr. Speaker, because in my view it is premature at this point to discuss legislation on the quality of drinking water in Canada within the framework of a Private Members' Bill. I am convinced that my colleague, the Hon. Minister of National Health and Welfare (Mr. Epp), will make good use of Bill C-212 and the results of the Pearse Committee investigation when preparing recommendations on the quality of drinking water.

The Government said on January 21, 1985, that the Bill was premature because at that time, the Government was waiting for the Pearse report on water quality. We have now had that report for a year, so I would now ask the Hon. Member across, and hope that another Conservative Member would answer, what is the reason now for not proceeding with this Bill. It is obviously not premature any longer. It is indeed quite timely.

I was only reading comments made by a Conservative Member in the House of Commons. I know that it is unfair to quote a Tory using his own words, but I have to do it from time to time.

Mr. Turner (Ottawa—Carleton): This is private Members' hour.

Mr. Boudria: The Hon. Member for Ottawa—Carleton (Mr. Turner) says that it is private Members' hour, and he is right. One would wish that we could all express private views, not written text prepared by government officials. This is an important topic. On January 21, 1985, that is what the government position was stated as being. I am only quoting what was said.

Since January 21, 1985, there was another report tabled in the House prepared by the Minister of the Environment (Mr. McMillan). This report is complete with a nice picture of the Minister of the Environment. The Minister of the Environment always puts his picture on everything. The report is entitled *Federal Water Policy*, and it talks about the management of toxic chemicals and about all kinds of topics like that. It talks about safe drinking water, and says about safe drinking water the following:

> To meet this commitment, the federal government will continue to:
>
> consider legislation to ensure the safety of drinking water within federal jurisdiction and to complement provincial and territorial programs;—

Again, that comes from the Minister's own report. It is unfair to quote his own words, but I will do it anyway. It goes on:

> —establish national drinking water quality guidelines to help all jurisdictions in setting safe drinking water standards;—

That is exactly what the private Member's Bill of the Hon. Member for Beaches is proposing.

Who am I to disagree with the Minister of the Environment? I would not want to do that. I would want to adhere to the wishes he has expressed in the House to have such legislation pass. That is why I am supporting the Bill presented to us by the Hon. Member for Beaches. It is my usual objective support for the Minister of the Environment, and I will not tolerate this partisan rhetoric coming from Members across the way who disagree with the Minister of the Environment who wants to propose such good legislation.

The next promise of the Minister of the Environment in his report with his picture on it is to promote public awareness and understanding of critical issues respecting drinking water safety such as the prevention of contamination of drinking water sources from land area runoff. He will conduct research and support technological development and transfer in drinking-water treatment processes. There are pages and pages of promises and commitments from the Government of Canada regarding drinking water, some of which are practically identical to what my colleague, the Hon. Member for Beaches, is proposing today.

That being the case, I have analysed the promises of the Minister of the Environment very carefully and have listened to the eloquent remarks made to us today by all Hon. Members of the House. I have seen that there have been a number of reports on the quality of drinking water. These reports that I have in hand now deal only with the Ottawa River and were prepared between 1978 and 1982. This is how much study has been done on one river alone, the Ottawa River, which of course flows on the boundary of the great riding of Glengarry—Prescott—Russell—

Mr. Gauthier: And Ottawa—Vanier.

Mr. Boudria: And of course, the boundary of the great riding of Ottawa—Vanier which is so well represented in the House by my very distinguished colleague here.

Why should we not be able to inform our constituents of the quality of their drinking water on a frequent basis, the way our distinguished colleague from Beaches has suggested to us today, and the way the Minister of the Environment has suggested in that book with his picture in it? That is what we should be doing. That is what all Hon. Members should want.

Another body of water that flows through my riding is the St. Lawrence River. From Cornwall, Ontario, it goes east

through Lancaster, Bainsville and all those other nice communities I have described to you in the past, Mr. Speaker, and that I am sure all Hon. Members will want to visit during their summer holidays.

The St. Lawrence River and Lake St. Francis is also in that area, and we know, of course, that the Akwesasne Indian reserve is right there on the edge of my constituency. It is being polluted right now because of the discharge of certain chemicals in New York, on the American side. We know those toxic chemicals are in the water there. It is unfortunate to see what we are doing to so many of our first citizens by allowing that contamination. I say "we", we collectively as citizens are allowing that water to be contaminated and that is affecting the life and health of so many of our first citizens, and so many citizens in general, of course.

• (1440)

What we should be doing is taking a tangible step today and saying yes to Bill C-224.

[*Translation*]

We should therefore support this Bill. Mr. Speaker, this legislation alone will not solve all the problems we have with our drinking water. However, I think it is a step in the right direction. The purpose of this Bill is to protect and enhance drinking water quality in Canada, and it provides opportunities for public involvement in the making of regulations, for instance, and requires operators of a public water system to supply the results of water quality tests made on a weekly or monthly basis. Mr. Speaker, I think this kind of Bill should be supported on all sides of the House, or at least by those Members who want to support the initiative taken by the Minister of Environment, in his document tabled in the House some time ago, in fact in 1987. I think we should all do our share so that we can at least make some tangible progress today towards finding out what our drinking water contains.

[*English*]

Mrs. Jennifer Cossitt (Leeds—Grenville): Mr. Speaker, it is a pleasure to have an opportunity to put forward some comments on Bill C-224 proposed by my friend, the Hon. Member for Beaches (Mr. Young).

Safe drinking water is one of the basic requirements for good health and is therefore of great importance not only to all Canadians but also to the Department of National Health and Welfare. The department is pleased to observe the widespread interest and concern over the issue of safe drinking water, particularly with the introduction of this Bill and Bill C-266 and Bill C-276.

The Minister of the Environment (Mr. McMillan) has noted that primary responsibility for drinking water quality at the federal level lies with the Department of National Health and Welfare. This is for a number of reasons. Water is, first, a basic necessity of life. Our bodies cannot function without it. It is also the basis of good personal and domestic hygiene which is essential to prevent the spread of many diseases. Water may also have a beneficial effect in preventing or reducing the incidence of disease. For example, the association between water hardness and a reduction in the incidence of cardiovascular disease, and a highly significant reduction in dental decay owing to the presence of fluoride in drinking water.

However, water can also have an adverse effect on health and this is our concern today. It can carry micro-organisms that cause diseases such as typhoid and cholera. Human beings can also be exposed to many types of toxic substances which find their way into water, such as chlorinated hydrocarbons and pesticides, heavy metals such as lead, mercury and arsenic, and inorganic chemicals such as nitrates and radionuclides. I should mention here that the department was at the forefront in providing advice on the increased levels of radioactive chemicals in water which resulted from the radioactive fall-out from the Chernobyl nuclear accident in 1986.

The Minister of National Health and Welfare (Mr. Epp) has specific powers relating to drinking water under the Food and Drugs Act. Although regulations have been established for bottled water and pre-packaged ice, the department has so far chosen not to use the powers conferred by this legislation to control public community water supplies. This decision was made because of the traditional arrangements whereby provinces have the primary responsibility to protect and control drinking water resources from which potable water supplies are produced.

Notwithstanding this, however, the department developed guidelines to protect against adverse effects of contaminants in drinking water and to minimize unpleasant aesthetic characteristics of water. This was accomplished with the full co-operation and participation of the provincial and territorial Governments, under the federal-provincial Advisory Committee on Environmental and Occupational Health. The department's first comprehensive drinking water standards and objectives were developed in 1968, and later revised in 1978 by a joint federal-provincial mechanism.

The 1978 guidelines have served us well, but the scientific data base from which they are derived is constantly changing. The department recognized the need to revise the Canadian drinking water guidelines, and the 1987 edition of the revised guidelines is now in publication. Once again, the revisions were accomplished through a federal-provincial mechanism.

Because of the importance of safe drinking water and the rapid advances in scientific data, a permanent subcommittee has been established to update guidelines and deal with important issues related to drinking water supply.

The department plays an active role in many areas pertaining to drinking water quality. It has initiated biannual national conferences on drinking water, the first of which was held in Ottawa in 1984. These conferences are co-sponsored by a number of agencies or organizations which have an interest in water quality. The second conference held in Edmonton in 1986 focused on an issue of concern to scientists and lay people alike. The topic was "Treatment for Organic Contaminants".

The next conference is scheduled for St. John's, Newfoundland, on the topic of "Small System Alternatives".

Health and Welfare Canada is also involved in a wide range of research projects such as conducting studies to ascertain whether asbestos ingested from drinking water can cause cancer, and collaboration with the Province of New Brunswick in a study to determine if there is any association between nitrate in drinking water and birth defects. Here in Ontario the Ministry of the Environment and the Department of National Health and Welfare have jointly funded a study carried out by the Canadian Public Health Association on the impact of chemicals in the Great Lakes on drinking water quality.

Another area of interest is the effect acid rain may have on drinking water quality. Departmental officials have already conducted a survey on water quality in rural areas and cottages around Muskoka. Model studies are being conducted at present at La Ronge, Saskatchewan, Sioux Lookout, Ontario, in the Canadian Shield, and in Shelburne, Nova Scotia. The aim is to develop an index that will help identify drinking water supplies being affected by acid rain. In addition, the department has ongoing research programs to control disease-causing micro-organisms in drinking water more effectively. It is collaborating with research centres conducting studies on the intestinal parasite Giardia Lamblia, which is the organism responsible for most water-borne diseases in Canada.

The Canadian public is increasingly concerned about the adequacy of conventional water treatment processes and some have purchased their own treatment devices to address the problem. A recent survey conducted by the department in metropolitan centres in Canada found that some kind of device is used in about 3 per cent of homes to treat municipal water supplies. Activated carbon filters are the most common devices on the market. Although they are relatively effective in removing chlorine, organic chemicals, taste and odour, one disadvantage is the growth of bacteria on the filter medium. Most devices have one or more drawbacks associated with their use. The department evaluates and, in some cases, tests devices and provides advice to consumers, other federal departments, provincial Governments and some agencies.

• (1450)

No Bill regarding safe water would be complete without addressing the piping and lining materials used in water storage and distribution systems since these materials can also add contaminants to the water. It is imperative that any new legislation include mechanisms to evaluate, from a health point of view, the acceptability of all products and chemicals used in contact with potable water.

Bill C-224 has many positive elements but does not recognize the vital role of the Minister of the Department of National Health and Welfare regarding drinking water and does not acknowledge the function of the provinces in this area. It is very clear that new legislation is needed to assure the quality and safety of drinking water supplies in Canada. However, such legislation must address all the issues. Consultation with the provinces will continue and efforts will be made to provide all Canadians with drinking water of the highest possible quality.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I rise as a committed environmentalist to speak on what I consider to be one of the most important environmental questions in Canada, perhaps in the world, that is, the issue of plentiful, clean, fresh drinking water.

In 1745 Benjamin Franklin, a noted American said: "When the well is dry we know the worth of water". Most Canadians feel that we in Canada are awash with water and that the well will never be dry. After all, Canada has less than 1 per cent of the world's population yet possesses an estimated 25 per cent of the earth's fresh water. The Great Lakes contain 18 per cent of the planet's surface fresh water and Canada's rivers have a combined flow of 68,000 cubic metres per second, enough to fill all the country's bathtubs every 10 seconds. Yet, on a global scale fresh water constitutes only 0.2 per cent of the total water supply. That reminds me of the line in Coleridge's *Ancient Mariner*:

> Water, water, everywhere,
>
> Nor any drop to drink.
>
> Water, water, everywhere,
>
> And still the ship did sink.

The ship may be analagous to the world in which we have a tremendous need for fresh water. We have the fresh water in Canada and the question is whether we are going to preserve it. That is why this Bill before us is very important.

This Bill provides opportunities for public involvement in the making of regulations to set maximum permissible levels for contaminants in drinking water. It calls for the establishment of a water review board which would be empowered to hold hearings on the safety of our drinking water. The Bill also calls for a water advisory council which would advise the Minister of the Environment as to the results of current research related to drinking water quality.

The operator of a public water system would be required to monitor water quality regularly and notify the users of the system as well as the Minister of the Environment of the results in order that people would know about their systems. Any use of a private water system could have the water tested by the Minister of the Environment.

Under the proposed Act it would be an offence for the operator of a public water system to provide water which contravenes the regulations or fails to comply with monitoring and notice requirements. It would be an offence for anyone to pollute a public or private water system as is happening in many places in Canada now.

The Bill would permit water users to sue to recover damages for contraventions of the Act which would give it some teeth. Any person could seek judicial review against the Minister of the Environment under this proposed legislation in order that he or she would be forced to do his job. This is a good Bill.

In the new riding which I hope to represent in the next Parliament, Port Moody—Coquitlam, the municipalities of Belcarra, Port Moody, Port Coquitlam, and Coquitlam are located on the other side of Simon Fraser University where there are rolling hills and a view to the North Shore mountains which is unsurpassed. When you look at those North Shore mountains and see the beauty, the trees, and the snow at the top, you think that we have water forever. However, the fact is that we do not necessarily have water forever. We must ensure that that water is protected.

I started out as an environmentalist because I was counsel to the Berger inquiry on the Mackenzie Valley pipeline about 15 years ago. That was a great inquiry because it studied the environmental impact of a large project in northern Canada. We blazed new ground in studying that project and I became a very committed environmentalist.

Justice Tom Berger said an interesting thing when addressing an audience in Toronto. He said that Canadians are northerners, that Canadians are environmentalists, and that every part of the country belongs to everyone in the country. People in Toronto have an interest in the North and in the clean water and beautiful environment of British Columbia. We in British Columbia and those people in the North have an interest in helping the people of Toronto to make their drinking water pure as well.

We are a northern country, we are a northern people. We are a people very attuned to the environment. Canadians love their environment and are committed environmentalists. It is not good enough in this debate today to hear from two spokespersons for the government departments. Ordinary Members of Parliament should be pushing for this Bill as well.

On May 2, 1980, I stood in this House and introduced a Bill entitled an Act respecting a national park on Moresby Island and its adjacent islands. There were a lot of people pressing for this. I had help from the Member for Skeena (Mr. Fulton), the Member for Vancouver South (Mr. Fraser), and the present Minister of the Environment. Many people worked together. The Government in my province had to be brought aboard kicking and screaming. It would prefer to mine in provincial parks. However, together we achieved a national park in South Moresby.

Like South Moresby, the time for this Bill on clean drinking water will come too. The Government and Canadians will realize that although we have an abundance of water resources in this country we will want to preserve those resources through a clean water Act.

There are other water issues. There are a couple of schemes now to export water from Canada. There is a scheme to damn up the Rocky Mountain trench and send water to the United States via that route. There is another scheme to damn up James Bay and make it a fresh water lake. The people involved in that scheme are not unknown, this is not science fiction. They include Simon Reisman, Robert Bourassa, and others.

There is an issue of water exports, an issue of safe water, and an issue of clean water. That is why I am very proud to support this Bill today. Its time I hope will soon come to be enacted into legislation.

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I am sort of batting clean-up today. I do not mean that as a pun. The Member for Beaches (Mr. Young) has brought before the House a very important piece of legislation.

You live in Alberta, Mr. Speaker. What do you want to have after climbing the mountains in Banff National Park? When you have worked up a sweat going up through the valleys and the beautiful Douglas fir trees you want to sit down and take a sip of fresh, crystal clean Canadian water. We all want to do that, whether in Banff National Park or in the Niagara River.

We saw in the paper this morning that there are fish full of tumours in the Niagara River. This is unbelievable. The Member for Vancouver—Kingsway (Mr. Waddell) cited: "Water, water everywhere, And all the boards did shrink". The only thing that is shrinking in this country is our access to good fresh water. One of the areas in which that is happening is right here in the national capital region in the Rideau River and Mooney's Bay.

I see the Member for Beaches. When I hear the word "beaches" I think of sand, of beaches, and of Mooney's Bay. The fact is that if you fall out of your boat into that piece of water in August they will rush you to the Riverside Hospital for a tetanus shot because it is so polluted that if you swallow any of it you will die. The Government must act to clean up our water.

The Acting Speaker (Mr. Paproski): The time provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1) the order is dropped from the Order Paper.

It being three o'clock, this House stands adjourned until next Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 3 p.m.

HOUSE OF COMMONS

Monday, April 18, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's response to eight petitions bearing the following numbers: 332-4040, 332-4130, 332-4158 and 332-4169 to 332-4173, inclusive.

GOVERNMENT ORDERS

[*English*]

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Derek Blackburn (Brant): Mr. Speaker, I have two petitions from constituents of Brant who are strongly opposing the Government's trade deal with the United States. The petitioners call upon the Government to issue the writ for the next election as soon as possible, so that this can be a major issue for the people of Canada to decide, not just the Government.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 287.

[*Text*]

CANADA PENSION PLAN APPLICATIONS

Question No. 287—**Mr. Young:**

1. In 1987, were applications received by the Department of Health and Welfare for disability benefits under the provisions of the Canada Pension Plan and, if so, what number of applications (*a*) were received (*b*) were approved on the basis of information provided with the initial application (*c*) required the provision of further information by the (*i*) applicant (*ii*) attending physician (*iii*) employer?

2. Were applications for these benefits refused and, if so (*a*) in what numbers (*b*) were appeals filed against these decisions and, if so (*i*) in what numbers (*ii*) what number of appeals were successful?

3. What was the average length of time between (*a*) the date of an application approved on the basis of information provided initially and its approval (*b*) the provision of additional information and the approval of the application (*c*) the filing and the hearing of an appeal (*d*) the hearing of an appeal and the rendering of a decision?

Hon. Arthur Jacob Epp (Minister of National Health and Welfare): 1. Yes.

(a) 62,174; (b) 21,094; (c) 12,627

(i) (ii) and (iii) Not readily available, however, past experience indicate: (i) 2%; (ii) 98%; (iii) One or two cases a year

2. Yes.

(a) 26,148; (b) Yes.

(i) 11,226; (ii) 3,666

3. (a) 2 1/2 months; (b) 4 1/2 months; (c) and (d)

Average length of time between the receipt of a first level appeal (to the Minister) to the rendering of a decision.
5 months

Average length of time between the receipt of a second level appeal (to a Review Committee) and the issuance of a decision without proceeding to a hearing. 6 1/2 months

Average length of time between the receipt of a second level appeal (to a Review Committee) and the hearing of the appeal and the rendering of a decision. 10 months

Note: While no statistics are readily available on the average length of time between the receipt of a third level appeal (to the Pension Appeals Board) and the hearing of the appeal, the great majority of these appeals are heard within one year of the granting of Leave to Appeal.

It should be noted that the statistics for the various stages of the application and appeal process do not correspond directly. Many decisions rendered in 1987 were for applications and appeals received in 1986 and, similarly, decisions on many

initial applications and appeals received late in 1987 will be rendered in 1988.

[*English*]

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

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

• (1110)

[*Translation*]

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed from Friday, April 15, consideration of the motion of Mrs. McDougall that Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee.

And on the motion of Mr. Hawkes (p. 14501) that this question be now put.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier), on a point of order.

Mr. Gauthier: Mr. Speaker, I would like to point out to the House that once again, we have a situation that may create problems for Opposition Members. In today's *Projected Order of Business*, the Government indicated that Bill C-110, an Act to establish the Canadian International Trade Tribunal and to amend or repeal other acts in consequence thereof, was to be considered by Members at eleven o'clock this morning.

It seems the Government has changed its mind, since it is now proceeding with Bill C-121. To give you an idea, Mr. Speaker, how this can complicate matters, when the order of business is published, the critics, the people who are responsible for speaking to the Bill called this morning, are advised accordingly, and when the Bill is to be C-121 instead of Bill C-110, all these people have to be called up again and told the Government has changed its mind and that it will be C-121. And then they have to call all the people involved with Bill C-121. The logistics can get very complex for the Opposition!

I am raising this point of order simply because I want to remind the Government that when I first became a Member in 1972, and even before that, it was customary for the Opposition to rise every day to ask the Government for the next day's order of business, and that is what we will have to do if we can no longer rely on this list, Mr. Speaker. It would be one way, between now and the end of June, to ensure that we can plan accordingly and also that the Opposition is not taken for granted and treated in this cavalier fashion. We do want to work, we do want to co-operate with the Government, but we must be given a chance to do a good job and to come well prepared.

[*English*]

Mr. Angus: Mr. Speaker, in the absence of my House Leader I want to rise on the same point of order. If this House is to function the way it is supposed to and deal with the business of the Government of Canada on behalf of the people of Canada there has to be some order. That is why we have Orders of the Day and advance notice to indicate to the parties involved that particular issues will be dealt with. This kind of last minute change makes it more difficult for us to participate in this House in a knowledgeable manner. We are quite prepared to debate either Bill, or any Bill, but we would like to make sure that we have the kind of notice that is needed.

More important, this action indicates, as have a number of other actions over the last little while, that the Government does not even have control of its own agenda, let alone the House. It is indicative of the problems the Government has. I expect, and I regret this, that between now and June there will be many more of these kinds of last minute decisions which will make it more difficult for us to co-operate on other matters.

Mr. Lewis: Mr. Speaker, I would point out briefly to the House that the Government is in full control of its agenda and also in full control of the business of the House, except for Private Members' Hour. I would also point out that in the projected order of business Bill C-121 is listed as the second item.

As a matter of fact very few Bills get to the point of having eight hours of debate and more which Bill C-121 has. It is now at the stage where speeches are limited to 10 minutes. We feel there has been full and adequate debate and we feel that continuing debate would be a method of moving the Bill along. For that reason and it being the back-up legislation, I think we should be in a position to proceed to debate the Bill.

Mr. Deputy Speaker: This point of order was raised by the Hon. Member for Ottawa—Vanier (Mr. Gauthier). Both members of the Opposition did not contest the fact that the Government does have the right to decide which order of business it will deal with. I am sure that the Government House Leader will take note of the representations made by members of the Opposition.

Resuming debate, the Hon. Member for Thunder Bay—Atikokan (Mr. Angus).

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I want to take this opportunity to participate in the debate on Eldorado Nuclear. I am sorry that one of the government Members has decided that there needs to be an elimination of further debate by moving to prevent additional amendments to the Bill.

I want to deal with a couple of matters. One is the question of privatization, and the second is the impact of privatization as it relates to the handling of nuclear waste, be it low level or high level.

I had the opportunity both as a Member of Parliament and as a member of the provincial legislature of Ontario to deal with the matter of low level nuclear waste being stored in the Port Hope area and I was able to meet with citizens concerned about the existence of a dump so close to a major water body.

The people see quite realistically that although they have had difficulty getting a Crown corporation to move the dump away from their source of drinking water, they fear, legitimately, that a privately owned company would be even less responsive than a government owned one. When we have commodities such as uranium and its by-products, I do not think we should follow what the Americans do, which is to leave it to private profit enterprise to handle and manage this volatile fuel, a fuel that has well known, well documented dangers to the health and safety of those who come near it whether in its fuel or in its waste form. In fact, Mr. Speaker, the Standing Committee on the Environment and Forestry tabled an excellent report. That committee reviewed the whole nuclear waste cycle and made a number of recommendations to the Government as to how it should approach the issue. The privatization of Eldorado flies in the face of the intent of that report and flies in the face of sound economic management of a company that is using as its energy source a volatile material. It is wrong for that reason.

Then we have the whole concept of privatization as embodied by the Conservative Government of Canada. It is really difficult for the Government to accept the reality that you can actually have a publicly owned, that is, a taxpayer owned company, that can be efficient and profitable and that does not need to draw on the taxpayers of Canada to sustain it. The Government for years has preached that the private sector is the only sector that can do that, that public Crown corporations do not work and are a socialist evil. Whether it is Eldorado Nuclear, Air Canada or any other Crown corporation in this country, Canada has a tradition of where there is a public need the Government has the responsibility to ensure that all of us own it.

Where in Canada over our history have we had for any length of time privately owned hydroelectricity distribution systems? The vast majority of them are publicly owned. I come from a community in part of the country that has gone beyond the electricity aspect and has got into the telephone company business. We have Sask Tel, Alberta Tel, the City of Thunder Bay telephone company, and the Kenora telephone company—all are publicly owned, profit making companies that are able to keep rates down.

• (1120)

Let us look at Air Canada. We have in Air Canada a company that has not cost the taxpayers a cent in 25 years. In fact, in the last 11 years, its after-tax profit has been in the magnitude of $450 million. It is an efficient company. It provides a public good. It gives the Government of Canada and therefore the people of Canada a window into the industry to help shape policies in a deregulated environment. What is wrong with that? What is wrong with every taxpayer having a share in Air Canada? Every man, woman and child who lives in Canada and is a Canadian citizen does in fact own Air Canada, Eldorado Nuclear and all the other Crown corporations.

Now the Government, in its Conservative wisdom, wants to give as few as 10 people the right not only to own 45 per cent of the shares of Air Canada but, as the Deputy Prime Minister (Mr. Mazankowski) stated in the House when he announced the sale of those shares, the right to have total control of Air Canada. The Minister responsible for privatization, the Deputy Prime Minister, will order the Chairman of Air Canada to vote his or her shares in accordance with the majority of the public shareholders.

Let me backtrack. Ten people could own Air Canada, but six individuals could tell Air Canada what to do.

Mr. Blenkarn: Oh, come on.

Mr. Angus: I hear some guffaws from across the way, but the Government's stated policy is that no one can own more than 10 per cent of the share offering, amounting to 4.5 per cent. However, 10 individuals collectively could own that 45 per cent. In fact, a number of them could be non-Canadians. That is the Conservative view of privatization.

The Conservatives want to privatize Air Canada rather than having it remain a company that is there to do the bidding of the Government of Canada on behalf of the people of Canada. The Government now says to Air Canada that in spite of what the competition does, it will have to service smaller communities and it will have to service them with jets that will accommodate the needs of the people.

We are in a deregulated environment. In its wisdom, the Government has thrown the environment open. Gone are the days of ensuring public necessity and convenience. It has been now left up to the market to decide. The Conservatives argue that in that kind of an environment, Air Canada, Eldorado or whatever Crown corporation will be better off privatized. However, the Government is missing the point that it has the responsibility to ensure service to the people in all parts of Canada.

Let us take a look at one of those other major airlines in Canada, a privately-owned one. It is a fledgling airline which is growing. Wardair started out as a western-based airline,

primarily dealing in charters. Now it is involved in scheduled runs and is moving into the lucrative Toronto-Ottawa-Montreal triangle.

Mr. Hawkes: Mr. Speaker, I rise on a point of order. One of the rules we hold dear in this Chamber is the rule of relevance. This is the sixth day of debate. We are into a filibuster on Eldorado Nuclear, and I do not think it is appropriate to allow too much straining toward other issues which will be before the House.

Mr. Deputy Speaker: The Chair feels that the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) is relevant, but unfortunately for the Hon. Member, he has only 30 seconds left.

Mr. Angus: Thank you, Mr. Speaker, for both your ruling and for the notice of time.

Obviously the Hon. Member opposite was not listening. I referred to Eldorado Nuclear on a number of occasions, pointing out comparisons between the ideology of the Conservatives on that matter and on the matter of Air Canada. It is clear that the Conservative Government does not want to do what is best for Canadians. It wants to apply its Conservative ideology to a system that has worked well.

There is an old rule of thumb: if it works, don't fix it. Eldorado, Air Canada and many other Crown corporations work. Instead of leaving them alone and moving on to provide leadership in other areas required to stimulate the economy, the Government is wasting our time and, more important, it is wasting the dollars of the taxpayers through this kind of measure.

I realize that my time has run out, Mr. Speaker. I want to thank you for your indulgence.

Mr. Maurice Foster (Algoma): Mr. Speaker, I would like to make a couple of points with regard to the Eldorado privatization legislation which is before the House. Eldorado as a Crown corporation has been able to carry out a very important role in regional development. The federal Government located some of its refining facilities at Blind River, Ontario. As well, it has undertaken important developmental activity in Saskatchewan and has located a refinery and upgrading facility in Port Hope.

Crown corporations play a dual role. They play a role of economic development, job creation and wealth generation and they also play a national role in developing regional economies. When we privatize an industry of this type, we must be sure that commitments which have been made by the Crown corporation to the municipalities and communities involved are honoured by the company that will succeed Eldorado.

This may seem like a small thing in the global context of a corporation which will have assets of $1.6 billion and annual sales of $500 million, but those commitments which have been made to the communities are of vital importance. They are important to the communities' over-all social activities, the organization of the communities and their recreational facilities. They are important as well to the economic viability of the communities.

For instance, in the Town of Blind River, Eldorado established a uranium refinery in 1983-84 and made commitments to provide certain leases to the town at nominal rates for recreational facilities such as a campground and a golf course. In the case of the golf course, I believe that the lease is $1 per year for 100 acres or so of land. That golf course was developed in co-operation with the town. I am sure there are similar kinds of arrangements in Port Hope as well.

The people of these communities want to be sure that when the company is amalgamated with the Saskatchewan Mining Development Corporation, those commitments will be honoured. If they are not, then clearly I as an elected representative cannot and would not support this divestiture and privatization of the corporation. It would simply be breaking a legally binding commitment.

There are other commitments as well. For instance, Blind River built a recreational facility which carries a debt of some $1.2 million, I understand, and Eldorado Resources has made a commitment of a grant of some 60 per cent for recreational facilities in lieu of taxes. The details of this tend to be rather technical, but it is a very real benefit for the Town of Blind River. This past year, the grant for recreational facilities was some $85,000. That figure is prorated on the basis of the grant in lieu of taxes. Certainly we on this side of the House, and I am sure the Hon. Member from the Port Hope area, if there are similar arrangements with that community and perhaps areas in the West as well, want a commitment that at committee stage those arrangements, such as in the case of the community recreation facility in Blind River, will be honoured if and when the amalgamated company is sold to the private sector. If not, Blind River will be thrown into complete financial disarray because that commitment could not easily be picked up by the local taxpayers. The town's industrial base is practically just the uranium refinery there.

• (1130)

I think over-all this privatization-amalgamation with SMDC can be a positive thing. SMDC has always tried to get an exemption for further refining and upgrading in this country. If it is concerned about the long-term benefit to that corporation, it will want under this arrangement, to see uranium refined as well as mined in this country.

The amalgamated companies will have extensive low-cost reserves and will be well able to compete on the world stage. That strength will help in the further refining and upgrading part of the company. Unfortunately, in the free trade deal the Government has given away our upgrading policy in many areas, including uranium. It wants to drive our country back to being hewers of wood and drawers of water. This amalgamation will partially compensate for that because SMDC will

obviously want to do its refining in Canada when it amalgamates with the only company with uranium refining and upgrading facilities.

In conclusion, I hope those concerns relating to the communities where Eldorado has facilities will be taken into account. Clearly we will be looking very closely at the Bill in committee to ensure that those legally binding commitments are honoured not only by the Government of the day but by Eldorado Resources and the new company being created. We want to see those commitments and binding obligations carried forward to the new privatized corporation.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, it is a pleasure to join in this debate on Bill C-121. I am glad to have the opportunity to raise some questions about this proposal to take a vitally important company, one of the most important developments in mining and processing which the 20th century has witnessed, and have it pass out of the immediate control of the Government of Canada through a Crown corporation.

My friend, the Hon. Member for Algoma (Mr. Foster), judging by the tenor of his observations this morning, has accepted this situation. In my remarks I would like to reject that outcome and consider good reasons why the proposal the Government has put before us should be rejected by this House. In that way we will ensure that Eldorado Nuclear continues as one of Canada's Crown corporations in order to achieve a number of desirable economic, social, and, if you will, political goals for the Canadian people.

One might of course ask at the outset why it is necessary to privatize Eldorado Nuclear. Our Conservative Government would still, I suppose, pride itself on being one of a long tradition of Conservative Governments concerned about the development of Canada's resources in order to provide economic development and other gains for the Canadian people. Given that, the Canadian people might well ask the Government for its reason for the decision to privatize in this particular area. Surely it is not sufficient simply to think that ideology should govern in any of these matters. I do not think the Canadian people are ever impressed when the only reason a Party has for doing something is that that is what the Party program says. They want to be convinced that the Party program makes sense for them. I know the Conservatives will be very good at making that kind of criticism of items in the NDP program, so it seems to me more than fair to ask the same kinds of questions of the Conservative Government.

Why privatize something that was created during the 1940s as a vital instrument to ensure that uranium would be available for war purposes and then turned to more peaceful purposes later on? I make that comment to remind Canadians that there can be no doubt about our involvement with the nuclear age and our responsibility for the use of atomic weapons, or our role in the way in which the use of nuclear weapons has developed in this century, particularly in the United States. Canadians have been involved both directly and indirectly.

Given that reality, it made sense to have a Crown corporation do this. Is there now any reason at all to turn away and put it out to the private sector? Surely one can summon any number of reasons. I know my friends and colleagues speaking before me in this debate, having 20 minutes to respond to this Bill, have provided abundant reasons why Eldorado Nuclear should remain a Crown corporation, why this kind of flotation should not be carried out.

• (1140)

The Government has decided that holding the shares on behalf of the people of Canada is the way to go. Having questioned that decision on behalf of the people of Canada we might look to the others involved in this company, those who work for it, those who are represented by the United Steel Workers and by the Energy and Chemical Workers. We might well ask them whether it makes sense to carry through this privatization.

The media have been having a great deal of fun in the last days asking Air Canada employees whether privatization of our national air carrier makes sense. Of course, the fun has been that a certain number of Air Canada employees have said that it is a great idea. It is significant that in the case of Eldorado Nuclear such support does not exist. The two unions involved have listed a number of very good reasons for being opposed to this particular proposal. They have pointed to concerns about occupational health and safety. They have raised concerns about the environmental problems which uranium mining and processing create in the areas in which it is carried on. They have, of course, the most natural reason for being concerned about jobs as well.

I would think that everyone knows that the mining and processing of uranium involves very real dangers to those who do it and to the places in which it is carried on. In fact, concerns about health and about the environment are profoundly interrelated. We have here, after all, some of the most insidious dangers to life of all sorts that the late 19th century has to offer. Those who did the initial research—and one thinks of Madame Curie who carried out research on radiation without realizing what it could do—very often died a terrible and early death because of the lack of knowledge of its consequences.

The concern about health in the processing of uranium is one which private corporations can all too easily dodge. A Crown corporation should have the highest standards, and Eldorado Nuclear should be maintained as a Crown corporation to ensure that Canadians remain state of the art in terms of occupational health and safety in the mining and processing of uranium.

With regard to the environmental concerns rising before us, at the Port Hope refinery we have enormous quantities of tailings. The dump is practically full and the disposal problem

gets larger and larger in an area which is all too close to the Great Lakes and the St. Lawrence system. We have disposal problems in other areas as well.

Not immediately related, but as a consequence of the way in which we use the nuclear age to produce electric power, we have additional waste disposal problems. Atomic Energy of Canada has been involved for years in trying to come to grips with these questions. Surely it would be far better to support and supplement the endeavours of AECL by maintaining Eldorado Nuclear as a Crown corporation equipped to do the work that is necessary and ensure that the environmental concerns of so many Canadians will be provided for adequately.

The occupational health and safety and environmental concerns which the unions have expressed and so many Canadians believe exist are powerful arguments against the proposal the Government has put forward.

In the area of jobs the Government may provide fine assurances that there will be continued employment in the mining and processing of uranium, but the reality is that there is no real guarantee given. In an era of over-production, of difficulties of controlling and managing supply in order to maintain prices that allow the industry some small amount of profit, activities that created enormous difficulties for Canada when a legal process was begun in the United States against the cartel-like arrangements that were involved in this argue all the more for careful involvement with the industry rather than hiving it off on the private sector to have Lord-knows-what happen.

If the Conservative Government, in utter irresponsibility, in rejection of all the concerns—the public concerns, the workers' concerns, and the public interest that I have been sketching—wanted to dispose of the whole area, simply get itself out from under it, there might be a case for looking at that, although it would strike everyone as completely irresponsible. However, this particular proposal is not as clear-cut as that. We are going to see a flotation of stock in the best stock promoter tradition of the capital markets of this country and other countries of the world. We are going to see an attempt to sell stock in order to bring in capital for Eldorado.

How is that going to be facilitated? How does the Government want to encourage investors to buy the stock? It is going to do that by ensuring that the new company resulting from the reorganization of the Saskatchewan Mining Development Corporation and Eldorado Nuclear is not burdened with debt, and particularly not burdened with the expenses which may well ensue at Port Hope as the environmental control and tailings disposal problems arise and someone is forced to deal with them. Those who buy the stock of this new company will be spared all of those problems because the Government of Canada intends to shoulder the larger part of the cost.

There, of course, is the most atrocious kind of privatization which the Conservative Government has carried through a number of times—tempt someone into control of a new enterprise, or an old enterprise transformed in this way, turn it over to them, make it tempting for them, offer them the chance to profit by leaving all the costs with the Canadian taxpayer. Take from the Government of Canada the possibility of future profits and give those to others. Leave the burden of the costs on the Canadian taxpayer. That surely, Mr. Speaker, is the final stupidity in this kind of privatization.

It is for those reasons that I join with my colleagues in firmly opposing the Government's proposal in Bill C-121.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I would not want to miss the opportunity to say a few words on Bill C-121.

Mr. Blenkarn: Filibuster.

Mr. Rodriguez: Mr. Speaker, the Hon. Member for Mississauga South (Mr. Blenkarn) accuses me of trying to filibuster. I want to correct the Hon. Member, who flits in and out of the House. I have not spoken on this Bill since it was introduced for second reading and I want to say a few words because, first, the whole subject of privatization is a principle and issue on which I want to put some comments on the record. Second, the whole business of nuclear development, the business of finishing uranium, affects many people in the areas in which I live.

Just to the west of my riding of Nickel Belt are some very large reserves of uranium which are mined by two companies, Rio Algom and Denison Mines. We have a long history of workers who have carried on an ongoing battle to improve occupational health and safety in those mines. As a matter of fact, the founder of Denison Mines, Mr. Stephen Roman, passed away recently. Many articles in the newspapers comment on how he was a great capitalist who dragged himself up by the bootstraps after immigrating to Canada, to build Denison Mines into the great uranium giant it is today. However, the fact is that this was done with a considerable amount of public moneys. I have often said that he has lived off the avails of the Canadian taxpayer.

• (1150)

All of these so-called great giants of free enterprise who pulled themselves up by their bootstraps, including Roman, Pocklington and Campeau, made it off the taxpayers. They continue to live off the taxpayer but are the first ones to say they do not want the government on their backs and telling them how to operate. They are the first ones there with their hands out at the trough to collect from the taxpayer.

I wish they would stop those phoney arguments because they cannot have it both ways. If they do not want government involvement, they should stay out and stop asking for handouts.

I believe that the real reason we are seeing Bills such as C-121 and the move to turn 45 per cent of Air Canada over to

the private sector is that there is a real problem in the Conservative caucus. The Neanderthals on the back bench are tugging at the Prime Minister (Mr. Mulroney), telling him to put the Government back into what they believe are the true blue Conservative colours. They want the Government to return to a real Conservative agenda.

However, the Government recognizes that this is not the wish of Canadians. The problem is that the Prime Minister recognizes he is facing a real hornet's nest in the area of language and, in order to get these Neanderthals off his back, he announces an intention to privatize. Privatization is like a national hymn to those Conservatives. Whenever they put on the pressure, the Prime Minister throws them a bone in the form of privatization. The Prime Minister can then say that the Government is sticking to the principles of Conservatism by turning over to the private sector many of the things in which the taxpayers have invested and which they have built up in the past. We do not like this knee-jerk reaction of the Government to privatize everything the taxpayers have invested in and built up over the years.

In the 1940s the Government established declaratory powers with respect to uranium. The Government of the day recognized the importance of uranium and therefore brought Eldorado into the public sector. While resources are a provincial jurisdiction according to the Constitution of Canada, uranium became a federal responsibility because the Government recognized the importance of having direct control over the exploitation of that resource. As a result of moving in and establishing Eldorado Nuclear, the federal Government and the people of Canada had a direct control over this particular resource. The federal Government is responsible for this resource and its jurisdiction is clear. Parliament can hold the Minister of Energy, Mines and Resources responsible and accountable for the exploitation and the research and development of uranium which is part of Eldorado's mandate.

The Government is going to privatize Eldorado. In doing so, where does it leave the taxpayers? I have already said that the Government is removing its direct control over this particular company. Furthermore, the taxpayers of Canada will keep the debt. The buyers get the gravy and we get the scraps.

Ms. McDonald: Who gets the waste disposal problem?

Mr. Rodriguez: We have a problem with that. We cannot give that to the private sector because it is too costly for them. Those great free enterprisers cannot be given that problem because it will cost money. Leave that for the people of Canada so that we, the taxpayers, pick up that cost.

The Member from Mississauga thinks that is pretty funny. We get to keep all the risks while the private sector gets all the gravy. We get the clean-up and the debt and the risks, while the private sector gets the profits. That is why we oppose Bill C-121.

Eldorado Nuclear Limited

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, in rising today to address Bill C-121 and further motions on it, I must express my grave concerns as the environment critic for my Party. The previous Member talked about the money aspect of this deal and the total unfairness for the Canadian public since the privatization deal will mean profits to the private industry and responsibility and costs to be left to the public sector. As well, the cost of long term clean-up and waste disposal problems are left with the people of Canada. That is certainly unfair.

If privatization meant that companies would become more responsible in this industry and, looking at the long-term costs, would decide that it is not an industry in their best interest from the point of view of profits, I would be in favour of privatization. I would favour it if I thought it would result in environmental improvement, improved health for Canadians and more sanity in an area where we as a society have made mistakes in the past.

That does not exist with Bill C-121. It is a very misguided Bill which will not have the same results as we have seen happening in the United States where nuclear facilities are either being closed down or planned ones not opening because of the enormous costs and the fact that profits will evaporate in an industry which entails such danger. There is also the possibility of law suits, spills, melt-downs, and so on which would certainly discourage private facilities in the United States. However, we will not have any of those disincentives with Bill C-121. Instead of talking about privatization, we should really be talking about environment and health and whether this is a safe industry for Canadians in the first place. If we thought it was safe, and I think the answer to that is no, the question would be, would it produce as many jobs as using other energy sources? We would certainly find the answer to that is, no, that we would do much better in terms of job creation and safety of communities in Canada if we went a different route.

• (1200)

I do want to spend a little time in dealing with a problem within Eldorado Nuclear itself. All Members of Parliament will have received a letter from the Port Granby Monitoring Committee. I would like to read a couple of paragraphs into the record. They read:

> We are writing this letter to you to enlist your help with a very serious problem. Eldorado Resources Limited, a Crown corporation, has been operating a nuclear dump right on the edge of Lake Ontario since 1952.
>
> The Port Granby dump is leaky, ill conceived and a potential disaster, a fact which is not unrecognized by various experts and authorities who have examined this dump site.

Indeed, the danger of the situation has been recognized for a very long time. We are talking about Lake Ontario from which 2.5 million Canadians get their drinking water. We are not talking about some obscure place unconnected to any major waterways. There are no obscure places unconnected to major

waterways in Canada. Our water is connected by stream and underground river. The letter goes on to say:

> In 1976, the Atomic Energy Control Board (AECB) issued a press release recognizing that the site is a problem and decided that the dump was to be decommissioned as of January 1977.

This has not been done.

> In 1978, a panel of experts examined all aspects of a proposed refinery and permanent dump site in Port Granby and decided that neither the refinery nor a dump should be located in Port Granby.

This was decided for all kinds of good reasons. This is what the experts had been saying. But this dump site is still in use. The licence expires at the end of April this year and we do not know whether it will be renewed. We do not know what is going to happen. We do not even know what rights citizens will have to participate in the decision-making because the procedures under the Atomic Energy Control Board are very sloppy. Citizens do not have clear rights. They fare somewhat better before other regulatory bodies, but the AECB is one which has not remotely recognized the need for citizen participation. AECB has ordered plans for decommissioning, but this dump site is still in use and, possibly by the end of this month, it will be licensed for further ongoing use.

In the meantime a task force was established on the principles of establishing a site for dumping. The task force set out the kinds of criteria which meant that Port Granby would not be chosen. Indeed, it is hard to imagine what communities might be chosen because the task force set very strict criteria. Unfortunately, it did propose to let communities bid for the honour of being a nuclear dump site. I say "unfortunately" because perhaps there is no alternative. It considered that there might be communities which are so desperate for jobs that they would be prepared to take this on because there would be some income coming into the community.

The issue of the Port Granby dump site actually became a subject in the last election campaign. I have a letter dated August 21, 1984, and everyone in the House will remember the time in August of 1984 as being at the height of the election campaign. The Prime Minister (Mr. Mulroney), the then Leader of the Opposition, an aspirant for the Office of Prime Minister, wrote to the Port Hope community saying:

> Thank you for your letter outlining your concern about the proposed permanent disposal site for low-level radioactive waste in the vicinity of Wesleyville, Ontario.

He pointed out that this had been contested for a very long time and that the proposals by Eldorado Nuclear for establishing a permanent radioactive waste disposal dump either near Port Granby or Wesleyville were not acceptable to the people of those communities. He further stated:

> All such waste should be removed from major population areas and kept well away from any major resource such as Lake Ontario.

Let us look to the fine print of this message. It is fine if one lives on Lake Ontario, and after all Toronto is on Lake Ontario and we would not want to have some kind of leakage which would affect a large population, but if one lives in a smaller community, further away and not on Lake Ontario, on some smaller lake, then it is all right. They do not want to bump off millions of people with some kind of nuclear disaster, but what is wrong with hundreds or thousands? There is a notion that as long as it is moved away from major centres, perhaps it is all right. What that means is that people are dispensable. If they are in small enough numbers we can ignore them. They can be left out of consideration completely. I think it is highly immoral to think that if it is only a small number of people who will get leukemia, or a small number of women who will bear children with birth defects, that somehow that is acceptable. The Prime Minister pointed out:

> While this would involve greater expense, the federal Government, as owner of the Eldorado Nuclear Limited, must accept at least partial responsibility and provide the leadership.

Well, what the Government is doing now is moving to privatization and simply ignoring the ongoing problem, and that is something the public will have to pay for with their lives and with their quality of life. The Prime Minister concluded:

> I appreciate being advised of your concern about this matter which, I know, is shared by many Canadians. You can be assured that a Progressive Conservative Government will work most actively towards a safe, acceptable and permanent storage arrangement for all hazardous wastes.

This is beautiful language, "safe, acceptable and permanent storage arrangement for all hazardous wastes". But that does not exist. We do not have safe methods of disposal for low-level or high-level radioactive waste. The Standing Committee on the Environment and Forestry, in the case of high-level radioactive waste, recommended a moratorium on nuclear facilities until we have a safe and affordable method of disposal. Yet there are even more low-level radioactive wastes than high-level in Canada. Quantitatively, it is a greater problem even considering the disproportion in the effect it may have, because we have millions of tonnes of low-level radioactive waste. We have had mining for a long time. The material has not been dealt with adequately and this problem will continue.

I simply point out that we have an enormous environmental and health problem with which to deal. The high sounding words of the Prime Minister do not help us to solve the problem because they do not recognize that the problem exists and we do not have a solution. That is what we should be talking about.

The question of privatization has to be dealt with within the context of what we are talking about. We are not talking about a cookie factory. We are talking about an outfit that mines and processes uranium into nuclear products, either military or non-military. We are talking about a product for which we have as yet no safe means of disposal. We are talking about a product that requires safe disposal for thousands of years. The problem is serious. The Government is not dealing with the environmental consequences and, therefore, I urge the House to send this Bill back so we can really look at the environmental questions which are absolutely critical.

• (1210)

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

Some Hon. Members: Question.

The Acting Speaker (Mr. McKinnon): The question is on the motion of Mr. Hawkes. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. McKinnon): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen: During the ringing of the bells:

• (1220)

The Acting Speaker (Mr. McKinnon): In accordance with Standing Order 13(4), at the request of the Chief Government Whip, the recorded division is deferred until 6 p.m. tomorrow.

* * *

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed from Thursday, April 14, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Standing Committee on Finance and Economic Affairs, and on the amendment of Ms. McLaughlin:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-117, An Act to amend the Excise Tax Act and the Excise Act, be not now read a second time but that it be read a second time this day six months hence."

The Acting Speaker (Mr. McKinnon): Debate.

Mr. Angus: Mr. Speaker, I rise on a point of order. I think that common courtesy would require that, even though it is not within the rules to allow the third Party to have a say in whether or not a vote is deferred. I think it is common courtesy that the Government Whip or the Government House Leader should at least have the courtesy to inform the third Party and not have us discover on television that the bells have stopped ringing when we thought that there was an agreement to have a vote at 25 minutes to the hour. This is a ridiculous way to run this place. I can assure you, Mr. Speaker, that there is not going to be any more co-operation, that we are going to do whatever we can to disrupt this place.

Mr. Nickerson: That is what you are doing already.

Mr. Angus: No. What we have been doing is debating an important piece of legislation. We finished debating it. We are now ready for a vote on a motion put forward by a member of the Government, a motion that would force the question to be now put. Instead of taking that vote at the time at which we thought we had an agreement, the Government has run roughshod over the House without any consultation whatever.

Quite frankly, we are not going to tolerate this kind of gamesmanship at all.

Mr. Rodriguez: Mr. Speaker, I rise on the same point of order. It has been a long-standing practice around this place, and I have been here for a while, that the business of the House is moved forward on the basis of consultation among the three Parties. That has been the practice and the process here.

Before us was Bill C-121 with respect to which there was to be a standing vote. We were told that there would be a 30-minute bell. Lo and behold, 10 minutes into waiting for the vote, the Government Whip and the Whip of the Official Opposition got together and cooked up this deal that they would postpone the vote until tomorrow. The only conclusion I can come to is that either the government Party or the Official Opposition would be embarrassed because of the fact that they do not have the Members around this place to make a favourable showing in a vote. That is the only conclusion that one can come to.

I must say that when the Government takes this type of action and ignores the practices of the House and does not follow the procedure of consultation, it is inviting trouble. I want to say that. The Government Whip is inviting trouble. In fact, if he does not recognize the need to consult, then he will have to accept the consequences that will flow from that action. In fact, we will do our thing. That is the danger of following this departure from practice which occurred today.

I can only say it is probable that the Liberals have not got their troops around and they do not want to be embarrassed by the vote and have only eight or ten people stand up. They have been embarrassed in the past by their own motions when they have not had enough Members. I think that they have got together and forced this vote to be postponed until tomorrow. This Party is not in agreement with postponing the vote until tomorrow.

Mr. Fennell: Mr. Speaker, I have heard a lot of hearsay around here about an agreement between the Government

Whip and the Chief Opposition Whip. I want to tell Hon. Members that there is no co-operation. I had the courtesy to go to the Opposition Whip and advise him that I was deferring this vote until six o'clock. It was nothing to do with numbers. We have 88 people here today. If the Hon. Member wants to check, then he can just wait until Question Period. The intent was to move on and to get into Orders of the Day and deal with the legislation that we have to get through in the short period of time between now and the end of June.

Mr. Gauthier: Mr. Speaker, I just want to set the record straight. I was told about five minutes ago by the Chief Government Whip that he wanted to defer the vote until tomorrow at 6 p.m.—tomorrow at 6 p.m.

Mr. Rodriguez: They do not even know when.

Mr. Gauthier: That is what I was told.

Mr. Rodriguez: He said today at 6 p.m.

Mr. Gauthier: The Whip confirms that. His agreement with me was that he could do that according to Standing Order 13(4)(a) which states:

> When the Speaker has put the question on any debatable motion, except as provided pursuant to section (2) of this Standing Order, the bells to call in the Members shall be sounded for not more than thirty minutes; provided that, while the Members are being called in, either the Chief Government Whip or the Chief Opposition Whip may approach the Speaker to request that the division be deferred, in which case, the Speaker shall defer the said division until a specified time but, in any case, not later than six o'clock p.m. on the next sitting date thereafter, when the bells to call in the Members shall be sounded for not more than fifteen minutes—

This Standing Order has been used before. It is a product of reform. We do not catch people by surprise. I am surprised that the Hon. Member for Nickel Belt—

Mr. Rodriguez: You did.

Mr. Gauthier: I was just as surprised as the Hon. Member. But to tell me that with the Chief Government Whip I was planning or cooking something in the kitchen, it does not make much sense.

The Government Whip has that authority. He can go to the Speaker and ask him to defer the vote. I did not ask him why he wanted to do that, I just said, "Thank you very much". That is the way that civilized people operate. I was surprised to hear the bells stop after only perhaps 10 minutes of ringing. Normally they would ring for half an hour before the Speaker would interrupt the bells. I was surprised because I was in a meeting at the time.

Mr. Angus: Mr. Speaker, on the same point of order.

The Acting Speaker (Mr. McKinnon): I think we have heard enough on this point of order. Whether something is polite or good manners is not a point of order. The rules are clear that the Chief Government Whip or the Chief Opposition Whip can ask for the vote to be deferred. The Speaker can grant it. I declare that there is no point of order and debate shall resume.

Mr. Maurice Foster (Algoma): Mr. Speaker, as I understand it we are now on Bill C-117, an Act to amend the Excise Tax Act and the Excise Act. This was introduced into the House on March 22 and combines a number of provisions announced in the 1987-88 budgets and a number of the tax reform items in the June and December Ways and Means resolutions which were put before the House. The most current item from the point of view of Canadians is the implementation just a week ago of the excise tax on gasoline amounting to 1 cent a litre. Although this occurred during the week of April 1, it certainly was no small April Fool's joke for Canadians.

• (1230)

It is interesting that in the Ways and Means resolution we have tax adjustments which provide for the reduction of tariffs of some $460 million in the first full calendar year under the trade agreement between Canada and the United States. In those same Budget Papers there is provision for a reduction in tariffs of some $55 million in the first three months of 1989. This Ways and Means resolution taxpaper suggests that the increase in revenues generated by the Government of Canada from the excise tax provision included in Bill C-117 will raise, I believe, some $300 million in the second year and some $275 million in the first year. Those figures indicate some of the problems of the free trade agreement. The Government would have us believe that the equivalent of 1 cent a litre will give us massive new access to the United States market. It is hard to believe that the equivalent of tariffs of that amount will give us that massive new access. In fact, it is unbelievable.

When we look at the tariffs under the trade deal we see that 80 per cent of everything that goes into the United States goes in tax-free or tariff-free already. The tax tariffs involve only 5 per cent on the balance of 15 per cent on which item there are tariffs. We see a trade-off there of the Government imposing an excise tax of 1 cent a litre to pay for the loss of the tariffs from the free trade deal.

These revenues raised under the Excise Tax Act through Bill C-117 are some of the tools used by the Government to create a smoke and mirrors illusion that the deficit has been reduced. If so, the deficit has been decreased at the expense of the average Canadian's wallet.

Mr. Angus: Mr. Speaker, I rise on a point of order. I think the Hon. Member deserves to have an audience. I call for a quorum count.

The Acting Speaker (Mr. McKinnon): I have now had time to count the Members in the House and there is a quorum. The Hon. Member for Algoma (Mr. Foster) has the floor.

Mr. Foster: Mr. Speaker, I appreciate the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) getting a more adequate audience for my comments regarding Bill C-17, which is not one of the Government's finest achievements.

The Government's proposition that it will reduce the deficit level is really hard to believe. If we look at the list of taxation items which the Government has imposed on Canadians since 1984, it is devastating. It reads like one of the largest taxation grabs in our history. I believe that in the first two and a half years it involved some $22 billion. Most Canadians hardly notice these things because they are so constant. The increase we had last week in gasoline tax will raise $300 million.

The tax levied on January 1 will raise hundreds of millions of dollars. The sales tax, without getting into the new sales tax planned by the Minister, which will apply to everything from getting your car fixed to getting your hair cut, has raised hundreds of millions and billions of dollars because the Government has increased the sales tax by some 25 per cent from 9 per cent to 12 per cent in its first two and a half years in office. To look over the list of taxes, let alone the excise tax on gasoline, is a frightening prospect for Canadians. People often come to me and ask, "What are you guys doing down there? Every time I have been able, through my union, to get an increase in my pay of 3 per cent, 4 per cent or 5 per cent over the last three or four years, I don't have any more take-home pay". That is the problem of the Government having deindexed the income tax schedules. The Government has imposed every conceivable kind of tax on Canadians.

This Bill provides for some taxes in 1987 and 1988. Let us look at the list of taxes from 1984 to 1988. The first sales tax of 1 per cent was imposed in the fall of 1984, which increased taxes for Canadians by $1 billion. The second one was imposed via the sales tax in 1986, which increased the sales tax by another $1 billion. The third increase of 1 per cent in sales tax in 1986 raised another billion dollars.

Looking at the increases in gasoline tax, the first increase of 2 cents a litre was imposed in 1985, and it raised $930 million. The second increase of one cent per litre on gas occurred in 1987 and raised $450 million. The third increase of one cent per litre on gas in 1987 raised $450 million. Those are just excise taxes and sales taxes which have been imposed since the Government came to power.

• (1240)

The equalization of the sales tax on unleaded versus leaded gasoline in 1987 raised another $30 million. The extension of the sales tax to candy, soft drinks and pet foods in 1985 raised $400 million. Just think, we are even imposing taxes on children's confections and soft drinks and on pet food. There was then an extension of the sales tax to snack food in 1987, raising $60 million.

The first increase on cigarettes and tobacco taxes in 1985 raised $320 million. That was in direct defiance of the promises of the Minister of Agriculture (Mr. Wise) who made a solid, binding commitment that there would be no new taxes on cigarettes and tobacco because of the adverse impact they would have on the tobacco farmers of southwestern Ontario. There was then a deliberate, planned, calculated increase designed to hurt those hard-pressed tobacco farmers of southwestern Ontario.

As if that were not enough, there was another increase of taxes on tobacco and alcohol in 1986, raising $150 million. There was a third increase of 4 per cent on tobacco taxes in 1987, increasing taxes by some $70 million.

The elimination of the Registered Home Ownership Savings Plan occurred in 1985 at a time when there was a shortage of affordable housing in many areas of southern Ontario. The Government took away that program, not only increasing taxes by $105 million but making things impossible for young couples who were just starting out and had been saving to be able to buy a home. That ability was snatched away from them by a Government hell-bent on raising taxes but not actually reducing the deficit by any appreciable amount.

The deindexation of the taxation system in 1986 increased taxes by $635 million. The elimination of the federal tax reduction in 1986 had the impact of increasing taxes by $650 million. The changes to the marital exemptions in 1986 imposed an additional $20 million in taxes.

The general 3 per cent surtax change which occurred in 1986 is costing Canada a whopping $1.2 billion, the largest single tax increase since the Government came to power. The temporary 5 per cent and 10 per cent surtaxes of 1986 raised $500 million, creating a greater burden of taxes on Canadians.

An increase in the airport transportation tax in 1987 has required travellers to pay an extra $45 million. The 10 per cent tax on long-distance phone calls and cable services effective January 1 is imposing some $945 million in taxes on Canadians. That particular tax measure is seen by many Canadians, and particularly those who live in rural areas, as being a tax on rural Canada and on the regions. It is also a tax on older people because they are often the ones who make long-distance calls to their children and their grandchildren who live across Canada.

We know that there already is a very high taxation rate on long-distance calls, and this new tax only makes it worse. Some small businessmen from my constituency find that this raises a major new cost for them, an additional cost of up to $100 per month. This is a tax which they cannot afford to pay.

We know that long-distance charges already carry a larger burden of the cost of phone services of almost $1 billion because more charges are put on long-distance calls than on monthly charges for individual telephones. The rate structure of the CRTC has, over the years, put the additional cost on long-distance charges rather than on the hand-sets in homes.

The last item on the list I have here of tax increases the Government has implemented in the last three and a half devastating years of tax increases is the taxation on paint, wallpaper, toys and handicrafts. The Government has taxed everything in sight before the election, even to the point of taxing the wallpaper and paint used in our homes and our toys and handicrafts. This increase amounts to $370 million.

This is a very harsh and destructive tale of tax increases, some of which are to be implemented by Bill C-117. We see this as being an ongoing approach. The Government just dealt with the divestiture of Eldorado Nuclear, and through that we see the Government reaching out to get its hands on another $4 million, $5 million or $6 million which the Minister of Finance (Mr. Wilson) will use if and when the deal goes through to the private sector to try to make the Budget look good. At the same time as the debt will be left with the federal Government, the available cash from that deal will go into the Government's current Budget.

Of course, the Minister of Finance did the same thing with Teleglobe Canada. That sale of some $500 million or $600 million was used last year in an attempt to get the budget deficit for the year below $30 billion. That comes on top of the hit list of at least $22 billion in tax increases for the average Canadian. Everything from the indexation of income tax rolls to toys, handicrafts, pet foods and non-prescription drugs has come under the hammer of this Minister of Finance in his quest for more taxes.

I spoke of the deficit of $29.3 billion that the Government has sustained in its last Budget. The Government was able to get the deficit down below the magical figure of the Minister of Finance through the sale of Teleglobe and other Crown corporations. I suppose that Air Canada will be the next item which will be used to generate revenues while leaving the national debt untouched and making the deficit for the current year's financing drop below that figure of $30 billion.

• (1250)

It bears repeating that one of the ways this illusion was created was through the use of accounting tricks such as acceleration of tax remittances. Employers who deduct income tax, unemployment insurance premiums and Canada Pension Plan contributions from their employees have been required to do it earlier and with greater frequency since 1987. Employers had been remitting once a month, but in January of that year they had to start remitting twice a month. It is this kind of trickery that the Government used to try to get the deficit below the $30 billion mark. That does not really fool Canadians. It just shows how desperate the Government is to look good even though the facts say otherwise.

The Acting Speaker (Mr. McKinnon): Questions or comments?

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to comment on the speech given by the Hon. Member on Bill C-117 which the Government suddenly sprung on the House. The uncertainty that characterizes the Government is never more clear than in the planning of House business.

The Hon. Member represents a riding at the other end of Lake Superior and has done so for a good many years now as a member of the Liberal caucus. I would like to have him comment on some of the particular consequences the tax measures of the Conservative Government have for our constituents in northern Ontario. I am thinking particularly of the several increases in the tax on gasoline, which he said something about. I would also like him to refer to the impact of the 10 per cent telecommunications tax which the Minister of Finance (Mr. Wilson) so kindly gave Canadians who have to use the telephone to keep in touch and do business. The combination of those two taxes could be very serious indeed for our constituents in northern Ontario.

We can easily appreciate that persons in Metropolitan Toronto, for example, where the Minister of Finance has his own political base, are able to make all kinds of business calls without running into the kinds of charges that constituents in my riding and, I expect, in his, face. Our constituents who do business with people in the large cities have to pay long-distances charges. To have this tax laid on top is just another burden. I recognize that in the resource industries we sometimes have pretty good wage rates, but in comparison with what one can do in Metropolitan Toronto I would not think our constituents have much to boast about on the income side. To have these taxes loaded on them is really a very heavy burden.

The Hon. Member represents a riding where the Liberal Party has had strength for a long time. We NDP and the Liberals will be wrestling in northern Ontario again to see how many seats we can win there. It is going to be a pleasure to see the Conservatives bite the dust in some of those ridings which they happened to win in 1984 or a little earlier for just the kinds of reasons we see in this Bill. It spares the people in the metropolitan areas, who can make business calls without long-distance charges or who can ride the subway to work, those expenses that our constituents face in Thunder Bay—Nipigon, Algoma, and the other northern Ontario ridings.

Mr. Foster: Mr. Speaker, I could not have put it better myself. The Hon. Member has raised the inequity of the Government's fiscal policy as it relates to the regions.

If we look at the impact of the several Budgets the Minister of Finance has brought in, we find that he has imposed at least a four cent a litre increase in the tax on gasoline. That is almost 20 cents a gallon. We recall that the Minister for International Trade (Mr. Crosbie), when he was Minister of Finance and brought in his Budget in 1979, went down the drain by imposing an 18 cent a gallon tax on gasoline. Clearly 20 cents a gallon will be enough to break the Government's back in the next election, certainly in regions like northern Ontario.

This is not only a regressive tax for northern Ontario, it is regressive for every low-income person in this country. The person earning $100,000 a year probably lives in a big urban centre anyway and can certainly afford that 20 cents a gallon much easier than the low-income person who maybe has to drive 10 or 15 miles a day to work because he lives in a rural area. He lives there because he cannot afford a home in the urban centre. That of course is just doubled and tripled for

everyone living in areas like northern Ontario, northern Quebec, the Prairies and other regions.

This gas tax is extremely regressive and is part of the overall scheme of the Government to get away from the graduated income tax. It is always interesting to hear the Minister of Finance and the Prime Minister (Mr. Mulroney) saying that with tax reform we are going to take 850,000 Canadians off the tax rolls. What they do not say is that they have put over a million people on the tax rolls by deindexing income tax rates, and are taking millions of dollars away from them when they buy their gas. The sales tax has been increased by 25 per cent as well. That applies to non-prescription drugs, confectionery products, even pet foods. All this will impact much more heavily on low-income Canadians.

The Hon. Member mentioned the telecommunications tax. We already pay extremely high long-distance charges. Over the years the CRTC skewed the rate structure for Bell Canada and other telephone companies so that the basic service charge is relatively low and long-distance charges are high. It is skewed by about $1 billion. What do we find out on January 1? It is skewed by another $1 billion. This is not something that built up over a period of time, it went boom in last year's Budget.

That impacts especially on small businesses. I am familiar with one small business in Little Current, Ontario, a marina. They wrote to me and said they just cannot afford this. It is an extra tax of almost $100 a month on the operation of the business. They are in a rural area far away from the sources of supply. As the Hon. Member indicated, the impact is very adverse for the regions of our country like northern Ontario.

The Acting Speaker (Mr. McKinnon): The time for comments and questions has now ended.

It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

FISHERIES

CANADA-FRANCE DISPUTE

Mr. George Henderson (Egmont): Mr. Speaker, the federal Government has totally bungled the issues of the St. Pierre and Miquelon boundary and the French fishing quotas. The Prime Minister (Mr. Mulroney) has failed to take these matters seriously. In a letter to the Minister of Fisheries and Oceans (Mr. Siddon) dated August 29, 1986, the Prime Minister wrote:

> I agree that in dealing with this sensitive issue we must weigh, on the one hand, the interests of Canadian fishermen and fishing communities and, on the other hand, our bilateral relations with France.

This policy was fundamentally wrong. The interests of our fishermen should have been the foremost priority. It is no wonder that the Atlantic fishing industry strongly condemned the agreement reached in January, 1987.

What is the state of our bilateral relations with France now? In response to the arrest of a boat apprehended for illegally fishing in our waters, the French Government has recalled its Ambassador. Canadian travellers are now being harassed by the French at border points. I hope that now, finally, the federal Government and the Prime Minister will give this matter the serious attention it deserves.

* * *

NATIONAL CITIZENSHIP WEEK

BENEFITS OF MULTICULTURALISM

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, during this National Citizenship Week all Canadians should reflect on one of the most fundamental aspects of our citizenship, namely, the rich multicultural diversity of our society. Citizenship in Canada means acceptance of difference, tolerance of difference, and celebration of the richness that this diversity has brought to our nation.

I believe that the positive approach to preserving our linguistic and cultural diversity is one of the things that sets us apart among nations. It is worth preserving. It is an integral part of our concept of citizenship. By living together and working together in harmony we can provide an example for all people and enrich our own lives as well.

Citizenship Week provides a real opportunity for all of us to reflect on how much we have benefited from our multiculturalism and the enormous contribution that Canadians of all ethnic and religious backgrounds have made to the building of this great country.

* * *

COPYRIGHT ACT

SENATE DELAY IN PASSING AMENDING BILL

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, this morning representatives of the Creators and Artists of Canada, a coalition of over 20 artistic and creative groups, came to Parliament Hill to pressure the Liberal Senate finally to pass Bill C-60, the amendments to the Copyright Act.

Among those present were Dan Hill, Pierre Berton, Pat Durr, Timothy Findlay, Paul Siren and others.

The Liberal Senate is delaying and threatening to block this Bill which received all-Party support in this House. The artistic community has waited 64 years for copyright reform. These are the actions of a Liberal Senate which has turned a blind eye to the aspirations of Canadian artists and creators.

[*Translation*]

Bill C-60 recognizes that artists must have a certain copyright income. The Senate knows that by acting this way, it is calling into question years of effort for copyright reform.

[*English*]

If the Liberals in the Senate sabotage this Bill the artistic community will hold the Right Hon. Leader of the Opposition (Mr. Turner) and the Liberal Party of Canada responsible. The Senators should realize that Canadian artists deserve a fair deal.

* * *

EMPLOYMENT

SITUATION IN TORONTO—FUNDING OF METRO YOUTH JOB CORPS

Mr. Alan Redway (York East): Mr. Speaker, ironically the booming economy of Metropolitan Toronto has created a strange contradiction. Federal funding for a program aimed at making productive citizens out of hard-core unemployed youth is being threatened by the low Metro unemployment rate.

The Metro Youth Job Corps was initiated to help young people 16 to 24 years of age who are unable to get or keep a job because of their poor attendance or punctuality, or attitude toward their work, their supervisors, or their co-workers.

Unfortunately, the lower the unemployment rate the less federal funding there is available to train these young people to find and hold jobs. The kinds of young persons assisted by the Job Corps program will always be a problem for themselves and for society unless we give them a helping hand. I hope the Government will re-examine its funding criteria for this program.

* * *

[*Translation*]

IMMIGRATION

RE-EVALUATION OF PARLIAMENTARIANS' WORK

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, since last week, I have received many letters and comments from constituents deploring our attitude to the Turks' problem. I myself was very disappointed to hear the new Minister responsible for this issue say that she could do nothing for them when we all know in this House that she has the authority to intervene without breaking the law.

This attitude led me to re-evaluate our work as parliamentarians of whatever party on this issue and several others. Unfortunately, we find that in our discussions and our decisions, political or partisan considerations too often override the public interest, that narrow-minded politics outweigh ethics, etc. For the Turks and the 40,000 people awaiting a reply, I hope that we will be able to hear the suggestions of those who can act, make the necessary corrections and amendments to the Immigration Act quickly and without political fanaticism and thus restore our image with our fellow citizens. Especially on issues where humanitarian considerations come first, we must set aside partisanship and together try to find a solution to the problem at hand.

* * *

• (1405)

[*English*]

NATIONAL CITIZENSHIP WEEK

IMPORTANCE FOR YOUNG PEOPLE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, National Citizenship Week, which we are celebrating this year from April 17 to April 23, is an important occasion for all Canadians. It is particularly important for our young people.

The concept of citizenship represents an ideal of how we see ourselves as a society. It is important that we pass on from generation to generation an understanding of what citizenship means, the benefits it bestows and the duties that good citizenship entails.

This week, in classrooms all across Canada, tens of thousands of young Canadians will be taking part in many projects designed to build that understanding. Teaching our young people about Canada and about the rights and responsibilities of citizenship is one of the best investments we can make in the future of this nation.

* * *

TRADE

LUMBER EXPORTS—EFFECT OF INTEREST RATES AND EXCHANGE RATE OF DOLLAR

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the actions or, should I say, inactions of the Government, are once again laying the grounds for further hardship for Canadian lumber producers and their workers who depend on the U.S. market.

The holding of Canadian interest rates at current high levels and the rising value of the Canadian dollar are jeopardizing the competitiveness of not only our lumber exports but all our exports.

A growing number of Canadians are convinced that the maintenance of high interest rates in Canada, coupled with the rising value of the Canadian dollar, constitute a deliberate government policy to appease U.S. interests and secure U.S. support for the trade agreement to which the Government has tied its political future.

I say again: whose side is the Government on? A cut in interest rates would not only assist the average consumer but would go a long way to safeguarding jobs in our resource industries.

The NDP once again calls upon the Government to cut interest rates by one per cent to two per cent. But is the Minister of Finance (Mr. Wilson) listening?

* * *

BANKS AND BANKING

SERVICE CHARGES EXCEEDED INTEREST PAYMENT

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, banks defend increased service charges because they pay higher interest rates on accounts. However, when asked for facts, that often turns out to be a myth.

For example, one Canadian has written to me about his opening a small account and after one month finding that the service charges were three times the amount received in interest. To make it worse, there had been no cheques, no withdrawals, no deposits and, as far as he could see, no service.

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AIR CANADA

ACQUISITION OF NEW AIRCRAFT—ROLE OF FORMER OFFICIAL

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, Canadians will no doubt remember statements by the former Minister of Transport who said in the House that Mr. Ramsey Withers had not been involved with the Air Canada airbus transaction.

I have here a letter, dated December 22, 1987, signed by Mr. Ramsey Withers. It states:

> Thank you for your letter of December 7, 1987, in which you expressed concern over Air Canada's reported fleet plans and offered to assist in assessing these plans.
>
> In today's highly competitive airline environment I do not feel at liberty to disclose Air Canada's future plans, but I am able to say that the article upon which your concerns are based was inaccurate in some significant areas.

> Your very extensive experience and knowledge in the field of airline fleet planning are well recognized in the industry . . .

Clearly there is contradiction here between statements by the Minister and the facts.

* * *

[*Translation*]

NATIONAL DEFENCE

CONSEQUENCES OF NEW DEMOCRATIC PARTY'S POLICY

Mr. Marc Ferland (Portneuf): Mr. Speaker, I want to talk about the New Democratic Party's position on defence in the light of recent changes towards an irrealistic policy.

As it stands today, the NDP policy calls for a withdrawal of our Canadian troops stationed in Europe, the cancellation of the NORAD agreement and pulling out NATO.

Our withdrawal from NATO will alienate our allies, not to mention the fact that we would be barred from the negotiation table which recently made it possible to conclude the FNI agreement.

Any change to NORAD would also involve huge expenditures for Canadians. For example, under the existing agreement our contribution amounts to only 12 per cent of the $7 billion being spent to modernize it. To that we can add annual operating costs of more than $100 million.

In short, Mr. Speaker, if Canada were to put an end to these alliances, as advocated by the NDP, it will cost every taxpayer more to have a less effective defence system in this country.

* * *

• (1410)

[*English*]

DISARMAMENT

MESSAGE OF DR. HELEN CALDICOTT

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, this morning my Leader and I had the great honour of speaking with a woman of uncommon determination, eloquence and conviction, Dr. Helen Caldicott. The driving force behind the Nobel Prize winning Physicians for Social Responsibility and the founder of Women's Action for Nuclear Disarmament, Dr. Caldicott has devoted herself to preventing what she has aptly described as the "final epidemic", a nuclear holocaust.

Travelling the world simply with a suitcase and a vision, Dr. Caldicott has mobilized hundreds of thousands of men and women in her great crusade to end the nuclear arms race. Her message is one that we and millions of Canadians share, that national and international security can only be achieved

through disarmament and peace, that we can make Canada a nuclear weapons free zone, that we can end the militarization of the Canadian economy and that we can reverse Canada's increasing complicity in the world-wide trade in arms.

I urge Canadians to meet Dr. Caldicott as she continues her Canada-wide tour this week.

* * *

TRADE

GOVERNMENT EFFORTS TO REDUCE INTERNATIONAL OBSTACLES

Mr. Patrick Crofton (Esquimalt—Saanich): Mr. Speaker, this past weekend an important meeting was held in beautiful British Columbia, bringing together representatives for 70 per cent of the world's international trade. The focus of discussion was barriers to trade and how to reduce them.

Unlike the opposition Parties in this house which state a desire to tear up current trade agreements, the federal Government continues to seek new and better ways of reducing these obstacles to trade.

Canada is a trading nation. Our national economic health is directly dependent on healthy foreign markets for our goods and services. The opposition Parties continue to demonstrate a total lack of understanding that our sovereignty, our culture and, indeed, our national social programs are only sustained by a strong healthy economy.

This Government believes in negotiation, consultation, conciliation, and discussion. We support GATT. We continue to initiate important new measures in GATT. Unlike the opposition Parties that want to ignore or reject GATT when an unfavourable decision for Canada is reached, we believe that the mandate and authority of GATT must be strengthened, as must our access to that vital U.S. market to the south. The Canadian public is developing this understanding. What a pity that the thinking of the Opposition is still mired in the 19th century.

* * *

MULTICULTURALISM

MINISTER'S ATTENDANCE AT CELEBRATION SPONSORED BY SIKH ORGANIZATIONS

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the new Minister for Employment and Immigration (Mrs. McDougall) gave Canadians a fine demonstration of Cabinet solidarity over the weekend. The Minister attended a Baisakh celebration in Toronto planned by various Sikh organizations, including those whose meetings the Secretary of State for External Affairs (Mr. Clark) asked Canadian Premiers and other politicians by letter earlier this year to boycott. When the Minister was asked to explain why she attended the meeting in spite of her senior colleague's proscription, she had "no comment" on the contradiction.

I support the Minister's decision to attend the Basakhi celebration and to assure the Sikhs gathered there that the Government's aim is to achieve a better understanding with them. But surely it is time the Secretary of State for External Affairs recognized his mistake and recalled or renounced the advice he handed out so freely. Canadian politicians generally know their communities and can be trusted not to support activities that are illegal or destructive of other states. Let us have a proper regard by our Government for organizations in our communities which are working to advance human rights and the good of their own community.

* * *

POLITICAL PARTIES

NATO—POLICY OF NEW DEMOCRATIC PARTY

Mr. Bob Hicks (Scarborough East): Mr. Speaker, this past weekend we once again witnessed a new interpretation of the New Democratic Party position on defence as a result of its latest policy or, should I say, politics conference. In an attempt to obfuscate an already unintelligible policy on NATO and NORAD, the "No Defence Party" or NDP has taken a major step back from its long-standing position to withdraw from NATO.

This new position is an incredible thing. It threatens to alienate our allies because it calls for an immediate withdrawal of our troops in Germany thereby affecting the balance of power in Europe. It threatens to alienate the NDP's core supporters because it has consistently insisted on an immediate withdrawal from NATO and cancellation of the NORAD agreement.

Finally, it threatens to alienate all Canadians from the New Democratic Party because of what can only be perceived as an immature, irresponsible, and downright reprehensible act.

The Progressive Conservative Party has the only clear position on defence. Ours is the only Government willing to back up that position with realistic commitments. Finally, on the subject of platforms and positions, I would simply like to ask who is the spokesman on this subject. Is it Derek Blackburn, the NDP defence critic? Is it Bob White and the Seven Dwarfs, the NDP's leader in waiting? Or is the Hon. Member for Burnaby (Mr. Robinson) who so adamantly opposes this new position?

• (1415)

[*Translation*]

PROPAGATION OF THE FAITH IN CHURCHES

THE DEEDS OF TRINITARIAN ARMAND GAGNÉ—TRIBUTE TO VOLUNTEERS

Mr. Claude Lanthier (LaSalle): Mr. Speaker, next Sunday at the André Laurendeau CEGEP in the beautiful riding of La Salle, a biennial event will take place that is extremely important, not just to the Montreal area but internationally. I am referring to the general meeting concerning the work of Father Armand Gagné, who is responsible for the propagation of the faith in the churches that heroically hold the torch of Christianity in countries behind the Iron Curtain.

Mr. Speaker, I therefore have the pleasure and the privilege to invite Members of this House to pay a well-deserved tribute to one hundred volunteers and about 3,000 general participants who will ensure that adequate funds are sent to Rome, to this Trinitarian Father from Ville-Émard, whose mission is to tell people that democracy still exists in our troubled world and to send this message to a civilization deprived of the most elementary freedoms, including the free expression of one's religious convictions.

* * *

[*English*]

THE LATE MRS. PHYLLIS ROSS

Mr. Speaker: I know that Hon. Members would want me to interrupt proceedings briefly to hear from the Deputy Prime Minister.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, on behalf of the Prime Minister (Mr. Mulroney) and the Government, and I am sure all Members of the House, I wish to extend my sincere condolences to the Right Hon. Leader of the Opposition (Mr. Turner) on the passing of his mother, Mrs. Phyllis Ross. Our prayers are with her and all members of the family.

Mrs. Ross led a full and vigorous life, a life of service to her country, to the Province of British Columbia, and to her family. She inspired more of the same with her son and her daughter, Brenda Norris.

On behalf of us all, Mr. Speaker, allow me to extend our deepest sympathies to the right hon. gentleman at this time.

Hon. Herb Gray (Windsor West): Mr. Speaker, as you can understand, the Leader of the Opposition (Mr. Turner) is not in the House today. On his behalf I am very pleased to receive the words of the Deputy Prime Minister (Mr. Mazankowski). I will convey those words to the Leader of the Opposition.

I also wish to say on my own behalf and on behalf of my colleagues that we want to express our deepest sympathy to the Leader of the Opposition and to his sister Brenda Norris on the loss of their mother. She was a very distinguished woman, an example well before her time of what women can accomplish in our society and how they can serve the entire country.

She became in her time the most senior woman in the Canadian Public Service. She went on to become the first woman chancellor of a university in the British Commonwealth. She accomplished this by virtue of the strength of her mind and her personality, being an example of a person standing alone, and raising a family alone, in a way that inspired her children with her example of service and intelligence.

The Bible, in the Book of Proverbs, speaks of a woman of valour. Truly, the mother of the Leader of the Opposition exemplified that concept to the utmost. Therefore, on my own behalf and on behalf of all of the colleagues of the Leader of the Opposition, we wish to extend to him and to his family our deepest sympathy on his tragic loss.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to join with the Deputy Prime Minister (Mr. Mazankowski) and the House Leader of the Liberal Party (Mr. Gray) in extending to the Leader of the Opposition (Mr. Turner) the deepest sympathy of the members of the New Democratic Party on the passing of his mother earlier today.

As has been noted, Mrs. Ross was an outstanding Canadian. In addition to having a distinguished son she established very much a reputation in her own right many years ago in this city as one of the forerunners, if I can put it this way, in the women's movement, achieving outstanding success in the Public Service of Canada. She also made a distinguished contribution to the Province of British Columbia.

We extend to the Leader of the Opposition our heartfelt sympathy on the passing of this woman who played such an important role in his life and, of course, extend those sympathies to his sister Brenda.

• (1420)

ORAL QUESTION PERIOD

[*English*]

FISHERIES

CANADA-FRANCE DISPUTE—HARASSMENT OF CANADIAN AIR TRAVELLERS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. In good part as a result of the fisheries dispute, we have seen an unprecedented deterioration of the relationship between Canada and France over the weekend leading to the recall of the French Ambassador.

Canadians have been dismayed to see some of their fellow citizens harassed at French airports, with some of them having their passports confiscated. We understand that the Secretary of State for External Affairs has filed a protest with the French. However, some of the people who are now visiting France, or who are planning to do so shortly, would like to know more.

I would like to ask the Secretary of State whether he can provide an update report as to the situation at entry points to France. Can Canadians expect to be able to leave or enter France in a civilized manner without being harassed, or has the Government come to think that it will have to issue a travel advisory?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this incident of course arises directly from a long-standing negotiation regarding fisheries matters between Canada and France. This most recent and isolated episode was created by a decision by some French citizens from St. Pierre and Miquelon to take actions which challenged the law of Canada. When they challenge the law of Canada they are subject to the penalties of the law of Canada. That is what occurred in this case.

There was also an action authorized in France that involved delays imposed upon Canadians who were visiting in France. I protested those delays. We have been advised today that senior authorities in France have ordered that those delays be stopped.

CANADA-FRANCE RELATIONS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, Canada no longer has an Ambassador to France and France has recalled its Ambassador. The sad fact is that the two countries are not able to talk to each other in a normal fashion through Ambassadors, all of this at a time when there are differences between the two countries that the Government has not resolved and which have to be resolved quickly.

I would like to ask the Secretary of State for External Affairs or the Deputy Prime Minister to explain to the House and to the country how the Government could let the relationship between Canada and France fall to this all-time low. What does the Government intend to do to normalize relations between our two countries? What has former Ambassador, Lucien Bouchard, been doing in Paris over the last three years?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, not to take the whole day, among the things that former Ambassador Lucien Bouchard had been doing in Paris was to be very instrumental in achieving an agreement on the basis for establishing the international conference of la francophonie, an accomplishment which was impossible for years when the Government of this country was led by a Liberal Party of which the Hon. Member was a participant and supporter.

Among other matters that Mr. Bouchard was able to move forward was a quite dramatic improvement in the relations, whether in economic exchanges, science and technology, or in others.

In a third area it was possible for us, during the time that Ambassador Bouchard represented Canada in France, to begin to make progress on a very serious fisheries dispute that had been caused in part by a bad decision taken by a former Liberal Government with regard to the fisheries questions. Those are some of the things that have been done by Mr. Bouchard, since his name has been raised.

The Hon. Member is wrong on a couple of other points. He suggests that there is not full diplomatic interchange between Canada and France. That is false. There is that type of interchange between our two countries.

Third, there is scheduled, as there has been for some time, a meeting for Thursday of this week at which the negotiators of the two countries will come together again to see if we can make further progress toward resolving the fisheries dispute by resolution. We are hopeful that we might find some progress in that regard.

• (1425)

Finally, Mr. Speaker, I should say that our relations with France are very important to us as they are to France. We do not intend to allow those important relations to be diverted by an episode of a voyage by a few people from St. Pierre and Miquelon who were almost certainly seeking political profile.

[*Translation*]

NEGOTIATION OF MARKETS WITH FRANCE—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Secretary of State may be proud of Mr. Bouchard's achievements as our ambassador and of our relations with France, but the fact is, our relations have never been this tense. We don't even have a Canadian ambassador in Paris, and now France has recalled its own ambassador for consultation.

Canadians are being harassed at French airports. Passports have been confiscated, and Canadians certainly have every right to wonder what former ambassador Lucien Bouchard has been doing with his time in France during the last three years. Meanwhile, it's business as usual between Canada and France.

I would like to ask the Secretary of State or the Deputy Prime Minister whether they do not think the time has come to reconsider the suitability of continuing negotiations with France on major purchase contracts, including the purchase of a fleet of Airbus aircraft and those silly nuclear submarines. Is it going to be business as usual for the Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): There are two or three points I would like to make, Mr. Speaker. First of all, the Hon. Member certainly has a short memory, if he thinks relations between France and

Canada have reached a new low. I remember the statements made by General de Gaulle, and I remember the problems that arose between Canada and France. By contrast, the present situation is just a straightforward disagreement about a matter that is important to both countries. The way to resolve this disagreement is to continue negotiations on the fishing zone, and the next meeting has been set for Thursday. Canada intends to have its negotiators at the meeting to protect Canadian interests in the fishing zone. And as a Government that wishes to do business with everyone, we intend to continue to seek out opportunities for investment and projects involving Canada and France. Relations between our two countries have improved a great deal since the Mulroney Government came to power. We would like the situation to continue. We want to continue to take advantage of the possibility such a situation creates for this country.

[*English*]

ARREST OF FRENCH NATIONALS—SUNDAY COURT HEARING

Mr. George Baker (Gander—Twillingate): Mr. Speaker, on Friday after being taunted for over 12 hours the Government finally took a long overdue step, however symbolic, and arrested those persons who were aboard a vessel owned by the Government of France, for violating Canadian fishing regulations.

By what precedent did the Government of Canada agree to have a court hearing on Sunday, when it was scheduled for Monday, to allow for the early release of those people who had broken Canadian law, and to allow the Royal Bank of Canada to bail them out to the tune of over half a million dollars? By whose suggestion did the court sit on Sunday?

[*Translation*]

Sunday night wasn't—was God the Government of Canada?

[*English*]

Hon. John C. Crosbie (Minister of International Trade): Mr. Speaker, the Hon. Member's French has brought me to my feet.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Let me say that when the Hon. Member asks at whose urging did the court meet on Sunday, quite obviously the defendants are represented by legal counsel. Any experienced legal counsel experienced in the criminal law knows that it is not novel to arrange a bail hearing on a Saturday or a Sunday. Although it is not usual, it is certainly not novel. I think the Hon. Member will have to contact those legal representatives of the defendants to discover just how they made this arrangement.

But, Mr. Speaker, after all, there has not been any trial yet and everybody is entitled to bail as anyone should know who sits in this House.

Some Hon. Members: Oh, oh!

• (1430)

CONDUCT OF NEGOTIATIONS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, would the Minister not agree that Canada is the country that is in a position of strength in this dispute? Can he guarantee Canadians that in the negotiations that are coming up on Thursday, the Canadian Government will go no further than a 12-mile zone around St. Pierre and Miquelon, and that the Government of France and the French metropolitan fleet from France will be treated the same way as anyone else who breaks Canadian law in Canadian waters? Can he guarantee that there will be no special Sunday soirées in court, let alone any special Sunday banking privileges?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, with respect to the negotiations that will be proceeding again next Thursday, these are not negotiations to deal with the territorial boundary between St. Pierre and Miquelon and Canada. Those are matters that we have been trying now for several years to get before an international tribunal so that an international tribunal could decide that issue.

I can assure the hon. gentleman that Canada takes the position that France should certainly not have any territorial boundaries around St. Pierre and Miquelon that exceed 12 miles, if indeed it should even be 12 miles, and not something like the 200-mile economic zone it is claiming. However, that question is not now up for negotiation. We are trying to persuade France to agree with us to send that matter to an international tribunal for decision.

With respect to the French metropolitan fleet, I believe the events of the last several days have shown what action the Government takes without fanfare, without histrionics, and without hysteria, when foreign fleets or vessels fish in Canadian waters without a permit.

[*Translation*]

OPPORTUNITY TO APPOINT LUCIEN BOUCHARD TO CABINET

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Secretary of State for External Affairs. The Prime Minister decided to appoint Mr. Bouchard to Cabinet at the very moment of the most serious conflict between our two countries. Before this decision, did the Prime Minister discuss it with the Secretary of State for External Affairs and does the Minister agree with this decision?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is often difficult to know where to draw the line between ministerial and other conversations. But I can tell the leader of the New Democratic Party that I was one of Lucien Bouchard's present colleagues who suggested that he seek a position as a Minister in our government. I have great respect for his abilities and his vision of Canada. I am sure that he will continue to be an effective Minister in our Government. Of course, I was involved in the discussions that

resulted in Mr. Bouchard's appointment to Cabinet. I think that it is important to know that the decision made by some French citizens from Saint-Pierre and Miquelon came after Mr. Bouchard's appointment to Cabinet. Our diplomatic relations with France are as strong as before. Mr. Bouchard's successor as Ambassador to France will be appointed shortly.

[*English*]

TIMING OF AMBASSADOR'S APPOINTMENT AS MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the question, of course, has absolutely nothing to do with Mr. Bouchard's personal competence. I certainly have no question about that or his past performance as Ambassador to France. The question is directly pertinent to the competence of the Government.

Since this crisis did not just begin before the weekend and has been ongoing for a number of weeks, was it not very irresponsible of the Prime Minister to take our Ambassador out of France and have him selected to go into a Cabinet, to run in a by-election that has not been called, in a part of Québec that has not yet been selected, during the period of the most serious crisis in modern history between France and Canada? Was the timing not entirely wrong? That is the question.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I learned over the weekend that the New Democratic Party has a very peculiar view of Canada's defence requirements and how we deal with them, but I did not know that they were also so confused about diplomatic practice. The Hon. Member is talking about a fisheries dispute that has been going on for 18 months, a fisheries dispute that we want to have resolved, a fisheries dispute in which negotiations are being carried forward by a very distinguished negotiator, Mr. Yves Fortier.

It is always the case that, when a diplomat leaves a post that is an important post in its relations with Canada, some files continue to be open. The Hon. Member laughs. He laughs, betraying his ignorance of the way diplomatic practices proceed.

The point I am making is that we cannot expect every Ambassador in the real world to stay in place until every important file which is current between another country and Canada is completed. That would be an absurdity. That would be a diplomatic practice as absurd as it would be to have a defence policy that said: "Well, we're going to pull out of NATO but we might not do it now. We just want you to know that for the first four years we might be there you couldn't trust us with a single secret, you couldn't trust us with a single plan of common action".

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has exceeded his capacity to go to the lowest level of argumentation. I did not think he could do it, but he did it today.

Now would the Minister deal with the issue? Since the Minister, earlier in Question Period, correctly acknowledged that the relationship between our two countries is important and is at a very low level, and since no one in his right mind would ever contend that there are not some files open that continue when Ambassadors are changed, the question is surely still pertinent, and would he answer it? Is it appropriate for a Government to take an Ambassador who is doing a good job out of his job while an ongoing crisis is under way in order to run in a by-election that has not even been called? That is the issue.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let us have a little honesty here.

Mr. Broadbent: Good idea.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I can attribute the NATO policy to naivete and the NDP will have to answer for its naivete on a policy that says: "Sometime we are going to pull out of NATO and say goodbye to Europe, goodbye to our obligations; we are going to hunker down here in Canada". That is simple naivete and they will have to answer for that kind of position.

Let us come back now to the question of honesty and let us look at the sequence of events. There was a discussion about the signing of an arrangement in January of a year ago that might have brought some resolution to the fisheries disputes. It turned out that that did not succeed, has not yet succeeded. Negotiations are continuing. Those negotiations have been continuing in an atmosphere of quite remarkable calm. The next meeting had been established—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): No, no, they were proceeding in an atmosphere of quite remarkable calm. The next meeting had been established for Thursday of this week. During that period of remarkable calm in those relations on this issue, the Government of Canada decided to bring back to Canada our Ambassador, Lucien Bouchard, and to assign him to responsibilities in the Cabinet of Canada.

After that happened, an episode began, generated by 14 or 15 citizens of St. Pierre and Miquelon, occurring after the return to Canada of Mr. Bouchard, an episode, by the way, that has now by and large been resolved by the steady and firm response of the Government of Canada. Those are the honest facts that I believe are understood by the great majority of Canadians.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PARLIAMENTARY DELEGATION FROM MEXICO

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in the gallery of a parliamentary delegation from Mexico led by Senator Humberto Hernandez Haddad.

Some Hon. Members: Hear, hear!

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AIR CANADA

ACQUISITION OF AIRCRAFT—ROLE OF FORMER OFFICIAL

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister and pertains to the Air Canada airbus government transaction. On March 14, 1988, the Member of Parliament for St. John's West, when he was Minister of Transport and Ramsey Withers' boss, said about Mr. Withers' involvement in the Air Canada airbus purchase: "He has had no connection with this matter".

• (1440)

Given that statement, can the Deputy Prime Minister explain to this House the existence of a letter which I have in hand signed by Mr. Withers, dated December 22, 1987, which says:

> —I do not feel at liberty to disclose Air Canada's future plans, but I am able to say that the article upon which your concerns are based was inaccurate in some significant areas.

In other words, why was he answering letters about a topic in which he was not involved?

Mr. Crosbie: What is the letter about, you turkey?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I would just like to repeat what my predecessor said on March 14, 1988 about Mr. Withers . . .

[*English*]

> —he is a man of complete integrity, honour, faithful service, and rectitude.

[*Translation*]

Mr. Speaker, I think that as usual, the Hon. Member for Glengarry—Prescott—Russell did not understand that Mr. Withers was then still Deputy Minister of Transport and that he just answered a letter from someone by telling that person that the Department of Transport did not intend to retain his services. That is all. And if the Hon. Member were honest enough, I think he would have read the whole letter, which simply says:

[*English*]

> —I do not feel at liberty to disclose Air Canada's future plans, but I am able to say that the article upon which your concerns are based was inaccurate in some significant areas.

[*Translation*]

Mr. Speaker, I think once again, and I repeat today what the Hon. Member for St. John's West said then, that there is no connection between any matter related to Air Canada and December 22 and the former Deputy Minister of Transport, Ramsay Withers.

REQUEST FOR ESTABLISHMENT OF PUBLIC INQUIRY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary for the Minster. I read the entire letter in the House barely forty-five minutes ago.

So I would like to ask the Minister, considering the fact that twenty-two days after Mr. Withers announced he was leaving Transport Canada to work for GCI, a lobby firm, and that he answered certain letters to which the other Minister referred, about a matter with which Mr. Withers had no connection, and I am quoting what the Minister said in the House . . .

Does the Minister intend to order a commission of inquiry to shed some light on this matter, and if not, why not?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, there is absolutely no reason for ordering a commission of inquiry since there is no law against Mr. Withers using the words "Air Canada". There is no law against a person who advises a Department and the Government that he is leaving . . .

Again, this was just a letter concerning a consultant, and what Mr. Withers said was:

[*English*]

> Your offer of assistance is appreciated . . . However, it does not appear at this time that there is a need to seek external advisory services in this area.

That is all.

[*Translation*]

Mr. Speaker, I must say once again that the Hon. Member has made a habit of bringing up this kind of issues. I just want to say that once again, he has unfortunately . . .

[*English*]

FORMER OFFICIAL'S LETTER

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of Transport. The letter referred to, signed by Mr. Withers, clearly indicates enough knowledge about the potential purchase by Air Canada to indicate to the person the letter went to that his facts were wrong. How does the Minister square the information in Mr. Withers' letter with the article which suggests very clearly he had full knowledge of what is happening with Air Canada and is therefore in conflict of interest?

Mr. Crosbie: What did the letter say?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I said, and I repeat, there is no relation between what he said and any purchase by Air Canada. I think all we can do is table this letter so everyone can look at it and realize it has nothing to do with any purchase by Air Canada.

Mr. McDermid: What did the article say, Iain?

Mr. Angus: Mr. Speaker, the Minister is welcome to table the letter, as he can do pursuant to the Standing Orders, but the information has been fully transmitted to this House already.

FORMER OFFICIAL'S KNOWLEDGE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I ask the Minister once again, does the phrasing of that letter not make it clear that Mr. Withers had knowledge of the plans of Air Canada regarding fleet replacement? Is it not clear from that letter?

Mr. Crosbie: No, it is not.

Hon. Benoît Bouchard (Minister of Transport): No, Mr. Speaker. Any reference by Mr. Withers relates to what we call the corporate plan, but the corporate plan has nothing to do with any kind of selection of equipment by Air Canada.

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AIRPORTS

PEARSON INTERNATIONAL AIRPORT—WASTE DISPOSAL—PROPOSED USE OF INCINERATOR

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, my question is directed to the Minister of Agriculture. As he knows, Pearson International Airport, with its projected increase in volume, is quickly facing a waste disposal problem. The Department of Agriculture proposed to address this problem with an incinerator system. The residents of Etobicoke appreciate the need, for health reasons, for an efficient system, but are very concerned about the adverse effect an incinerator will have on the air in the surrounding area of Etobicoke and Mississauga.

Will the Minister put a hold on this project until all viable options are examined and the community has had full input?

Hon. John Wise (Minister of Agriculture): Yes, Mr. Speaker. I want to extend my appreciation for the interest that the Hon. Member, and his colleagues in neighbouring ridings, have shown in this issue. I can assure him that the project has been placed on hold and will remain on hold until such time as we are satisfied that all of the environmental studies have been satisfactorily completed. Secondly, it will remain on hold until we are satisfied that adequate citizen consultations have been carried out.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

CLEAN-UP OF ST. LAWRENCE RIVER—REQUEST FOR ASSISTANCE

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, I have a question for the Deputy Prime Minister. Several months ago the Quebec Premier asked the federal Government to share the costs of his St. Lawrence River clean-up program. As a matter of fact, he asked for the kind of assistance Ontario was offered for cleaning up the Great Lakes, $100 million. Mr. Speaker, since the St. Lawrence River is as important to Quebecers as the Great Lakes are to Ontario, when could we expect an answer to Quebec concerning this important matter? Why is the Government dragging its feet on this issue?

[*English*]

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I would like to point out that for many years the Government of Canada and the Government of Quebec have been working together to develop a plan to deal with the very costly measures necessary to clean up the St. Lawrence River. Those discussions have taken on a high level of activity these past two years in particular, between our Minister of the Environment and the Hon. Clifford Lincoln on behalf of Québec.

These discussions deal with very complex issues and they are continuing, but as in the case of other areas where this Government has made unparalleled progress, for example, acid rain, the ozone layer, CFCs, and the general clean-up of water quality in the Great Lakes, we have to take lessons from no one, certainly no preceding Government, on the attention we are devoting to these important questions.

FEDERAL POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, that is not the impression we get in the Province of Quebec. As the Government might know, the St. Lawrence River is the main street of Quebec. It is important for transportation, fishing, recreation, water supply and so on. Recent surveys show that 83 per cent of the population of Québec consider this to be a major concern.

On April 8, 1986, the Minister of the Environment said in Montreal that the St. Lawrence was an open sewer. If that is his conviction why is he waiting so long to respond to the demand of the province? That demand was made in February but we still have not had an answer from the Government.

Mr. McDermid: What did you do for the last 20 years?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I note that on the weekend the Liberal Party finally discovered the importance of environmental and ecological issues.

• (1450)

I understand that the Leader of the Official Opposition said that the Liberal Party will become the Party of the environment and prove that economic development can go hand in hand with environmental protection.

That is what the Government has been doing since it took office to a far greater degree than his Government and its predecessor were ever able to do.

* * *

EXTERNAL AFFAIRS

MIDDLE EAST—ASSASSINATION OF PALESTINIAN OFFICIAL

Mr. Bob Corbett (Fundy—Royal): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Will the Minister advise the House what the Government's response is to the assassination of a top Palestinian official in Tunis over the weekend? Will he also advise what our position is on the repression by Israel of Palestinians in the occupied territories in the wake of that assassination, where hundreds have been injured, a score or more killed, and where once again the free press has been banned in an effort to mask the realities?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this is, of course, a tragic event, both in terms of the loss of personal life and in terms of the continuing nature of the cycle of violence in the Middle East which is not only taking human victims on both sides but is creating an atmosphere, almost a self image, on both sides which will become increasingly dangerous as time goes on.

This underlines the absolute importance of all of us who might have any influence at all, whether on the Government of Israel, on members of the PLO, or of others who might have authority over either side, to use whatever influence we have. We must do that as Governments and we must try to do that as individuals.

I would hope that the large number of Canadians who have begun to join the debate about issues in the Middle East will themselves also use their imagination as extensively as they can to try to find some way in which they might be able to have some small influence upon encouraging some change in the situation which is dangerous, almost lethal, to both sides.

COPYRIGHT ACT

SENATE DELAY IN PASSING AMENDING LEGISLATION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, in the absence of the Minister of Communications my question is directed to the Government House Leader who, I understand, is celebrating his fiftieth birthday. I would like to congratulate him. He is half way there.

Some Hon. Members: Hear, hear!

Mr. Waddell: The Minister will know that this House passed Bill C-60 to amend the copyright law which, for the first time, really protects the rights of Canadian artists. The Minister will know that the Liberal Senators, the Liberal Party of Canada in the Senate, are delaying this and are likely to send it back to the House.

Would the Minister confirm that if the Liberals send this back to the House, due to the Government's full timetable we may not in fact be able to get back to this Bill before Parliament rises for the summer and that, in fact, Canadian artists will suffer as a result of what the Liberal Party is doing?

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I would like to thank my friend for the question. I can assure the House that the Government has every intention of moving to complete discussions, as far as the House is concerned, on the copyright Bill. We believe that the amendments to the Act will benefit the artists of the country. The Government has a great interest in ensuring that that benefit is maintained through the final passage of these amendments.

[*Translation*]

Mr. Waddell: I fail to understand why the Liberal Party of Canada does not want to protect the interests of Canadian artists.

[*English*]

– SECOND PHASE OF LEGISLATION

Mr. Ian Waddell (Vancouver—Kingsway): The New Democrats will be prepared to help in terms of Phase II of the copyright legislation with regard to spontaneous use and so on.

Will the Government be prepared to help matters by bringing in Phase II fairly quickly? If reasonable, that legislation could get through the House so that finally, after 64 years, the artists of Canada would not have to wait any longer for their just share of the products of their work.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, we share our colleague's concern with respect to the delays to which this and other matters such as the emergency refugee legislation and the Immigration Act, are being treated by the Senate. I can assure my hon. friend that, once consideration is completed in the Senate, if there are any changes we will deal with them quickly

and be prepared to move on to the second phase of the copyright legislation.

* * *

FINANCE

FLOW-THROUGH SHARES TAX DEDUCTION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I have a question for the Deputy Prime Minister. As he may know, without exception every resource region across the country would like to see the full retention of the so-called flow-through share tax deduction. This has proven to be a most useful tool for regional development. For example, 34 new mines were established in Canada in the last two years because of this program. In the Province of Manitoba, I am advised, 70 per cent of all mineral exploration dollars are directly related to the flow-through share program.

Will the Government reconsider its plan to phase out the earned depletion allowance, or will the Minister tell the House that it has to go because this is yet one more concession of the Government to the United States in its trade deal with that country?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, if I may be permitted to respond to my my hon. friend, he undoubtedly knows that following the initial statement on flow-through shares by my colleague, the Minister of Finance, there has been some consideration given to the submissions made. He is also aware that the Committee on Finance and Economic Affairs will probably be studying this and, if I am not mistaken, it will be meeting again tomorrow.

The Member also knows that the use of flow-through shares, as is true of other equity financing measures, has fallen off drastically since the recent stock market set-back. All of these things are being evaluated and the Government is giving the matter close consideration.

NORTHERN ALLOWANCES—APPLICATION OF TAX BENEFIT

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my supplementary question is directed to the same Minister. One of the most justified and needed tax breaks for people who live in isolated resource regions is the northern benefit tax package. The trouble with that tax package is that it is being applied in a haphazard, illogical, and arbitrary fashion. For example, in the Province of Manitoba, northern Manitoba is included in general but Thomson and Wabowden are out. That makes no sense at all.

Will the Minister of National Revenue arrange a meeting between himself, the Minister of Finance, the Hon. Member for Laval-des-Rapides, and myself, to hear a serious proposal to improve the application of the northern benefits tax deduction? If this proposal could be accepted it would save the Government a great deal of time and expense in the setting up of the commission which it plans to have some time later this spring.

Hon. Elmer M. MacKay (Minister of National Revenue): That is a very constructive suggestion, Mr. Speaker. I will certainly discuss this with my colleague, the Minister of Finance. My colleague is aware that both my Ministry and the Ministry of Finance have been giving great consideration to this problem. He is aware that we have brought a lot of tax equity to Canadians who previously did not enjoy it. I agree with the Member that there are administrative flaws in this. We welcome his help in assessing ways to make this measure more equitable for everyone.

* * *

SIKH ORGANIZATIONS

MINISTER'S LETTER TO PREMIERS

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Secretary of State for External Affairs who is aware that even one of his own Cabinet colleagues has rejected his advice to boycott meetings organized by certain Sikh organizations.

Is the Minister ready to reconsider the letter he sent Canadian Premiers some months ago, and to recall the advice he gave them so gratuitously?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Hon. Member is, unhappily and uncharacteristically, wrong in the premise of his question. The event attended by my colleague, the Minister of Employment and Immigration, was sponsored by a wide number of organizations representative of Sikhs in Canada. That is precisely the kind of thing that I want to see Members of this House and members of the Government becoming involved in.

I, myself, in Edmonton on Saturday night was present at a celebration of the anniversary of the *Prairie Link* newspaper at which there were present many members of the moderate Sikh community.

If we want Sikh communities in Canada to be governed by the moderates who want to live within the rules of Canada, a large part of our challenge is to be seen to be associated with those moderates. That is what my colleague was doing in Toronto, that is what I was doing in Edmonton, that is what was done under the auspices of the Speaker of the House of Commons here on Parliament Hill last week, and that is what I want to see encouraged.

While I am on my feet, Mr. Speaker, let me break the rules very slightly and welcome to the Chamber of the House of Commons those distinguished students of the school of Tomahawk, Alberta, in the constituency of Yellowhead.

Some Hon. Members: Hear, hear!

• (1500)

POLICY OF DEPARTMENT

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, under the eyes of the students to whom the Minister has referred, I want to ask him, given that we are interested in teaching people the principles of Canadian life, how he plans to deal with teaching that people should not to be judged before they have been found guilty somewhere? How will he avoid guilt by association? How will he teach people what a democratic society is about? What does the Department of External Affairs plan to do to ensure that one slip does not become the general policy applied to other communities in Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the Hon. Member were more acquainted with the evidence that has been gathered with regard to the activities of the Babbar Khalsa, with the activities of the International Sikh Youth Organization, and if he had taken the care to read the constitution of the World Sikh Organization which calls for an independent state of Khalistan, he would then understand the grave concerns we have.

I know him to be an unusually fair minded Member of this House. I know him also to be a person who is very genuinely dedicated to the full participation in Canada of people who bring to this nation the blessing of traditions and cultures from around the world. We all know that that needs to proceed in an atmosphere of tolerance and an atmosphere of order. We have to encourage that.

There is a small minority within the Sikh community in Canada that is running not only against the rules of order of Canada but that is running against the preferences of the great majority of Canadians of Sikh origin. We cannot leave that great majority of Sikhs without support. We need to support them and we need to do it evidently. The Hon. Member needs to do it, I need to do it, and, my colleague needs to do it. That is what both she and I were doing this past weekend.

MINISTERS ATTENDANCE AT SIKH RALLY

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It also concerns the attendance by his Cabinet colleague, the Minister of Employment and Immigration, at a large Sikh Canadian rally organized in part by the very same three organizations of which the Minister urged a political boycott only months ago. The Minister cannot have it both ways.

Given that Conservative Members of Parliament in his caucus have disregarded, ignored, and disagreed with this policy, and that a senior Cabinet Minister attended a meeting organized in part by these three organizations, is the Minister prepared to tell the House that he erred in the language contained in that letter sent to the Premiers and that he is now prepared to do the right and courageous things, withdraw that letter and change his Government's policy?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the meeting in question attended by my colleague, the Minister of Employment and Immigration, was organized by nine temples in Toronto. The Hon. Member's facts are wrong.

This is a sensitive issue. There is a particular obligation upon Members who want to be engaged in this issue to get their facts right and to act honestly. Otherwise, they will subject themselves to the worst of suspicions.

Mr. Marchi: Of the nine groups, three were the same organizations against which he urged political boycott. By that definition, this senior Cabinet Minister has disregarded the External Affairs direction.

GOVERNMENT POLICY

Mr. Sergio Marchi (York West): Mr. Speaker, I want to direct my supplementary question to the Minister of Employment and Immigration. Given that the official government line is still to boycott those three organizations, and that those three organizations helped organize yesterday's rally, will the Minister offer her explanation to the House of why she did attend that rally despite the urgings of the Secretary of State for External Affairs?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this question has been raised four times now.

Mr. Marchi: Not to you, your colleague.

Mr. Clark (Yellowhead): This question has been answered. The Hon. Member knows that some of the facts he has put on the floor of the House of Commons are, at least, in serious dispute.

Mr. Marchi: Which ones?

Mr. Clark (Yellowhead): Those are the politest words I can use to describe it. If he and his Party want to retain any colour of credibility of being interested in the order of this country and interested in the effective participation of Canadians of different cultures in this country, then he should stop playing politics with issues that are so sensitive.

When he asks questions in the House and receives answers to those questions in the House, he should accept those answers and stop playing politics.

Mr. Speaker: Hon. Members will remember that, in view of statements that were made at 2.15 p.m., Question Period was extended. However, this will be the last question. The Hon. Member for Regina West.

Point of Order—Mr. Nickerson

AIR CANADA

SALE OF SHARES—VOTING BY BOARD OF DIRECTORS

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Deputy Prime Minister who, I believe, is in charge of privatization and the selling out of Air Canada. Is it government policy that people who are appointed by the Government to a board of directors, to represent the majority of taxpayers, should vote, according to government instructions in accordance with the wishes of the minority private shareholders?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): I already answered that question in the House the other day. I think the Hon. Member knows that under the provisions of the Canada Business Corporations Act, directors, no matter who appoints them, must perform their duties in the best interests of the company and in the best interests of the shareholders of that company. That is the law of the land.

Mr. Benjamin: Now we have it.

GOVERNMENT POLICY

Mr. Les Benjamin (Regina West): Mr. Speaker, the Government states in the second paragraph on page 8 of the Deputy Prime Minister's statement that the Government will instruct the Chairman of Air Canada's Board of Directors to vote its shares—that is the taxpayers shares—in accordance with the majority of the public shareholders, who are the private shareholders. How can that be in the interest of the taxpayers? How can it be in accordance with government policy should the private shareholders desire to shut down the technological centre in Dorval or the maintenance depot in Winnipeg, when you have already instructed our members of the Board of Directors to vote with the minority?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if the majority shareholder interferes in the decisions that are made and are consistent with the best commercial interest of the company, that would be a direct violation of the Canada Business Corporations Act.

Mr. Speaker: I know that other Members wish to rise, but I regret that time has expired. I will try to recognize them tomorrow.

* * *

POINT OF ORDER

ERRONEOUS INSERTION IN *HANSARD* OF ORDER PAPER QUESTION AND ANSWER

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I have a point of order relating to the answering of Order Paper questions last Friday, April 15. Quoting from *Hansard*, page 14522, the Parliamentary Secretary to the President of the Privy Council (Mr. Hawkes) said:

> Mr. Speaker, the following questions will be answered today: Nos. 203, 271, and 272. I ask that the remaining questions be allowed to stand.

If you then read through the text of *Hansard* you will find that there is an answer also given for Question No. 303, which I had asked of the Minister of National Health and Welfare (Mr. Epp).

I have checked with the Table Officers and they confirm that Question No. 303 was not answered on that day and that the text of the answer appears there by mistake. The Table Officers have also confirmed to me that the purported answer to the question will not appear in the bound edition of *Hansard* and that the question will continue to appear on the Notice Paper until it is answered.

I wanted to raise this because I believe the purported answer is incorrect and I did not want any embarrassment to be caused to the Minister of National Health and Welfare.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, what the Member for Western Arctic (Mr. Nickerson) says is correct. It had been found that the answer that was given and which was to be tabled was in error. That is what created the difficulty. His intervention is correct.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there may be a process problem. I do not think that answer was contained in the information I handed to the page. There may have been notification of another kind that ended up in *Hansard*, rather than the actual document I presented to the House of Commons. Perhaps we could look into that procedural aspect and make sure it does not occur again.

Mr. Speaker: I thank Hon. Members for their intervention. I will also take this matter under advisement and see if we can ensure that it does not happen again, as the Hon. Parliamentary Secretary said.

• (1510)

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Standing Committee on Finance and Economic Affairs, and the amendment of Ms. McLaughlin (page 14479).

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to say something about Bill C-117, an Act to amend the Excise Tax Act and the Excise Act. I particularly appreciate the opportunity to expand on some observations I made just before we rose for lunch. I was commenting on the speech given by the Hon. Member for Algoma (Mr. Foster), a colleague from a northern Ontario riding. The Bill we are dealing with covers a great deal of territory in its way. It represents the legislative amendments required to implement quite a number of federal sales and excise taxes and excise duty changes. These are changes the Minister of Finance (Mr. Wilson) announced at various times, for instance, in his Budget of February 18, 1987, and then again in his Budget of February 10, 1988.

There were some changes proposed in the June 18, 1987, White Paper on tax reform and other changes were made in the December 16, 1987 White Paper on tax reform. The changes proposed at those various times have all been gathered together in this Bill, which brings forward for approval by this House of Commons and by the other place changes in the excise tax, sales tax and excise duty.

I am speaking in support of the amendment of my colleague, the Hon. Member for the Yukon (Ms. McLaughlin), for a six-month hoist. It is a classic opposition proposal to send this Bill away for six months so that the Government can reconsider, the intention being to have the matter dropped. It is appropriate to propose such a motion on this particular Bill because of the regressive nature of sales and excise duty taxation and because of the gross unfairness these tax changes represent for Canadians in some regions of Canada as opposed to Canadians in other regions.

In speaking to the motion to hoist Bill C-117 for six months, I want to examine the particular proposals made and to demonstrate why they are wrong in principle, wrong in their economic effect on the people of Canada and wrong as part of the fiscal policy of the Canadian Government. I note that among the changes in Bill C-117 there is a proposal to increase the sales tax on paint and wallpaper products from 8 per cent to 12 per cent. That strikes me as a substantial increase. Those who like to play with numbers would say immediately that it is a 50 per cent increase in the rate of taxation because it has gone from 8 per cent to 12 per cent. One can think of the building boom going on in various parts of the country and the way in which people are involved in improving their various properties, and one can readily see the burden represented in this 50 per cent increase in the rate of taxation on these products.

The Minister of Finance has been involved time after time since he was first appointed as Minister of Finance in 1984 in loading down Canadian families and homeowners with more and more taxes. I note that Bill C-117 will authorize an increase in the federal sales tax on beer, spirits, wine and tobacco products from 15 per cent to 18 per cent. That is a fairly significant increase. That is a 20 per cent increase in the rate of taxation. This is an area of taxation that Government after Government has looked at as fair game.

Obviously, when we speak about taxes on alcoholic beverages and tobacco we are speaking about sin taxes. No doubt the products involved rarely serve the good health of the persons involved. We know tobacco is very detrimental to good health. But this particular loading on of more taxes in this area means the taxes are paid by everyone who consumes the products no matter what their incomes. Some people may think, in the pursuit of virtue and the construction of a moral society, that we ought to try to tax these products right out of existence. Those, of course, with larger incomes will still be able to enjoy these products without feeling anything like the burden put upon those with low incomes, those who barely manage, and there are those who indulge themselves all too frequently at the expense of their families, their wives and children. In those cases I do not overstate the harsh reality of what the Minister of Finance is doing in laying on another of those sin taxes. He is reducing the well-being of far too many of our citizens who are already in very serious circumstances.

In these two areas, the tax on products used to beautify our homes and the tax on products used by people who want to relax and have a little pleasure in life, the Minister of Finance has added to the burden that low and middle-income Canadians have to bear. There is no distinction in the amount of tax one has to pay because one is taxed on the quantity one buys. There is clearly a limit as to how much can be consumed no matter what one's income might be. It is all too tragically the case, particularly with alcoholic beverages and tobacco, that those who are the least able to afford it, may well end up being the excessive consumers of the product. Again, if the intention is to tax these products out of existence, there might be an argument for it. But if the consequence of that action is to reduce the food and the necessities of life of family members, surely it is to be regretted, at the very least, and provides some of the reason why hoisting this Bill for six months is quite appropriate.

However, it was not in those areas of regressive taxation on which I focused my own comments earlier today, although the Hon. Member for Algoma, in responding to my comments, expanded on the regressive features. It is in terms of regional unfairness that I want to make some additional observations. There are some other changes for which Bill C-117 provides. First, this Bill establishes a 10 per cent tax on telecommunications services such as telephone and telex, although it does not include any charge on local residential telephone lines. In the imposition of a 10 per cent tax on long-distance telephone charges we have a very good example about which I will elaborate. I notice that the Chairman of the House Committee on Finance, who is here, is shaking his head. Presumably he is shaking it at something else, although I expect that he might agree. After all, he is a Member for a Toronto area riding. He knows how his constituents can do business and carry on social activities in all kinds of ways in the Metro Toronto area without ever incurring a long-distance charge.

• (1520)

It would be quite fascinating to know how the long-distance charges of the citizens of Toronto compare with the long-distance charges incurred by people in northern Ontario. Compared with the citizens of Thunder Bay, which is in my own constituency, the difference might not be all that great. However, there are a great many northern Ontarians who live outside the local calling area of a city. In those cases they face very high costs of carrying telephone communications. They have to do this for all types of reasons, whether it is to make an appointment at the doctor or to make a contact on a business matter using the yellow pages, which are such a delightful way of finding out where we can get products rather than burning gasoline. If one wants to do that in the community of Pass Lake, for example, in my constituency, which is only some 30 miles out, those are all long-distance charges. I have constituents there who routinely, although they have modest enough incomes, run up month by month long-distance bills of $100, $150 or $200 and more.

That is an excellent illustration of the situation that faces some Canadians by contrast with those who live in the City of Toronto from which the Minister of Finance himself comes. Persons there can make a diversity of calls. They can ask, inquire about practically any product on earth and do so without ever getting close to a long-distance call. They can enjoy all the marvels that life in Metro Toronto offers in the way of society, culture and so on without facing anything remotely like the type of costs that my constituents face.

That is a nice indication of why constituents of mine began writing and calling when they first spotted this 10 per cent tax. They wanted to know from where it came. They wanted to know who had done this to them. They, living even in the City of Thunder Bay—and I am thinking now of some of my older constituents with children who are grown and gone to work in Toronto, Winnipeg or wherever, far from the City of Thunder Bay, which, too, is all too often another feature of northern Ontario life—are being faced with a 10 per cent tax without any cap on it. That is the same level of taxation that someone would face if one lived anywhere in the City of Toronto. That is surely manifestly unfair.

What I want to spotlight in this matter particularly is that when the on finance committee considered this matter it suggested that there should be a cap on it. It was suggested that there should be a limit to the amount of this telecommunications tax that a person could pay. That was designed to ensure that those who live in circumstances such as my constituents in northern Ontario did not pay a tax that was immediately proportional to the number of long-distance calls they had to make.

The Minister of Finance refused to accept that recommendation. He refused to put a cap on this tax so that a person might have to pay $3 or whatever it happened to be. However, if one has the misfortune of making $100 in long-distance calls then one must pay another $10 in tax. That is that. There is no way of avoiding it.

There is an element of inflation in the country. Surely putting this tax on long-distance calls and on telex services is to place a cost on the transmission of information in our society that is bound to be reflected in the inflation rate. The Minister of Finance, who encourages the Governor of the Bank of Canada to keep the inflation rate stable or even to cut it down to zero, is being shamelessly hypocritical when he lays on a 10 per cent tax on telecommunication services and refuses to put a cap on it. This allows some Canadians to face the type of disproportionate burden that I have been describing.

There are other taxes in this Bill which are equally unfair in their effect on Canadians in one area and another. I notice that the gasoline tax was increased for the fourth time. We have faced this tax time after time. The Minister of Finance sees an opportunity every time he has to do a financial statement or a Budget in the fact that Canadians use cars and trucks. Some Canadians, in particular northern Ontarians, depend on aircraft to get about. There is another case of the unfairness of things. There is one cent more per litre on gasoline, which is four and a half cents a gallon. The taxes pile up each time a cent is placed on a litre. The Minister of Finance is probably grateful, despite whatever some of his Tory colleagues may have thought earlier, that the country went metric. This way he can raise taxes by one cent per litre rather than by one cent per gallon.

I remember as a graduate student living in Toronto 20 years ago. I do not know how typical my life was that year. I expect there are a good many Torontonians who own cars, which I did not that particular year. The really impressive thing, if one spends any time in the City of Toronto, is that thanks to the public transit system it is possible to get around and to enjoy a marvellous life in Metro Toronto without ever having to use an automobile.

Against that my constituents may very well have to drive 20 or 30 miles to work every day. They will be forced to take longer trips if they want to take the family for any type of holiday outing since they will want to cover some distance. In northern Ontario the distances are extreme.

If one is involved in the basic resource industries, the tax rebates have been increased in order to offset this. However, for all of those who are not involved in the basic resource industries here is another addition to the cost of doing business. Here is another inflationary impact on our society.

The high costs are being run up in terms of the purchases of fuel that have to be made and the burden of taxation on my constituents in Thunder Bay—Nipigon and in other parts of northern Ontario by contrast to the happy lot of people in our largest cities with excellent systems of public transit in order to spare people the expense of using gasoline while we have to use so much of it, and this pays all these tax costs. Lord knows whether or not my constituents in northern Ontario are not helping to maintain the subway system in the City of Toronto.

This is the ultimate demonstration of how unfair the system of regressive taxation across the board with percentage increases in one item or another is for Canadians. It is for those reasons that I oppose this Bill so profoundly. It is one thing to have a tax system that is oriented toward the ability to pay. It has been a challenge to be consistent even in that principle in income taxation. We have seen how often the Minister of Finance has rejected calls to him to ensure that our income tax system on individuals and corporations was fairly applied to everyone. That system is rife with exceptions. That system is rife with favouritism. It is favouritism of the wealthy, the powerful and the large corporations.

A splendid example of this came last week when Robert Campeau, after his triumphs in purchasing Federated Department Stores, offered some thoughts on taxation and some musings on social philosophy. What were his thoughts? He was opposed to various features of the Canadian social system. He was not honest enough himself to remind people that he had been a glorious recipient, as was his company, Campeau Corporation, of one aspect of the Canadian social system, that is, favouritism for the powerful and the wealthy in being able to avoid paying income tax for years through the 1980s. He did not talk about that, suggesting that others are free-loaders when he himself is a splendid example of corporate free-loading in Canada. He then ran off to the U.S. to swashbuckle about down there.

• (1530)

If we had a system that was fair to the ability to pay, there would be the revenues to allow us to do away with all of these excise taxes, sales taxes, and excise duties which are loaded on to people without regard to how much they have in the way of resources, and without regard to how much their incomes may be. They are simply loaded on them, grinding the poor into the dirt while the rich get away scot-free.

There is more than enough reason to reject this Bill. There is every reason to give it the six months hoist and tell the Government to go back to the drawing board, start from scratch, do the job right and in the fair way that Canadian taxpayers have been wanting for years and years.

Mr. Blenkarn: We heard the Member for Thunder Bay—Atikokan (Mr. Angus) rant and rave about tax changes without recognizing the fact that every one of these tax changes have been debated before. The ones with respect to telecommunications, cable, and television are all part of the White Paper on taxation and were debated in full with public hearings; 178 witnesses appeared before the committee that travelled the length of the country and made comments on those taxes. These taxes were not objected to in the minutes of that committee.

I would have thought with that degree of unanimity across the House dealing with these particular measures that this Member and that Party would have said: "Well, we have heard this before. There has been a good inquiry into it, and let us accept them".

I want to ask the Hon. Member if he bothered looking at the finance committee report on the White Paper. Did he bother looking at the evidence with respect to the telecommunications tax? Does the Hon. Member realize that, as far as long distance charges are concerned, the result of the CRTC order is to reduce the price on long distance charges by 30 per cent? The effect of the taxation at a 10 per cent level is that the reduction, instead of being 30 per cent, is only 20 per cent, as far as households are concerned. Did the Hon. Member look at these matters? Does he realize that with tax reform there is a massive and significant reduction in taxes that individuals pay? The result is that the burden has to be paid somewhere, and that burden has been placed on business as that tax affects business almost entirely and totally. It is a transfer from individual taxation to business taxation.

Mr. Epp (Thunder Bay—Nipigon): In his last words the Hon. Member and chairman of the finance committee of the House indicates something of the ignorance of northern Ontario and generally the remote northern riding situation that I have been suggesting is at the heart of the problem. The Hon. Member may think that long distance is chiefly a business charge. That is not the case in northern Ontario. It is not the case for elderly constituents who live in the City of Thunder Bay who cannot keep in touch with their children across the country without making long distance calls and running up significant charges.

The question is not what I have read. The question is what the chairman of the committee is conscious of and what he remembers. My notes indicate that the committee considered this matter of telecommunications charges and that it actually recommended that there be a cap on them, in some limited recognition of what I am arguing that people in remote ridings face very high costs, and that it is simply unfair to them. Perhaps the Hon. Member's constituents can get away with making a couple of long distance calls a year, so he thinks that it is entirely a business matter. Those in remote ridings for whom long distance calls are a very important reality should find their obligation to pay a tax severely limited. That is the type of thing that I would expect him to be saying. I would like him to recognize that the Minister of Finance refused to accept that advice.

If my notes are wrong and the committee did not recommend that then I have been badly briefed, as sometimes happens.

Mr. Blenkarn: The Hon. Member does not appreciate the fact that his constituents, via a CRTC order, are receiving a 30 per cent reduction in telecommunications tax for long distance purposes. The effect of this tax imposed on his constituents is that instead of getting a 30 per cent reduction, they are only getting a 20 per cent reduction. Does the Hon. Member not realize that the burden is coming down? I was wondering if he

wanted to tie those things together, because that has to happen.

As far as the far northern branches are concerned, I suspect that there are not any of the conditions in his constituency, although I may be wrong, that would have been affected by that particular recommendation the Hon. Member is talking about.

Mr. Epp (Thunder Bay—Nipigon): I apologize to the Hon. Member for not noting his CRTC reference as well. It is not necessarily to the Government's credit. It has been an ongoing process for the CRTC to consider how telephone costs should be borne, given the way in which the technology reduces the expenses of those transmissions. Here is a reduction, and this is how real progress occurs, when it is possible to reduce the cost of things significantly. The Minister of Finance, of course, sees the opportunity for a revenue grab to get part of that, so that Canadians do not get the full benefit of the progress, if it really is progress.

The other possibility in this rate rebalancing is to load down the residential telephone user, the person who rents the telephone, pays for the service on a monthly rate, with a significant increase in charges. There has been much concern to ensure that that does not happen in any excessive manner.

As far as reductions are concerned, we have seen the CRTC in an ongoing battle, in particular with Bell Canada, which does not want to carry through the reductions. It is going to other courts to try to turn a ruling back, and it will do its best to keep what it can. Certainly, there has been a saving there. Like all Canadians, I appreciate progress that produces economic gains for us.

If the Member is correct that the provision that I was alluding to, the $3 cap, would have done nothing for northern Ontario, that only underscores my indignation that the resident of Toronto may well be able to avoid paying any of this tax while leading a rich and well-rounded life, while some of my limited income constituents, many of them seniors living on pensions or in the situation of many senior women or widows who are living on the edge of poverty find themselves faced with a 10 per cent tax on the long distance charges they make to keep in touch with their children. That is why I am angry. I suspect that is an emotion that the chairman of the Commons finance committee probably would share, if he really thought about it and brought his mind into the situation of my constituents in Thunder Bay—Nipigon.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. The Hon. Member for York West (Mr. Marchi) on debate.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to participate in this debate on Bill C-17 on behalf of my Party and caucus. The purpose of this Bill is to implement the many sales and excise tax increases announced by the Conservative administration in the Budget of February 18, 1987, and June 18, 1987 and December 16, 1987 with respect to tax reform proposals, and recently the February 10, 1988 Budget.

One of the pertinent aspects within these fiscal plans and arrangements that irks Canadians and angers Members on this side of the House is essentially the commitments and promises made by the current Minister of Finance (Mr. Wilson) and the Prime Minister (Mr. Mulroney) back in 1984.

• (1540)

They promised Canadians very clearly that the Tory administration had no desire to raise the taxes of Canadians. Yet following the September 1984 election, we in this House and Canadians across the country not only saw but experienced unprecedented tax increases.

I think it is worth recalling that the Minister of Finance (Mr. Wilson) and the Prime Minister promised not to raise taxes. On March 6, 1984, the Minister of Finance, as reported in *Hansard*, said:

> We will reduce spending. We will refrain from increasing taxes, which are already too high.

Not to be outdone by that promise, the Prime Minister, according to *Le Devoir* for November 29, 1984, said:

> Canadians pay a good deal of money for government services and feel that they are already paying quite enough.

Yet, despite those statements, we in this House have had to sit in our places, despite our urgings and complaints about what we hear from average Canadians when we meet with them in our constituency offices, when we visit them in their places of work or in their homes, and we have had to endure and witness a litany of tax increases which makes all the promises simply a sham. But it is more than that. These so-called promises have instituted a certain kind of cynicism among Canadians about their elected representatives and political institutions.

Right after those statements were uttered in 1984, we had a sales tax increase from 9 per cent to 10 per cent. In January, 1986 the sales tax went from 10 per cent to 11 per cent. In April, 1986 there was another increase from 11 per cent to 12 per cent. Those three increases have had an impact of raising tax revenues to the tune of $3 billion, taken from the pockets of Canadians. The Government between the years of 1985 and 1987 extended the sales tax on candy, soft drinks, fast food and snacks. In January 1988 there was a sales tax increase from 8 per cent to 12 per cent on paper, wallpaper and toys. In September, 1986 there was a gasoline tax increase of two cents a litre, and an additional one cent increase was imposed in January, 1987, with a further one cent increase on February 19, 1987. There were other increased taxes on alcohol and tobacco. The first one came in January, 1985. Since then there have been three increases.

Canadians accept their duties as citizens of this country. We enjoy a certain kind of lifestyle, we receive services and programs from our government and accept as part of this

contract with Canada the imposition of taxes so that we and our children and their children's children can live in a country as blessed as Canada is. Canadians are prepared to share the burden of taxes to maintain the social, economic, cultural and political stability that we enjoy as a nation. What is upsetting to Canadians is that they realistically perceive and realistically believe that some of us are being asked to share a disproportionate share of the national burden. They are correct.

When we look at the litany of tax increases we have had, we have to ask ourselves what is the cumulative impact on the average Canadian household. When you do that, you find there is an unfairness in the system. If you take the four federal budgets presented to this House by the Conservative Government, you will find that a Canadian earning $15,000 to $20,000 a year will by 1990 have to pay nearly a 36 per cent increase in taxes from the tax level of 1984. An individual earning between $35,000 and $45,000 will have to face an increase in his or her taxes of approximately 12 per cent. But those Canadians in the $100,000 bracket will have an increase of only 4 per cent. If you are fortunate enough to be in the circle of Canadians who earn $200,000 and up, your increase is only 2 per cent. That is the spectrum, Mr. Speaker.

On the one hand, a $15,000 wage earner has a 36 per cent tax increase while on the other hand a $200,000 wage earner has only a 2 per cent tax increase. You can say what you want and cut it in however technical financial language that you can, but at the end of the day Canadians are seeing that proportionate tax sharing as being fundamentally and irresponsibly unfair. It is having an impact.

We are seeing the squeeze play. Those who are working class Canadians and those who are middle-class Canadians or who think of themselves in those two categories are being squeezed. If you talk to Canadians in those economic brackets, you will hear that they are finding it more difficult with each passing day to maintain their current standard and status. If you talk to Canadians who see themselves as middle-class Canadians, they will tell you that they are finding it hard to stay in the middle class section.

Because of the cumulative effect of these fiscal policies by the Conservative Government people are seeing a stratification of class like never before. For the first time in many years, perhaps for the very first time, Canadians see themselves through various polling studies being more in a class stratification while the British see themselves in very well delineated classes by class designations. That is dangerous. One of the things about which we have pride is an underplaying of class stratification seen in other societies.

The taxes and budgets that we have had do not help. These taxes and budgets do not provide the bridge or shorten that gulf, that growing disparity, both in reality and in feeling which is dividing those who are falling more and more every day between the haves and the have-nots.

There is a struggle in certain communities and families at the end of the month. Canadians who face increased property taxes on their homes, coupled with increased federal income taxes, excise and sales taxes are having a tough time making ends meet. This struggle is all the more acute if you happen to be a senior and you want to hold onto the home that took a lifetime of work and sacrifice to build and own. If you are a single mother trying to keep the household together, these numbers make your life very difficult.

• (1550)

Individuals who are collecting workers' compensation because of injuries incurred on construction jobs face property taxes and increased sales taxes. We will meet those construction workers at some point in time in our constituency offices. They will be looking for help, looking for answers, looking for direction.

For a family with two parents, both of whom are working in middle-class jobs, with kids to clothe and send to school, the end of the month is not a day that is looked forward to. We in this House of Commons have to look beyond the numbers. We have to know that behind these numbers are real, living Canadians who have real, living struggles.

We in this House have recognized the need to try to pull Canada ahead, to leave it one step forward from where it was when we found it. We must recognize as well that as Canada goes forward, we cannot allow some Canadians to be left lagging behind. While we will not have a perfect system, we cannot have those who earn $200,000 per year paying an increase in taxes of 2 per cent while those who earn $15,000 per year are paying an increase in taxes of 36 per cent. That gulf must be minimized. We must bridge that difference so that Canadians in the lower income brackets can have the perception that though it will be difficult, they know that their next door neighbours are also pulling their weight and other Canadians in similar circumstances are paying for the future of their country.

What breeds contempt, anger and cynicism is having such a perverse difference in the rates based on the incomes brought in at the end of the year. That is why we complain. That is why we are not timid about standing in our places and talking about these issues. They need to be talked about.

The chairman of the finance committee has done a good job on the finance committee and he has been recognized for that. However, he asks why the Opposition is continuing to talk about this matter if it has already been analysed in committee and in the Budget. We are talking about it because there have been no changes. These voices of anger across the country have fallen on deaf ears. Canadians continue to have their struggles. That is why we are still talking about it. That is why we are still prepared to debate it. We are talking about two different visions of Canada, and Canadians ought to have the opportunity to witness these debates on their television sets and to agree with whatever vision they believe to be correct.

We will continue to argue for a tax system in which Canadians must participate that comes a step closer to being

equitable and fair and to breeding the confidence that all Canadians are giving a bit and sacrificing a bit for the building of a great country. Everyone must shoulder the burden, pull up his or her shirt sleeves and put the shovel to the ground.

We do not want to go the way of Great Britain where there are great stratifications in classes, and everyone knows them. If we do not want to go in that direction, then we had better do something about it by changing these numbers. That is why we are standing up today and why we will continue to stand up.

Mr. Blenkarn: Mr. Speaker, this Bill involves certain sales tax and excise tax items that have largely been debated before and are part of the over-all thrust of paying the bills of the country. These are not brand new propositions that have not been broached before or have not been subject to debate.

I wonder why we hear this haranguing about the problems of taxation. I appreciate that the taxes in Canada are too high, but so is the debt of Canada too high. That Hon. Member was responsible, as a member of the Liberal Party, for putting us where we are.

If we get into the glue, we have to do something about it. I wonder if the Hon. Member has any suggestions for what public expenditures he thinks ought to be cut, what pensions, for example, ought to be cut, in order that we would not have to levy the taxes set out in Bill C-117.

Mr. Marchi: Mr. Speaker, the Hon. Member for Mississauga South (Mr. Blenkarn) has asked me why we are haranguing the Government about what he calls old taxes. As I mentioned in my remarks only a few moments ago, we are debating these policies because we believe them to be wrong. We believe them to be fundamentally unfair. We find that they impose a greater degree of burden on many Canadians and their families who can least afford to pay.

The Hon. Member asks what I would suggest instead. I suggested that we cannot afford to have $200,000-per-year wage earners facing 2 per cent increases while $15,000-per-year wage earners are facing 36 per cent increases. My suggestion would be to minimize that difference. We would find that we would still bring in the capital required to fund our services and programs. Not only that, we would regain the confidence of many Canadians who will again believe in the fairness of the system.

We as a country have existed for a long, long time. We have not had to place such a high proportion of the taxes on the poor and middle-income earners. It is only in the last four years that we have seen a tax imposition that has been unprecedented. Unless the Government is prepared to make it fairer, I suggest that it remove itself from governing the country and allow the people who can do it properly and with some compassion as well to do it.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Scarborough West (Mr. Stackhouse)—Labour Relations—Federal minimum wage; the Hon. Member for Cochrane—Superior (Mr. Penner)—Finance—Northern tax allowances—Geographical delimitation of affected community/Request that regulations be amended; the Hon. Member for Bow River (Mr. Taylor)—National Defence—Acquisition of new trucks.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Standing Committee on Finance and Economic Affairs, and on the amendment of Ms. McLaughlin (p. 14479).

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in the context of tax reform, something that is dear to our Party's heart, I believe that this is the most significant piece of legislation we have been able to introduce in the House. Bill C-117 puts into place many of the elements of the White Paper on tax reform which we presented to the Canadian people well over nine months ago, and in fact last June, I believe.

The measures which came out of that consultation process were discussed and presented to the House in the Budgets of February 18, 1987, and February 10, 1988. They are also in this piece of legislation, and I think it is particularly discouraging that, so quickly, a six-month hoist amendment was moved.

Many farmers in western Canada, for instance, are in difficult circumstances. The collapse of farm prices on a worldwide basis created severe economic hardships, and the Minister of Finance (Mr. Wilson) needs to have the legislative capacity to produce for the Canadian people and for the farmers of Canada the rebate on excise taxes which will help their cash flow situations.

Last week was a disturbing week. I think there was some consternation in the House this morning as well related to legislation and the Government's responsibility to manage the

business of the House. I think it is important that this Bill get to committee as quickly as possible. Therefore, I move, seconded by the Hon. Member for Edmonton—Strathcona (Mr. Kilgour):

> That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of Bill C-117, an Act to amend the Excise Tax Act and the Excise Act.

• (1600)

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): According to the provisions of Standing Order 9(4)(b), if 15 Members rise in their places to object the motion is defeated. Shall the motion carry?

And fewer than 15 Members having risen:

The Acting Speaker (Mr. Paproski): There not being 15 Members rising in objection to the motion, according to the provisions of Standing Order 9(4)(b), the motion is deemed to be carried.

Motion (Mr. Hawkes) agreed to.

The Acting Speaker (Mr. Paproski): Debate.

Mr. Les Benjamin (Regina West): Mr. Speaker, on several occasions in the last week or two the Government has made appeals for the co-operation of members of the opposition Parties. Something occurred this morning and just now which means the Government is insincere and does not want that co-operation. It could not care less about Parliament and its traditions. Because the Government has to find something for its great number of Members to do, we have lots of legislative, standing and special committees, some of which are meeting this afternoon. Members of the opposition, in our temporarily depleted ranks, are part of those committees. The Government knows it is highly unlikely, indeed physically impossible, if members of the Opposition are to carry out their duties, for us to keep 15 Members in the House at all times. After its demands, requests, wooing and handing out of sugar in an attempt to gain the co-operation of the opposition Parties, the Government then does a dumb thing like extending the hours.

I want to inform my hon. friends opposite that I am something of an expert on extended hours. In balmier days we kept the Government sitting until six o'clock and eight o'clock in the morning. We even sent out for Kentucky Fried. If we have to do that again, so be it. If we have to do it on every other damn Bill it wants through between now and the end of June and again this fall, or as I strongly suspect when it calls us back this summer if the Speaker agrees, then do not say we did not warn you. Even if we are in a situation of 10 Tories and one NDP, it will be an even fight.

I do not understand why the Government cannot use, as Conservatives are wont to say, sound business practices, but more particularly why it cannot arrange to implement that Party and Prime Minister's commitment on the issue of federal sales and excise taxes. The Conservative Party when it was in opposition, and the NDP as well in those years, were on all fours kicking the bejabers out of those awful Liberals over federal sales and excise taxes.

Mr. Rodriguez: Point of order, Mr. Speaker. I think the Hon. Member for Regina West (Mr. Benjamin) deserves an audience and I do not see a quorum here.

The Acting Speaker (Mr. Paproski): I regret but there is a quorum.

Mr. Benjamin: They are not in their seats. They are still scrambling around.

An Hon. Member, to be considered part of the quorum, has to be in his seat and these birds are hovering around by the curtains. The Minister of Consumer and Corporate Affairs (Mr. Andre) is way down that end of the Chamber and his seat is here. With all respect, Mr. Speaker—

The Acting Speaker (Mr. Paproski): With all respect to the Hon. Member who has been around here for 20 years, I am in the chair and I will count the quorum. There are 21 Members in the House. The Hon. Member has the floor, he can carry on with the debate.

Mr. Benjamin: Mr. Speaker, I bow to your prescience and superior knowledge of the subject. My understanding is that Members must be present and in their seats in the House for any kind of a count. I hope, Sir, that you will take that under advisement for a future occasion. When you watch the spectacle of these guys acting like a flock of wild partridges running out of the bushes—

The Acting Speaker (Mr. Paproski): I have a lot of admiration for the Hon. Member and I would just like him to know that even when we start off the session in the morning Members do not necessarily have to be in their seats in order for us to have a quorum. I know how intelligent the Hon. Member is as far as the rules of this House are concerned, but I must say to him that it is not necessary for any Hon. Member to be in his seat as long as he is in the Chamber to a count of 21 Members.

I do not wish to get into an argument with my friend who I have known for many, many years. The Chair would just like to hear his speech, please.

Mr. Benjamin: Thank you, Mr. Speaker. I hope there are more than you who would like to hear my speech. You see, there they go again out the door. If they do not have duties somewhere else then they should be sitting in their place in the

House earning their keep. I hope I can find enough of them who have earned their keep.

• (1610)

Let us get back to the issue of federal sales and excise taxes. I was saying, before I was interrupted by my colleague, the Member for Nickel Belt (Mr. Rodriguez), who has done properly, that if the Government was living up to what it said, promised, and the way it acted in this Chamber in the years when the Grits were in power, we would not have this Bill in front of us now.

Now you and I, Mr. Speaker, had to suffer through listening to the Conservatives making the same speeches that the Liberals made about sales and excise taxes when the Liberals were in power. Now we have to suffer through listening to Liberals making the same speeches that Conservatives made in the terrible Liberal days about sales and excise taxes, which proves again that there is no difference between them except that one is in and one is out. They have the same basic economic philosophy. They may differ on a minor detail about how they are going to do it and who they are going to do it to, but there is no basic difference.

I can remember Conservative Members getting up in support of speeches by NDP Members and NDP Members getting up in support of Conservative speakers about the terrible situation concerning deferred corporation taxes. There is over $32 billion on the books of Canada, an interest-free loan which corporations will never pay which has been accumulating since the mid-1950s. If they were charged just the bank rate, which is the best interest rate that preferred borrowers can get, which last Thursday was 8.8 per cent, that would bring in $2.7 billion in interest on deferred corporation taxes.

By the way, if we were to start charging that you would be surprised at how fast they would start paying back their deferred corporation taxes. By doing that the Government could cut its required revenues from sales and excise taxes by over 50 per cent.

If we were to lower the interest rate by 1 per cent or, at worst, set it at no higher than the U.S. rate, the business community would be able to borrow more and would put more people to work. Those people would purchase a lot of things and the Government's revenues in income tax and a low sales tax would increase accordingly. It would have as much, or more, money as it says it needs in the current fiscal year. If we were to impose a modest minimum tax of 10 or 15 per cent on all corporations which show a profit, the 60,000 corporations which earned a profit last year and will pay nothing this year would pay a minimum tax. Tories have been known to put a minimum tax on the individual taxpayer. Why can the same rule not apply to corporations? Why the double standard?

Corporate profits to the end of October, 1987, were up by 26 per cent. Their tax bill went up by 15 per cent.

Mr. Blackburn (Brant): Mr. Speaker, I rise on a point of order. Again I do not see a quorum in the House. We seem to be having a lot of trouble this afternoon keeping the government Members in the House and they are the ones who want extended hours.

The Acting Speaker (Mr. Paproski): I regret, I do see a quorum.

Mr. Benjamin: They might as well stay in their seats because we will flush them out of the woodwork and out of the lobby opposite every five minutes as and when necessary.

Mr. Andre: I thought you were a nicer guy than that, Blackburn.

Mr. Fennell: You have to listen to him but we don't.

Mr. Benjamin: Do I have the floor?

The Acting Speaker (Mr. Paproski): What is happening here? This is only Monday.

Mr. Blackburn (Brant): Wait until we get to Wednesday.

The Acting Speaker (Mr. Paproski): It is not a full moon. I do not really know what is happening here today. The hon. gentleman for Regina West has an extra five minutes.

Mr. Benjamin: Thank you, Mr. Speaker, I am going to need it. We are going to keep flushing these birds out of the bushes very frequently. The Member for Calgary West (Mr. Hawkes) has made it plain that they do not want our co-operation, so be prepared.

I was saying that corporate profits to the end of October, 1987, were up by 26 per cent and their taxes in total went up by 15 per cent. Therefore, they had 11 per cent to their benefit. That would be all right, but why did the same thing not happen for the individual taxpayer? Personal incomes stayed about the same. Most of them did not quite keep up with inflation, but let us say that they stayed about the same. Personal taxes went up by 16 per cent. The corporations get to take home an extra 11 per cent of increased profits after taxes but the individual taxpayer, the average family with two children earning about $30,000 a year, pays more.

The best economic brains on all sides of the political spectrum have said that a sales and excise tax is a regressive tax, that those on the lowest end of the income scale have to pay proportionately more than those on high incomes. I have always believed that that is what is so unfair about exemptions. If you raise the exemption of the person in the 50 per cent tax bracket by $1,000 he saves $500, but the person in the 16 per cent tax bracket, because of his low income, saves $160. That is unfair.

I want to remind the House that in the great debate of 1984 the present Prime Minister (Mr. Mulroney) said twice in response to my Leader, the Hon. Member for Oshawa (Mr. Broadbent), who raised the whole matter of tax fairness in the

tax system: "You're right, Ed". Since we are right and the Prime Minister has said on national television that we are right about a fair tax system, why in the name of heaven are we dealing with a Bill such as this? It flies in the face of tax fairness. It flies in the face of equity. It flies in the face of teaching people decency. It shows an unmitigated bias for those who have and a terrible insensitivity for those who have not.

• (1620)

Surely the Government could go back to the drawing board on legislation such as this, or could ask for a new royal prerogative and make substantial amendments to this legislation so that it will be a beginning to a fair tax system. Canadians believe they are being unfairly treated because they see it happening to them every day. They will notice this particularly between now and the end of April while they are filling out their income tax returns.

I had the honour to visit Sudbury on Saturday. There will be an excellent New Democratic Party Member of Parliament from Sudbury, a United Church minister. I know that we will want to welcome Bill Majors as a new Member of Parliament here before too long. Another clergyman will not do any of us any harm.

In Sudbury last Saturday I spoke with small business people, professionals and steelworkers who are in the process of filling out their income tax returns. They know from filing their returns and knowing what others who are much richer than they are paying that they are being unfairly treated. Even the Prime Minister said that.

It is time the Government withdrew this Bill or rewrote it. If it introduces a fair system of taxation it will have the support of my Party. It can take all the credit it wants. The people of Canada deserve a fair tax system because it is long past due.

Mr. Speaker, there were many occasions when you and I demanded fairness for people in our constituencies and throughout the country but did not receive it from the Liberals. Now, we are not receiving fairness from the Conservatives.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I wish nevertheless to deal briefly with this Bill which will impose a great many sales and excise tax increases which, contrary to what some people may think, have already been announced and for which we are already paying. I do not know what would have happened if the Government had been defeated or had called an election, for it would be collecting taxes which would not have been noted by the House.

But, for the information of our listeners these taxes are the result of the February 1987 Budget, Mr. Speaker, I insist on this, as well as from the tax reform of June 18, 1987—I emphasize 1987—of December 16, 1987, and the February 10, 1988 Budget.

Of course, I could not forget this date of February 10, because it was on that date, 24 years ago, that I came here for the first time as the elected member for the Montreal—Saint-Denis riding, a riding which has undergone a great many changes, but which I would represent should the Prime Minister (Mr. Mulroney) decide to call an election after July the 13th—I repeat, July the 13th. If he calls an election before, I hope to be a candidate for the present riding of Montreal—Saint-Denis.

Mr. Speaker, I should like to point out that all these taxes to please the Government Whip, Mr. Fennell, who is giving me his undivided attention and whom I prefer to call by his name—in order to cooperate, I shall not read the whole list of these taxes. But the Canadian people are paying them even if they have not yet been voted by the House of Commons. These are hidden taxes, so people are not too sure who imposed them, but these are major taxes, Mr. Speaker. A 12 per cent tax on snack foods and they said: Children are being taxed, but they forgot to tax rich people! In 1987-88 it will produce $60 million in revenues and, according to the 1988-89 estimates, that will rise to $80 million. A 4 per cent increase in the cigarette and tobacco tax. I take this opportunity to say that I have not smoked since this morning and I find it very difficult . . .

Some Hon. Members: Hear, hear.

Mr. Prud'homme: I know, it is a very bad habit, and I say that to the people who are listening to me. Smoking is a very bad habit and I hope to speak long enough not to smoke this afternoon. At least I will try not to smoke until tonight.

This tax was imposed on February 19, 1987 and brought in $70 million last year and it will again bring in $70 million this year. A $4 increase in the tax on every airline ticket was imposed on May 1 and August 1, 1987. The higher gasoline tax which became effective on April 1, 1987 yielded $30 million this year.

There was also another major increase which is not always immediately obvious and which came on stream as a result of the tax reform of June and December 1987, a 10 per cent tax on long distance telephone calls, along with another one of 8 to 10 per cent on cable TV. Both together will bring in $870 million in 1988-89, and estimates range from $945 million in 1989-90 to $1 billion in 1990-91.

There are other tax increases—my colleague mentioned them— on paint and wallpaper, and the sales and excise taxes must be remitted more often, another $1.6 billion. As people used to say in my neighbourhood, that is not chicken feed! A total of $1.6 billion. A record 15 to 18 per cent tax increase on alcohol and tobacco. I insist that smoking is a bad, a very bad habit. I am addicted to it, I shake it, I am hooked again. I have not indulged since this morning, and it is now 4.30 p.m., but anyway that tax will bring $175 million this year, Mr. Speaker, $175 million next year, and another $175 million the year after.

We now come to the February 1988 Budget. Another 1c. per litre increase on the excise tax on gas. That adds up to 4.5c. a gallon. On April 1st, 1988, it went unnoticed, but it was not an April fool's hoax—$225 million were suddenly imposed that day on unsuspecting taxpayers. That hidden tax will bring $300 million next year, Mr. Speaker, and another $300 million the year after.

That coming from a Government that suggested we were paying too much in taxes. I am realistic enough to realize that any expenditure must be taxed. But they should stop stating they will not impose new taxes during election times, because three and a half years later, we now find this is the Government that taxed the most after saying it would not tax that much, and that was a public commitment, a commitment that was taken at face value by the people who voted to change the Government and who found themselves in a situation that is much worse than before.

• (1630)

[*English*]

We have an old expression which comes from my grandfather: "Tory times are hard times".

[*Translation*]

I feel this is increasingly accurate. The Minister of Finance suggested he would cut spending he would not raise taxes which, according to what he said, and I was here in this House, Mr. Speaker, I was in Parliament when the Minister of Finance on March 6, 1984, not any Minister of Finance but the current one, one of the two Ministers from Toronto . . . At least in Toronto they are lucky, they have two. In Montreal I wonder if we have one or half of one. The two largest Canadian cities are underrepresented in Cabinet, even though everything may not have been perfect before. But when we look at the then impressive delegation from Montreal in Cabinet, we knew that the interests of Montreal were protected. Presumably this Government decided to erase Toronto and Montreal from the election map. This seems clear to me.

But again it is the same Minister of Finance who on March 6, 1984, stated they would not raise taxes because tax levels in Canada were already too high. And as usual I cannot but call him my excellent friend—what else could I call him?

[*English*]

The Prime Minister (Mr. Mulroney) was quoted in *le Devoir* in November of 1984, after the election, as saying: "It's been done before me. I am going to do it too".

[*Translation*]

"Canadians pay a whole lot of money for Government services. They feel they are paying enough". Well, what happened since November 29—that is the day before my birthday, this is why I recall perfectly those dates—there has been—it is unbelievable, I see my colleague who is smiling, and I am also smiling because the poor Prime Minister is always caught up in his rhetoric. How do we reconcile today's actions with yesterday's promises? That is what's happening.

And now, Mr. Speaker, I would like to take a quick look at the revenue. I don't want to keep on talking just to play a trick on the Chair. If other speakers come forward, we might still be here tonight. In any case, let's look at the revenue.

In 1984-85, individual income taxes amounted to $29 billion; in 1988-89, to $45.4 billion. That was from people who paid enough income tax, according to *Le Devoir* of November 29, 1984. It was from people who paid too much income tax, the Hon. Minister of Finance (Mr. Wilson) said on March 6, 1984. I repeat: individual income taxes amounted to $29.3 billion in 1984-85 and $45.4 billion in 1988-89. Corporations were a lot better off: they paid only $9.4 billion in 1984-85 and $12 billion in 1988-89. In 1984-1985, excise and sales taxes went from $13.7 to $24.3 billion. Other taxes worth $18 billion increased to $21 billion in 1984-85 for a grand total, in that same year, of $70.9 billion if my researchers' figures are correct and I believe they are. That became $103.3 billion in 1988-89.

And that from a Government who said, on March 6, 1984, that they would not increase taxes that Mr. Wilson found too high already. The Right Hon. Prime Minister (M. Mulroney) also said in *Le Devoir* on November 29, after the election, that taxpayers were paying through the nose for Government services and felt like they were paying too much. Well, Mr. Speaker, they have paid a lot more since then.

Once more, I must point out that this Government broke its promises and collected hundreds of millions, even billions of dollars more in taxes. And there lies the danger, Mr. Speaker, as I try to convince my own party to quantify its promises. We are currently developing our electoral platform. People are becoming cynical about politics. They do not often believe politicians because they listen to electoral campaign speeches. Candidates promise this and that and, two or three years later, they take the opposite course of action.

[*English*]

I am not surprised that people are becoming more and more cynical because they believed passionately during the election campaign that here was a Party which would be the kind of Party they wanted, and so it was elected. But it was promises, promises, promises. Then they turn around and they see that all the promises were broken. I am not at all surprised that people become very cynical when they talk about politics.

• (1640)

I am suggesting to my own Party that we put a price on every promise that we are going to make in the next election. We are at the moment writing our electoral platform. It is not an easy task.

[*Translation*]

It is not an easy thing because we well know that to win votes, we have to make promises left and right, promises in the

Atlantic, the Far North, Montreal, Toronto, the West. But we must still have a sense of responsibility. So Mr. Speaker, I hope that the party I represent will have a sense of responsibility the next time and will quantify the expenditures that we will have to impose on the people as a result of our promises or our election platform and that we will stop lying to the people by making completely unacceptable promises because we know in advance, when we make them, that we cannot pay for them. So we will have to tax. And that has happened to the tune of billions and billions of dollars. That is why we took the time required. That is why I wanted to stand in my place this Monday afternoon, April 18, and tell you, Mr. Speaker, that the more I read these promises, this pile of promises, the more I see the increasing numbers of people telling me that almost all this government's promises have been broken. I just wanted to point out some of them. And by speaking out, I hope to help political parties a little to act more wisely in the coming elections that may be held next year.

[*English*]

I see that you are ready to jump with the motion, Mr. Speaker. I wonder if I should not keep talking.

Mr. Angus: No.

Mr. Prud'homme: There is only one person who can tell me to sit down here. It is Your Honour and certainly not the third Party which will be the fourth Party after the next election.

Having said all that, I will still show some co-operation and allow members of that Party to hearken to what I have just said. One thing is for sure, and at least members of the New Democratic Party will agree with me when I say it. It is that Tory times are hard times. That is what my grandfather said. That is what my father said. That is what I will say.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the amendment of Ms. McLaughlin. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

• (1710)

And the division bells having rung:

The Acting Speaker (Mr. McKinnon): Order, please. In accordance with Standing Order 13(4)(a), at the request of the Chief Opposition Whip, the recorded division is deferred until six o'clock p.m. tomorrow, Tuesday, April 19.

The Acting Speaker (Mr. Paproski): It being after 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

SENIOR CITIZENS' DAY

DESIGNATION OF NATIONAL DAY

Mr. Svend J. Robinson (Burnaby) moved:

That the Standing Committee on Justice and Solicitor General be empowered to study the question of designating, as National Senior Citizens' Day, the second Sunday in June each year in order to recognize the outstanding contribution made by senior citizens to Canada.

He said: Mr. Speaker, I am pleased to rise today in support of a motion which would recognize the outstanding contributions of senior citizens in Canada. My motion, which I hope will receive the support of Members on all sides of the House, reads as follows:

That the Standing Committee on Justice and Solicitor General be empowered to study the question of designating, as National Senior Citizens' Day, the second Sunday in June each year in order to recognize the outstanding contribution made by senior citizens to Canada.

This motion was appropriately seconded by my hon. colleague and friend from Beaches who has done an outstanding job over the years speaking on behalf of the New Democratic Party as our official spokesperson on senior citizens' issues. I intend to concentrate, during the few minutes available to me, on some of the concerns of the senior citizens of Canada in the areas of health care, community support and services, housing and pensions.

I might just say that this is an issue which I have been interested in from the very earliest age. Indeed, the first volunteer job I had was at the Napier Personal Care Home where I worked as a volunteer with senior citizens, helping them do their shopping and calling bingo. I did this at the age of 16 years, so I got involved at an early age with volunteer work with seniors.

Later, I had the honour of serving as a member of the board of directors of the New Vista Society in Burnaby, B.C.'s largest seniors' housing complex. The New Vista Society was

founded by a great pioneer of the CCF, Ernie Winch, who did an incredible job in service to seniors and indeed to the people of Burnaby for many, many years as the CCF MLA for Burnaby.

As well, it is appropriate that I note the extraordinary contribution made by leaders of the CCF and the NDP at the national level who have acted as tireless advocates for the rights of seniors in Canada. M. J. Coldwell and J. S. Woodsworth single-handedly pressured the Liberal Government of the day into implementing old age pensions. Yes, the people were means-tested at the age of 70, but certainly it was M. J. Coldwell and J. S. Woodsworth, those great CCF leaders, who established that fundamental principle.

Then, of course, there is the indefatigable Stanley Knowles who served for so many years as a Member of this House with such great distinction, over and over again speaking out for seniors, for better pensions and for dignity for those who have served our community over the years. Of course, it is particularly appropriate in the context of health care to mention Tommy Douglas, who in fact represented the constituency that I have the honour of representing now, Burnaby—Seymour. Certainly we join today in paying tribute to people such as Ernie Winch, M. J. Coldwell, J. S. Woodsworth, Tommy Douglas and indeed, my own colleague, the Hon. Member for Beaches (Mr. Young), who has done such an outstanding job in this area.

I am not today speaking solely of the role of the Government of Canada in improving the lot of seniors and in recognizing the contribution made by seniors. I also want to highlight one particular area of concern for immigrants from the United Kingdom who are now entitled to a pension from the United Kingdom. However, the Conservative Thatcher Government of the United Kingdom has refused to pass on the cost of living increases to which they are entitled. Certainly justice demands that these senior citizens originally from the United Kingdom receive the increases to which they are entitled.

It is true that the Government has taken an important first step in recognizing the contribution of senior citizens, recognizing the contribution of the Minister of Veterans Affairs (Mr. Hees) by appointing him as Minister of State for Senior Citizens. I am speaking, of course, of a Member of Parliament who is admired, respected and loved on all sides of the House, and I speak of the Hon. Member for Northumberland who has done such an outstanding job in this important capacity.

This motion is important both in terms of symbolism and of action. Just as we recognize each year the contribution of our mothers on Mother's Day and of our fathers on Father's Day, so too I suggest it is appropriate to recognize the contribution made by senior citizens in Canada.

I mentioned some particular concerns of senior citizens and I would like to touch on some of them now. One of the major concerns is health care. Older people, of course, are some of the most frequent users of the health care system, in terms of both acute and chronic health problems. We recognize a need in Canada to study the important and emerging area of gerontology. This is an area of study for health care and social agency professionals. This recognition should be made by promoting gerontology as a field of study for the future and by way of increased funding by the federal Government for universities and research agencies in the field of gerontology.

Another area of major concern for senior citizens in my constituency of Burnaby and indeed those throughout the country is the question of affordable and accessible health care. Affordable health care is absolutely vital to seniors who remain on fixed incomes. Certainly we have concerns that the recent legislation covering the generic drug industry may in fact result in a significant increase in the price of essential drugs in the future. These are concerns that must be addressed by the Government.

As well, one of the most devastating concerns for seniors is the question of isolation, of loneliness. It has been said many times that friends are good for your health, and when it comes to seniors, nothing could be more accurate. In my riding, for example, which I have had the honour of representing for almost nine years now, there are over 74 different senior citizens' groups.

• (1720)

With respect to community support, once again I would like to use the example of my own riding because we are fortunate in having not only a large number of senior citizens, who live both at home and in senior citizens' facilities, but they are also very active. They work with their peers in providing many needed services in the community. After all, it is the community where services are needed. I am proud to be a member of a community which is prepared to look at the challenges posed by its large number of seniors.

For example, we have the Burnaby United Way Services for Seniors group ably chaired by Eddy Fisher which brings together a number of different services for seniors in order to provide the most efficient and needed services in the community. As well, we have the Seniors Bureau of New Westminster, presided over by an exceptional woman, Corol Strandberg, the executive director. It provides a wide range of services to seniors in the Burnaby-New Westminster area. These include shopping, friendly visiting outings, income tax clinics and handyman service. Most of those services are provided on a voluntary basis. I suggest this could serve as a model for other communities in realizing that seniors want to remain independent and active when well past retirement.

The municipality of Burnaby provides a number of important resources to my constituents, whether it be the Cameron Rec Centre, Bonsor Recreation Centre, Confederation Centre, or the Edmonds Community Centre for the Retired which provides special programs, events, workshops and bus trips for Burnaby senior citizens.

I mentioned that in my constituency there is a particularly significant number of seniors. Many of them live in seniors'

housing complexes, including the New Horizons Facility, Seton Villa in North Burnaby, the Salish Tower, Doug Drummond Manor, Hall Towers, and many other outstanding facilities. In March, the mayor of Burnaby, Bill Copeland, announced that from June 12 to June 25 he would proclaim B.C. Old Age Pensioners, Senior Citizens and All Elder Citizens' Week. I am proud that my community has recognized the importance of seniors and chose this two-week period to concentrate on the issues and concerns facing senior citizens. Indeed, I hope the House will adopt this motion in time to designate the second Sunday in June this year as National Senior Citizens' Day which falls during that two-week period suggested by the mayor of Burnaby.

When I speak of these groups, of course there are similar groups throughout Canada, including in Edmonton, Winnipeg and many other areas. I speak now of the B.C. Old Age Pensioners Organization. I am always pleased to meet with representatives of that organization, people like Bill Anderson, Mildred McKay, and certainly their hard-working secretary, Delphine Carroll. The Burnaby Health Department, along with health departments throughout Canada, sponsors a volunteer section which provides shopping and banking services for seniors as well as volunteers to accompany them on walks or simply have a telephone conversation. The Edmonds Community Centre recently received New Horizons grant funding to run the Retired Health Watch Program. I had the honour of presenting a cheque to that group so they could continue this important work.

Similarly, the Burnaby Seniors Peer Counselling Service offers counselling to senior citizens in Burnaby who are experiencing the normal difficulties in life. These are seniors in the community who have completed a training program and are chosen for their warmth, sensitivity and life experiences. I would hope similar programs would be developed across Canada.

Other New Horizons grants which have gone recently to my constituency include one to the Bonsor seniors of Burnaby who requested a contribution for their program of recreational activities. Then there was the New Outlook group based at the Swedish Senior Citizens Home which got a contribution to establish a gardening program. Telecare Burnaby Senior Services assist with a support and information referral service for those in need. The New Vista Seniors Bowlers involves a program of carpet bowling. Finally there is a group called the Use It or Lose It group in Burnaby which just received a contribution to enhance a variety of outdoor sports activities at the Cameron Community Centre.

There is much that is being done in the community and many important services are being offered. However, there still remain concerns. There is the question of telephones and the Post Office, vital services for seniors in keeping in contact with relatives and friends and remaining active in volunteer work. It is therefore essential that the Government consider seniors when it increases postal rates and pursues a policy which may jeopardize door-to-door delivery. In my own riding, for example, on too many occasions the Post Office has removed postal boxes without even consulting seniors affected by the decision. Seniors are also very concerned across Canada about the possibility of telephone companies such as B.C. Tel and Bell Canada implementing Local Measured Service which would mean charges for individual calls. My colleague from Beaches spoke about this on a number of occasions. It is a policy which flies in the face of the concept of universal access to telephones. I have tabled many petitions on behalf of the residents of Burnaby with respect to this issue.

Other concerns include the question of taxation. We in the NDP have long called for a fair tax system. Our most recent figures show that 8,000 Canadians with incomes in excess of $50,000 paid not one penny in income tax. Another 250 Canadians with incomes in excess of $250,000 did not pay a cent in income tax. That is unacceptable. That increases the burden on senior citizens and other ordinary Canadians. Frank Helden, for example, a senior in my constituency has raised concerns about the fact that the small pension he receives is taxed at the source. Surely that is unjust and unacceptable.

Another group of seniors who should be recognized for their contribution to our community and country is our veterans. This is done in an outstanding way in many cases by the Canadian Legion. I have two branches of the Legion in my constituency, the South Burnaby Branch, No. 83, and the North Burnaby Branch. Certainly they do a terrific job. However, veterans from World War I, World War II, the Korean War, indeed veterans who volunteered to fight in the Spanish Civil War, the Mac-Paps, of which I understand some 100 are still living in Canada, fought for democracy and deserve recognition. We have called on the Government to recognize their contribution. Other seniors volunteered for combat duty but were never called to serve overseas. We believe they should be entitled to be treated with justice, fairness and equity. That is a promise the Government made which remains unfulfilled.

Finally, with respect to housing, there is no doubt many seniors would like to live on their own but are prevented from doing so because of the lack of affordable and accessible housing. Seniors want to live independently and with dignity. Recently I participated in the opening of Douglas Manor in Burnaby, named after Tommy Douglas, of course. That is another example of the tremendous work done by the New Vista society in Burnaby. The goal of that society in striving for an integrated living system for seniors is essential to our communities. They have, for example, special facilities for the disabled. That is the kind of concept we want to encourage everywhere in our society. I had the pleasure of opening the new wing of Douglas Manor with other officials recently and I could only think of how civilized it would be if all our seniors could live independently in such well-constructed, well-designed and well-maintained facilities. It is truly a great tribute to Tommy Douglas.

Finally, there is another sadder part of the story. We recognize that seniors in communities have contributed an

enormous amount to our society. The purpose of this motion is to recognize the contribution they have made. It is clear that we have forgotten about too many of them with regard to such things as pensions and housing. It is unfortunate, as well, but we must remember that the vast majority of seniors who live in poverty are women. In 1984, 59 per cent of single elderly women lived on an income of less than $9,000 per year. That was well below the poverty level set by the National Council on Welfare. In 1981, 14 per cent of the men over 65 were widowed while 49 per cent of women were. We must look seriously at eliminating this inequality and bringing about meaningful pension reform which addresses the very serious problems faced by elderly women in particular in our society.

• (1730)

As I said, this motion is important. It is important, both in terms of action and in terms of symbolism, to recognize the outstanding contribution which senior citizens have made to our society in the past and will continue to make in the future.

Probably the most important legacy that a society can leave is a world of peace and disarmament. I know that groups such as Veterans Against Nuclear Arms and other seniors across Canada are deeply concerned that Canadians reaffirm our commitment to peace, disarmament, development, and a more just distribution of wealth globally. In fact, this Saturday, April 23, in Vancouver I will be joining with, I hope, tens of thousands of people, many of them elderly, in the annual Walk for Peace. Seniors will be walking for peace for their children and for their children's children.

In conclusion, Mr. Speaker, I hope that the House will recognize the importance of this motion which is not a partisan issue. I hope that Members on all sides of the House in all Parties will join together in agreeing to consider seriously this important issue of recognizing the tremendous work and the tremendous contribution of senior citizens in Canada and designating the second Sunday in June of each year as National Senior Citizens' Day.

As the Member of Parliament for Burnaby and a member of the New Democratic Party caucus I am proud to bring this motion before the House. I hope that it will be approved unanimously by all Members.

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, I am very pleased to be the lead speaker for the government side on the motion before us today. As the Parliamentary Secretary to the Minister of Veterans Affairs, I have had the honour to take part in a number of seniors-related discussions and activities. I can tell the House that the Minister's interest in and commitment to seniors is no less than his very well known commitment to veterans.

Hon. Members will recall that the Prime Minister (Mr. Mulroney) appointed the Minister as Canada's first Minister of State for Seniors in August of last year. This appointment was a very important watershed in the Progressive Conservative Party's long and distinguished record of caring and commitment toward seniors. It is a tradition which we in this Party build on day by day. The significance of the appointment of a Minister of State for Seniors should not be underestimated. Seniors themselves certainly do not.

For the first time seniors have a Minister who is mandated to represent their interests at the cabinet table and in government. They also have, as the Minister himself describes it, a "friend at court" to speak out on their behalf, to help cut red tape, and to simplify their dealings with the Government. If seniors need help, they know they can always count on George to provide it.

Finally, seniors have a Minister who is actively to seek their thoughts and ideas and to make those views known to the appropriate line Ministers. We have already seen the effectiveness of this role with the announcement of the seniors initiative on February 9. I will touch on that later in my remarks.

Consequently, in considering what can and should be done on behalf of Canadian seniors it should first be recognized that the appointment of a seniors Minister is a very major accomplishment. All of us on the government benches are proud of the development and I can assure the House that seniors are delighted as well. Fundamental to the success of a seniors Minister is that he or she be in touch with the views of the people being represented. The current Minister is firmly dedicated to that principle and he has often said that seniors are the ones setting the priorities. This was exactly the course the Minister followed with veterans, and with considerable success.

Over the past several months the Minister has heard from over 2,500 seniors and seniors' organizations. First-class ideas have come forward and the Minister has been actively reviewing these proposals. The Minister has also been asking seniors for their views on specific questions so as to enable them to best represent their interests in government.

In keeping with this approach, it very much seems to me that this motion is premature. Instead of barging ahead with a motion or referring the subject matter to a parliamentary committee, we should have some assurance that seniors themselves feel that this is an idea worth priority call on our time and efforts. This raises an interesting question and I tend to believe, Mr. Speaker, that seniors would prefer that we concentrate on initiatives similar to the seniors' initiatives announced this February.

I say this because the seniors' initiative was tailored to the priority items raised with the Minister of State for Seniors during his consultations. These items reflect the areas of importance to seniors and are worth reviewing to provide a point of comparison with the motion before us today.

The first component is the seniors' independence program. It is an entirely new program designed to improve the quality of life and independence of seniors. I am very excited about this

initiative because it will help keep seniors in their own homes, where they are far happier, and out of institutions. Twenty million dollars a year will be made available for projects approved under this program.

Increased support for the New Horizons program was the second component of the seniors initiative. This program has helped thousands of seniors to develop resources, services, and opportunities that will benefit themselves and their communities. Some $8 million a year has been provided. This will rise to $15 million a year by 1989-90.

The third element on which I would like to touch is a less happy one. As too many Canadians are personally aware, the devastation caused by Alzheimer's disease is horrendous. There is no known cure and seniors are the chief victims. At least 300,000 Canadians suffer from Alzheimer's disease and many more, primarily family members, suffer along with those stricken by the disease. A research fund of $4 million annually has been established to focus on Alzheimer's as well as osteoporosis, both of which are serious impediments to independent living.

These initiatives are important, imaginative, and innovative, just like the people we are here to serve. However, this is only the beginning. The Minister has embarked on a second round of consultations and he is counting on seniors, their representatives, and parliamentarians to provide the help and advice needed to plan for tomorrow and beyond.

Knowing the Minister, he will want to follow up on this motion, as well as the one sponsored by Senator Croll, to see how seniors themselves feel about a national day or week in their honour. Further speakers may wish to elaborate on this point but I would be very concerned about intruding, or appearing to intrude, in an area that has largely been provincial in nature. Discussions with the provinces are a must in my opinion.

Another concern which I believe would be shared by all Members of Parliament is the fact that seniors are a diverse group with tremendously different backgrounds, goals and aspirations. We see this every day in our constituency office meetings, our mail, and our conversations. Consequently, what is it we wish to celebrate in a national seniors' day? Is it to celebrate the attainment of an arbitrary age or retirement status? It is easy enough to say that we want to acknowledge the outstanding achievements of seniors in building this country, but it is far more difficult to define the segment of the population we wish to recognize.

In short, Mr. Speaker, I would recommend that we follow the Minister's philosophy and, indeed, the Government's philosophy of letting seniors speak for themselves on this question. Let us seek out the views of our constituents. Let them bring forward their thoughts on the advisability of a national seniors' day. If we truly believe, as this Government does, that one listens and then acts, we will not proceed with a motion that has had only limited discussion among seniors and seniors' organizations.

• (1740)

I, for one, have no hesitation in waiting until the seniors in my riding have had a chance to consider this proposal.

[*Translation*]

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I must say that after a very careful scrutiny of the orders of the day I became aware just a few minutes ago that this is the evening on which we were supposed to consider the motion of the Hon. Member for Burnaby (Mr. Robinson). I was in fact very supprised to see the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie) rise in his place since it would have been a first here in this House to see both Members agree on something. I was simply astounded to see them speak on the same issue for the first time. But after careful scrutiny, after having listened attentively to what the Hon. Member for Winnipeg—Assiniboine was saying, I realized that he was wondering what would be the use of examining this issue or of proclaiming a National Senior Citizen's Day.

I must say that I always find great interest in the debates of this House. Whether they be of a political, ethnic or religious nature, I listen and I respond. I shall therefore respond. Why have a National Senior Citizens Day? It seems so obvious to me. We have Mother's Day and we have Father's Day. Why have Mother's Day since we should celebrate our mothers every day? Why have Father's Day since we ought to celebrate our fathers every day. And what about Secretaries' Week, which is this week, unless I am mistaken? Why? It should be all year long. The reason is that we want to call people's attention more specifically at a certain time during the year to a group or a commemoration, such as the one which will be held on a coming Sunday, on April 24th, here on Parliament Hill, between twelve and one o'clock. The day will be devoted to the commemoration of the Armenians' massacre, or the Armenian genocide. Why on the 24th? We know the facts.

Therefore why should a day be set aside to acknowledge the outstanding contribution of our seniors to the development of Canada? This is because the more we age the more unfortunately our communities neglect their seniors. We forget them. I ride the subway in Montreal, I do not drive a car and I often see older people sitting there who are sadly looking at me. I look back and smile at them. This is not difficult. And suddenly I see their face alter and they often tell me: "You were quite nice, you smiled at me". You know that according to a saying, nobody needs more to smile than the one who has no reason to be smiling. So, I smile, because it is a nice gesture. It may seem insignificant for some, I see some laughing. I am quite sincere. I smile. And apparently, it added a little something, on the subway on that day.

It is not much, but the day of recognition will be held in that spirit. It is a national day to acknowledge the outstanding contribution . . . You know that today everything is taken for granted in our fine Canadian community, but if we stop to consider the matter a little, should we not say loudly what our

grandparents, our pioneers, our senior citizens have done for that great and noble country.

[*English*]

I think it is a good idea. I am even tempted to amend the motion in order to strengthen it.

For example, the Hon. Member for Burnaby (Mr. Robinson) talked about Mr. Tommy Douglas. We all love Tommy Douglas. What about that great lady, Therese Casgrain, or Senator Bird, "Ladybird" as we call her? What about the contribution of an hon. colleague, Senator Croll. Senator Croll is the conscience—

[*Translation*]

... the soul that reminds us constantly in the caucus the problems of ageing in Canada. Do you realize ...

[*English*]

"Poverty in Canada: Highlights from the Special Report of the Senate Committee".

[*Translation*]

... the highlight of the report published by the Senate Special Committee and entitled "Poverty in Canada". It was signed and written by senator Croll.

[*English*]

He is 88 years old, born in Moscow, Russia, in 1900. He has had a brilliant career in Canada. He was a minister in Ontario and now a senator. He calls us young men, and even referred to me that way once. He may have called me other things, but that is another debate.

I am sure he will not mind if I say that I respect the "old man". My father, who died at 90, did not mind being called a "beautiful old man" when he was in his eighties because it is polite. It is said with respect, as I do in the case of Senator Croll.

That is what prompted me to make my contribution today. I see a very esteemed colleague listening to me and I must admit that he is almost inspiring me when I speak. He is the Hon. Member for Bow River (Mr. Taylor), a fine gentleman who is young at heart. While politics divide people, on an issue like this I look at him and he inspires me because he has made many contributions. He would not mind if there was a day to remember what these people have done.

In a few minutes I intend to move an amendment because this motion by the hon. younger Member of Parliament is too much like one by Paul Martin. Perhaps he wants to be a great statesman, and will be sooner or later, but he talks a lot like Paul Martin.

Mr. Robinson: Junior or senior?

Mr. Prud'homme: Senior.

The Acting Speaker (Mr. Paproski): The Hon. Member has one minute remaining.

Mr. Prud'homme: I wish to move a motion, which you have in front of you.

• (1750)

He said: "... be empowered to study the question of designating" but in French it looks like Paul Martin Senior, another fine gentleman who did a lot for this country. He is probably listening to the debate right now.

[*Translation*]

"be empowered to study the question of designating". You know, when you don't want something to be done, you say: Let us set up a committee which will study the possibility of doing something.

So, with your permission ... Anyway, I am not going to ask his permission, I move, seconded by my friend, the Hon. Member for Ottawa—Vanier (Mr. Gauthier) that the motion reads as follows: "That the Standing Committee on Justice and Solicitor General be empowered", Stop! we remove the words "to study the question of designating" and we replace them by "to recommend the proclamation", as National Senior Citizen's Day, of the second Sunday in June each year.

So, in order that people listening to us understand, it would now read as follows: "That the Standing Committee on Justice and Solicitor General be empowered to recommend the proclamation, as National Senior Citizen's Day, of the second Sunday in June of each year in order to recognize the outstanding contribution made by senior citizens to Canada."

Now, that looks more positive, more serious.

[*English*]

You show that you mean business. You are not only saying it would be nice to study the possibility. Therefore, I have prepared it in both languages. I protest too often when I receive something in one language only so I have to show by example. To conclude, I would ask you to recognize the amendment as receivable.

The Acting Speaker (Mr. Paproski): I must say that the Hon. Member—

Mr. Prud'homme: I will conclude in 30 seconds. I want to thank the Hon. Member for Winnipeg—Assiniboine (Mr. McKenzie) because I was inspired by him and by the Hon. Member for Bow River. So I think it should be done but the way I have proposed kindly to your Honour to put it back to the House.

Mr. Neil Young (Beaches): Mr. Speaker, first, I want to say, in the spirit of Private Members' hour, my colleague from Bonavista—Trinity—Conception allowed me to say a few words. I know he was scheduled to speak next. I will not abuse that courtesy. I only want to speak for a couple of minutes.

The Parliamentary Secretary to the Minister of Veterans Affairs (Mr. McKenzie) in his argument in opposing the motion put forward by the Hon. Member for Burnaby (Mr.

Robinson) made the very strong point, and it was central to his argument, that senior citizens themselves should have an opportunity to determine whether in fact they desire to have a senior citizens' day in Canada. That is no argument at all. I know, as a member of the Canadian delegation to Vienna several years ago to the United Nations Assembly on Aging, one of the key proposals put forward at that UN Assembly, in the final document, was a national day to celebrate the contribution of senior citizens, not only in Canada but in other countries around the world, and it was passed unanimously at that UN Assembly. Canada was a participant in that vote. In fact, our delegation, prior to the amendment made to the main document at the United Nations, wanted in fact to establish a senior citizens' day in Canada.

The Parliamentary Secretary asked what we would do on a national senior citizens' day. It is very simple. The seniors in this country want to be recognized for their contribution to Canadian society and Canada's role in the world. Senior citizens do not want any less or anymore than those under age 65. They want to be recognized and encouraged to fully participate in the mainstream of Canadian life. They want equality and they certainly do not have that in Canada today, unfortunately. In the kind of society and economy in which we live, we tend to view people as only being of value in terms of their productivity toward the economy of the nation. That is what has happened to seniors over the years.

If adopted, I think the motion put forward by my colleague, the Hon. Member for Burnaby, would go a long way toward establishing this. I will not take up any more time. I certainly have no desire to participate in talking this motion out. I would seriously ask those members on the government side who have not spoken to join with me in not talking this motion out, and in fact agree to send this motion to committee, as has been suggested by the Hon. Member, for further discussion and implementation.

[*Translation*]

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, I am deeply interested in participating in today's debate. The subject matter is too important to prevent Members of the House from speaking about the very laudable motion introduced by the Hon. Member for Burnaby (Mr. Robinson). I believe all Members and the Canadian public totally agree with the designation of a National Senior Citizens' Day. Mr. Speaker, representing a riding like that of Témiscamingue here in Ottawa is enough to understand the important role played by senior citizens in areas such as mine.

A region like Abitibi-Temiscamingue was able to grow over these last years and the past decades because a long time ago, people coming from Lower St. Lawrence settled down in that area . . .

[*English*]

Mr. Robinson: Mr. Speaker, on a brief point of order, I wonder if the Hon. Member would recognize that if he continues to talk this motion will not be referred to committee. I wonder if he would co-operate in allowing this very important motion to in fact go to committee and he can then appear as a witness before the committee?

The Acting Speaker (Mr. Paproski): The Hon. Member for Témiscamingue has the floor.

[*Translation*]

Mr. Desjardins: Mr. Speaker, I still want to make my point because as far as the motion is concerned, I said it was commendable, although I was not sure that we should decide on a national seniors' day. On that subject, I think . . .

Mr. Robinson: The Committee can do that.

Mr. Desjardins: . . . there should be more consultation. I had discussions today with the Senior Citizens Regional Council of my area, and they told me they would prefer that day to fall on the first Sunday in May instead of the second Sunday in June.

Therefore, Mr. Speaker, I think that we should hear from the seniors and discuss the matter with their representatives and with the provinces because we must bear in mind, Mr. Speaker, that in British Columbia as well as in Quebec, some specific weeks through the year are dedicated to senior citizens. In Quebec, the last week of May is such a week.

Then, Mr. Speaker, why not consider the last Sunday in May also as a possible national seniors' Day.

The point I wanted to make, Mr. Speaker, is that although I am all for a senior citizens' Day, I think that we should have much more discussion on the subject than we have had so far.

[*English*]

The Acting Speaker (Mr. Paproski): The time provided for consideration of Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

LABOUR RELATIONS—FEDERAL MINIMUM WAGE

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, for the fourth time since last summer I take the floor to speak about those forgotten Canadians who work for the minimum wage. They are so forgotten that Statistics Canada and the Department of Labour do not know how many under federal jurisdiction are living on the minimum wage. It is an indication of how minimal is the interest in the minimum wage.

Their lot is hard enough in most provinces but harder still in industries under federal jurisdiction such as railways, airlines, shipping companies, radio stations, television channels, and telecommunications. It is harder because in so many instances—indeed in all but one—the federal rate is lower.

The hardship they endure, however, is due not only to the wage being so low—$4 per hour—it is due also in the way inflation is outstripping their wages. These are wages which are earned by low paid, unskilled, unorganized, and largely forgotten workers.

The last federal minimum wage increase was in May, 1986, almost two years ago. Since that time the Consumer Price Index has gone up over 8 per cent so that the $4 per hour of 1986 are now worth only $3.84 in 1988. It was little enough in 1986, impossibly low in 1988.

It is time, and over time, that this wage rate were reviewed and improved. I submit, as I did in raising this subject, that the solution must include not only raising the federal minimum wage but indexing it according to the Consumer Price Index.

That is done, is it not, Mr. Speaker, for old age security pensions? It is done for Canada pensions. It is done for public service pensions. It is done for parliamentary pensions. Why is it so impossible for us to consider doing the same for those who need it most?

This proposal is not any wildcat radical notion. It has been practised in France since 1952. It was recommended in the United States by the Minimum Wage Study Commission and the General Accounting Office in 1983. It is not an irresponsible notion that surfaces in Private Members' Hour or in the Adjournment Debate. It is demonstrably a reasonable proposal put forward and practised by major Governments.

I am aware that some economists argue against minimum wages at all. I submit that that is not the issue. To raise the point at all is really to be irrelevant. The fact is we have the minimum wage. We have it in every jurisdiction in Canada, federally, provincially, and territorially.

The issue becomes: Is the minimum wage adequate to the need. Is it keeping pace with the cost of living? Is it providing protection to those who need it most, those who do not have other advocacy than this Parliament can afford? I am speaking about people who do not have any trade unions to speak for them or any hired agents, high-priced lawyers negotiating contracts for them. These are people who have to look to where I am speaking. They have to look to Parliament. They have to look to the House of Commons to bring before the representatives of the people of Canada, and through them the people themselves, the need of those who are otherwise without a voice.

I think of people who are struggling to make do on this kind of minimum wage, not only those who receive it under the federal jurisdiction but those who receive it in provincial and territorial industries. I am impressed at how impossible their plight is, especially when I think of what it costs to put a roof over one's head, the roof of just one rented room, or perhaps two or three rooms in a basement apartment in the riding of Scarborough West or some other part of Metro Toronto.

• (1805)

I see why we have the arrival and the apparent though tragic permanency of food banks, for housing today is costing such a percentage of anyone's income that when a person's income is minimal the result is impossible without supplementary assistance.

I ask the Government to expedite its consideration of this matter and, if possible, to take the second step of indexing this wage so that in the future workers will not have to wait until officials get around to considering them, but like Members of Parliament, like pensioners, they will automatically receive their just due.

Mr. Joe Price (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I wish to thank the Hon. Member for his comments and for his concern for the plight of the working poor.

Since the Government took office it has increased the federal adult minimum wage from $3.50 to $4 per hour, an increase of 14 per cent. Also, given its potential conflict with the Charter of Rights and Freedoms, the lower youth rate was eliminated, augmenting the federal minimum wage for workers under the age of 17 to the adult rate, an increase of 23 per cent.

Labour Canada is constantly monitoring the status of the federal minimum wage. This monitoring takes into account such factors as changes in the rate of inflation, shifts in the unemployment rate, general economic conditions, and minimum wage rates in other jurisdictions.

As was indicated the last time the Hon. Member raised this issue, the most recent percentage increases in the federal minimum wage are above the rise in the Consumer Price Index since the Government took office in September, 1984. Thus, the purchasing power of minimum wage earners has been protected during the Government's mandate. Moreover, the federal rate remains at the median of the provincial rates.

On the specific issue of automatic indexation of the minimum wage versus periodic reviews, the Government and indeed all provincial and territorial Governments across Canada have until now taken the approach of periodically reviewing their minimum wage policy, rather than binding themselves to automatic increases that may or may not have a detrimental effect on the potential employment of minimum wage earners.

Minimum wage earners, and indeed all Canadian workers, have benefited from the Government's successful battle against inflation. Since 1984, inflation has remained in check despite very impressive rates of growth in the national economy and in the number of jobs created. All Canadian workers, including

those working at minimum wage, will benefit from a controlled inflation rate and the creation of new employment possibilities.

In conclusion, I wish to state that the Government will continue to monitor the situation of minimum wage earners and their economic prospects. As the Minister previously indicated to the Hon. Member, a review is presently under way which will be completed shortly. I can assure the Hon. Member that the Minister will take into account the Hon. Member's concerns in the examination of the results of that review.

NATIONAL DEFENCE—ACQUISITION OF NEW TRUCKS

Mr. Gordon Taylor (Bow River): Mr. Speaker, on February 10, 1988, I asked the Hon. Associate Minister of National Defence (Mr. Dick) the following question: Why did the Department accept a truck designed and patented by a non-NATO country when there was an opportunity to get a "made-in-North America" truck to any specifications desired?

The Hon. Associate Minister of National Defence replied:

—on June 6, 1986, an interdepartmental force, which was later confirmed by the Ministers, decided to open up the bidding to all truck manufacturers in the world and not restrict it to NATO trucks.

At that time when the tenders were put out on July 31, 1986, all truck manufacturers, both inside and outside NATO, had an equal opportunity to meet the specifications.

When a truck was purchased, we purchased the lower priced truck of those trucks which met specifications. A couple of trucks did not meet specifications.

I wish to make the following comments. First, this was a wonderful opportunity to secure a truck to the specifications set out by the Department that could have been designed and made to those standards in Canada.

• (1810)

It would not then have been necessary to think about patents or technology that belonged to another country. Bombardier was one firm prepared to do this if sufficient time had been given, and possibly other Canadian firms would have come up with a vehicle. Then we would have had a Canadian or North American vehicle that perhaps would have cost less. This opportunity has now been lost. While the Department is satisfied with the truck that it has purchased it is still not and never will be a Canadian made truck as its technology rests in another land.

Second, the original press release stated that the new truck will be manufactured by the Urban Transportation Development Corporation (UTDC) Inc., Kingston, Ontario. Actually Lavalin Inc. of Montreal owns 85 per cent of UTDC, and the balance is owned by the provincial Government of Ontario. The trucks are now going to be built in Ontario. The contract is expected to generate some 500 jobs over a 24-month period and a large number of jobs after that.

Third, it is a shame, indeed, that the vehicles required are not to be manufactured in either western Canada under the Western Diversification Program or in the Maritimes. One firm, Bombardier, would have done the manufacturing in Cochrane, Alberta and would have used the entire western provinces for purchasing supplies. This would have added much to the economy of the West, had consideration been given to disparities. The Minister had advised that, in accordance with the government procurement guidelines no consideration could be given to regional disparities during the evaluation process.

It is my view that every contract let by the Government of Canada should consider regional disparities, and the guidelines should be so amended. This contract was let in Ontario where there is buoyancy in the economy, whereas in both the West and the Maritimes unemployment is rampant and both need industries that will be there for a long time. We missed this opportunity to secure an industry in the West that would have provided a great deal of diversification for many years to come.

Fourth, another matter of concern in this contract is the patent. I have been advised that Lavalin Inc. secured full rights to this vehicle. Is there a patent on the entire vehicle, and also on parts of the vehicle, that may spring up once the vehicle is constructed? It appears that the Government paid Lavalin $116,000 for the technology. I hope that all legal questions of ownership, patents, copyrights, et cetera, have been cleared so there can be no future trouble or cost to the Canadian people.

Fifth, the contract actually included seven types of trucks based on a common cab and chassis. There may be good reasons why these seven types of trucks had to be included in one contract, but, again, had this been broken down, there is always the possibility that a better price could have been secured and the work could have been spread across the country.

Sixth, there is also the matter of parts for the said vehicles. When 122 heavy trucks are being purchased, there should be a requirement that the manufacturer keep on hand a large supply of every part that may wear out or eventually have to be replaced. Certainly the grease, oil, and diesel fuel are standard, but there are some very serious questions about many truck parts that could wear out when lives are being threatened. I believe Lavalin should be required, with no ands, ifs, or buts, to keep all parts that may wear out in ready supply. It is not good enough to say that there might be other NATO trucks that have similar transmissions, similar cargo boxes, similar dump trucks, and similar carburetors.

I and the people of Cochrane, and indeed the people of western Canada, were bitterly disappointed when Bombardier lost this contract. Part of the hurt was salved when the Department of National Defence stated that, even when the present contract has been completed, there will still be a shortage of some 2,500 trucks. The splendid buildings in Cochrane, Alberta are still available. The people are anxious to welcome Bombardier, a Quebec firm to our province. It will strengthen unity of the nation. The firm would have an

opportunity to expand its market to western Canada and the western U.S. states, and the diversification resulting would meet the requirements of the Western Diversification Program.

Cochrane stands ready to assist our military to secure the best equipment possible if given the opportunity. May the next tender come soon, and I hope the people of Cochrane will have reasons to cheer when the contract is let.

• (1815)

Mr. Joe Price (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the Hon. Member must be congratulated for his vigorous defence of his constituents.

In February, the Minister of National Defence (Mr. Beatty) announced that UTDC of Kingston would manufacture 1,122 heavy trucks at an approximate cost of $250 million. As the Hon. Member knows, there is a competitive bidding process, and in July of 1986, our request for proposal was sent to 13 Canadian companies. In March of 1987, responses were received from four companies.

In the request for proposal, the prospective bidders were advised that the final selection would be based on an aggregate assessment of five factors: one, the over-all cost to the Crown; two, compliance of the vehicle and its variants with the specification and the bidder proposed project management; three, industrial benefit; four, compliance of the Integrated Logistic Support System; and five, delivery.

An evaluation plan was prepared prior to receipt of the proposals and, as a part of the evaluation, candidate vehicles from the four bidders were acquired for technical and user trials. The results of these trials were incorporated into the final evaluation.

In August of 1987, the four bidders were requested to submit proposals for higher quantities because of the additional requirements arising from the White Paper. These proposals were received and separate evaluations were done by members of the Departments of National Defence, Regional Industrial Expansion, and Supply and Services. These results were consolidated into a final assessment and presented to an interdepartmental senior review board in January of this year and subsequently endorsed by Cabinet.

The awarding of this contract to UTDC ensures that Canada receives the optimum benefits in terms of excellence of equipment, Canadian content, industrial offsets, transfer of technology, employment, and value for money, and fully meets the requirements of the Canadian Forces.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.18 p.m.

HOUSE OF COMMONS

Tuesday, April 19, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

BILL C-77—REPORT OF LEGISLATIVE COMMITTEE

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, I have the honour to present in both official languages the report of the legislative committee on Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof.

I would like to thank the members of the committee who attended very faithfully to their duties, particularly the Hon. Member for Esquimalt—Saanich (Mr. Crofton), the Hon. Member for Brant (Mr. Blackburn), the Hon. Parliamentary Secretary to the Minister of National Defence the Hon. Member Haldimand—Norfolk (Mr. Bradley); the Hon. Member for Portneuf (Mr. Ferland) and the Hon. Member for Northumberland—Miramichi (Mr. Jardine). We had over 100 amendments to this Bill and accepted 88 of them.

COMMUNICATIONS AND CULTURE—FOURTEENTH REPORT OF STANDING COMMITTEE

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, pursuant to Standing Order 96(2), I have the honour to present the fourteenth report of the Standing Committee on Communications and Culture in both official languages.

This report addresses itself to the issue of taxation of the artists and the arts. The key recommendation of our report aims to give force of law to a definition of the professional status of artists which, along with six other recommendations, would allow the artists and related organizations to receive more equitable treatment under Canada's tax laws. While the committee members accept that the principle of tax fairness was adopted in the White Paper on tax reform, we as committee members also accept that there are special circumstances to which different groups of taxpayers may be subject. In this case we believe that the arts should be considered, given the special nature of artists and the arts in Canada today.

Our seven recommendations are fair suggestions and represent long expressed needs of Canadian artists. It is our hope that the Government will consider these recommendations for implementation.

[*Translation*]

The Committee therefore requests that the government produce a reply to this report in accordance with Standing Order 99(2).

I take this opportunity to thank the representatives of all three parties for their care in writing this unanimous report with a really parliamentary spirit.

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

* * *

• (1110)

[*English*]

PETITIONS

NORTHERN TAX ALLOWANCES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, pursuant to Standing Order 106, I have the honour and the privilege to present a number of petitions signed by residents of Atikokan and the surrounding area. The signatures number over 200 in this case. The petition is about the northern residents' tax deduction. The residents of Atikokan believe that in its present form it is discriminatory because many communities not on the list are adjacent to listed communities. The Township of Atikokan in particular and its surrounding area was excluded from the designated area only because it is located too close to Thunder Bay.

The petitioners argue that the listed communities and many of those communities left off the list share identical environments in that they are northern, isolated communities paying increased costs for food, fuel and housing, and that the tax deduction was designed to assist in alleviating the added costs involved with living in northern, isolated communities.

The petitioners humbly pray and call upon Parliament to declare the Township of Atikokan and the surrounding area to be eligible for the northern residents' deduction.

OPPOSITION TO BILL C-72—OFFICIAL LANGUAGES

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the privilege today to present some petitions signed by

over 100 residents of southern Alberta, living in such communities as Acme, Irricana, Beiseker, Carstairs, Cochrane, Crossfield and North Calgary and South Calgary. These petitioners humbly pray and call upon Parliament to cancel Bill C-72 so that the unilingual-speaking people of Canada have a chance for positions in Government.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I have the duty and honour of presenting a petition from constituents of mine in the City of Thunder Bay and the small community of Murillo. These petitioners state that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the U.S. The Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised, but they assert that the trade agreement negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians and to equalize opportunities between the regions. Since the agreement would deny Canada the policy freedom to determine its own economic future, the petitioners call upon the House to dissolve and to give them and other Canadians the opportunity to accept or to reject this Mulroney-Reagan trade deal.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, I have the duty and responsibility to present this petition on behalf of constituents throughout the riding of Fraser Valley West. The nature of this petition is to express concern over the total lack of legal control over abortions in Canada today. The purpose of this petition is to call on Parliament to implement laws to protect the unborn child.

The petitioners state that all human beings are deserving of legal protection and that the unborn child is a human being and in need of preservation from the moment of origin; namely, the time of conception. Furthermore, the people who have signed this document are particularly concerned that at the present time, there is no law to defend the unborn from being destroyed in the womb. These constituents pray that the Members of this House will implement legislation to protect the unborn.

REQUEST FOR TAX DEDUCTION FOR STUDENTS

Mrs. Gabrielle Bertrand (Brome—Missisquoi): Mr. Speaker, I would like to present a petition from a group of university students. This petition refers mainly to those university students who alternate between academic and practical training each semester. These students are known as co-op students. They humbly pray and call upon Parliament to allow all full-time students to claim the tax deduction for the cost of moving to their educational institutions, irrespective of the amount of financial aid received through scholarships, fellowships, bursaries, prizes or research grants. The students come from the Province of Québec and the Province of Ontario and a few are from my riding.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, question No. 279 will be answered today.

[*Text*]

THE OZONE LAYER

Question No. 279—**Mr. Howie:**

> During the past year, have studies been undertaken by the government concerning the depletion of the ozone layer in the atmosphere and remedial measures in respect thereof and, if so, in each case (*a*) by what organization or individual (*b*) under what terms of reference?

Hon. Tom McMillan (Minister of the Environment): Yes. The following studies are being undertaken by Environment Canada under the terms of reference outlined by the Montreal Protocol (signed in September 1987) on substances that deplete the ozone layer:

—a control options report which will identify the choices available to meet the obligations set out in the Montreal Protocol;

—development of a comprehensive information base to evaluate the costs and benefits associated with each identified control option; and

—in-house studies to identify the 1986 Canadian consumption of controlled substances in order to establish Canadian reduction targets.

Environment Canada is also involved in:

—studies concerning the chemical composition of the stratosphere with particular emphasis on implications for the Canadian Arctic; and

—global studies aimed at determining levels of ozone layer depletion from ground based and satellite borne instruments.

[*English*]

The Acting Speaker (Mr. Paproski): The question as enumerated by the Parliamentary Secretary has been answered.

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

The Acting Speaker (Mr. Paproski): Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

NATIONAL PARKS ACT

MEASURE TO AMEND

The House resumed from Friday, April 15, consideration of the motion of Mr. McMillan that Bill C-30, an Act to amend the National Parks Act and to amend an Act to amend the National Parks Act, be read the second time and referred to a legislative committee, and the motion of Mr. Hawkes:

That the question be now put.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I believe that the country is anxious to have this legislation passed, and I certainly do not want to delay its passage, but as the Member for Bow River, a riding which includes Lake Louise and Banff, I feel that there is some responsibility on my part to say a few words in connection with this very important legislation.

First, I would like to pay a tribute to the Minister, who has been willing to discuss various aspects of the Act with the people of Banff National Park and with Members who are concerned about preserving the beauty of our national parks. The Minister has been very tolerant and very free to discuss these many items, and I look forward to further discussions when the Bill goes to committee.

I would like to say a word about two or three items that are of very great concern to the people I represent. The first deals with the Banff air strip. When it comes to development, certainly no one to whom I have spoken in the Banff area or in the Alberta caucus has any notion of putting in place something like a Coney Island in our national parks. That would be the furthest thing from our thoughts. We want to preserve this beauty, but we want to make the beauty available to as many Canadians and as many people of the world as possible. I believe that that is in keeping with the spirit of the National Parks Act.

Certainly there is no thought of having a Coney Island, but an air strip would not destroy any property. It is already there. The air strip has been there for about 20 years. To my knowledge, there has never been one accident in connection with this air strip during that entire time.

Banff, as everyone knows, is the mid-way point between Springbank and Golden. It is critical that pilots have the option to land in Banff if there is a sudden change in weather. The weather changes very rapidly in this area and many times, as a matter of fact on an average of four times a month, airplanes have to land in order to avoid terrible accidents. This is because the Bow Corridor is the main VFR route through the Rockies, and I must emphasize that: the Bow Corridor is the main VFR route through the Rockies. An average of 10 transmitting aircraft go through there every day.

I mentioned before that this air strip would not interfere with the environment or with the animals. As a matter of fact, the elk have prospered and thrived in this very area throughout the years. If we want to deal with animals that are not quite so desirable, the gophers have even done well on the air strip. There is no thought of interfering with the environment, but we are living in the 20th century and air strips are necessary in these places. Certainly the air strip in this area aids the cause of safety.

Many times, those who live in Banff have used their aircraft for searches for those who have been lost, particularly in the winter time. This area in the winter-time is inhabited by elk and these elk have done well. There has never been an accident and they have thrived in this area.

I would like to urge the Hon. Minister to consider the retention of this air strip in the Banff National Park. I believe it is essential not only for the aircraft but for safety as well.

• (1120)

I would like to deal now with one or two points in connection with development in the area. I do not know how many Hon. Members have had to drive all night to find a place to sleep in Banff National Park, but I have. In the summer-time particularly it is very difficult to find accommodation. When you consider that more than a million people, Canadians and others from around the world, go to the park every year, it would leave a very sour taste in the mouths of those who cannot find a place to sleep. There is also a need for good eating places. These I think add lustre to the park and our enjoyment of it. Without a place to sleep or eat no one is going to enjoy a holiday in Banff or anywhere else. So when we talk about reasonable development in the area, we are certainly not talking about Coney Island type development. We are simply asking that we have development so that Canadians are able to enjoy the beauties of the Banff National Park setting.

The same thing applies to the two ski areas, Sunshine and Lake Louise. They have to compete with ski areas in other parts of Canada and the U.S. If their equipment and facilities are not up to date, then we lose those people who would like to enjoy the beauties of the park and do their skiing. After all, enjoyment is not just in standing on Banff Avenue and gazing at Sulphur Mountain. Enjoyment is doing things in the national park in keeping with the park. Certainly skiing is one of those. Hundreds of people enjoy skiing, and development at Sunshine will simply make its facilities somewhat equal to those found in other ski areas. I have seen signs in the outskirts of Calgary urging skiers to go down to Montana and other parts of the U.S. This not only costs the people of Canada revenue, it makes it difficult for those operating the ski areas.

Lake Louise also wants to improve its facilities, which are not equal to what can be found elsewhere, and they want to put in a quad chair. This is not going to hurt the environment because it is being carried out between the main lodge and the top of the mountain. It will simply take people from one of the lower places to a higher location in order that they can enjoy the beauty and the skiing. The existing lift is certainly not

comparable to those in many other ski areas. This development will not hurt the environment because the proposed lift will make little or no difference at all to the natural beauty of the area as it will be built between existing chair lifts and cut ski runs. It will simply add to the facilities so people can enjoy the beauty of that area even more.

I would like to say a word or two in connection with lodges. I think I am speaking on behalf of the vast majority of people not only in the park but in other areas, too. There is some thought of closing the Spray River Hostel entirely at the end of the year. I would like to urge the Minister to reconsider this step. This place enables a great number of young people to enjoy Banff National Park. Just let me read from a letter I received from a boy scout troop in Calgary. They sent it to me unsolicited. It says:

> Last weekend, we enjoyed our first expedition to the Spray River Hostel in Banff National Park with a group of young scouts from the Dalhousie (Calgary) 141 Scout Troop. For many of the boys this was their first overnight backpacking experience, and it served as an excellent low risk introduction to the pleasures of self-propelled back country travel—

Is that not what we want in our national parks? It continues:

> We will build on the knowledge and confidence they gained in planning our future exploits—

The letter goes on to say:

> Location of hostels in urban settings, while possibly resulting in more efficiency on a $ / person / night basis, cannot provide the rich experience we enjoyed back in the mountains last weekend. Life for today's young people (and even for some of us middle-aged folks) is already excessively synthetic and pre-packaged. We need to hang on to those sparks of originality that remain—

He urges that this lodge not be closed:

> Please do everything you can to ensure that we can continue to share the Spray River Hostel for years to come—it's a gem, and it would be vandalism to tear it down.

This is not destroying the beauty of the national park. This is simply making the park more enjoyable to those who go there. In my view, that is one of the purposes of the park.

There is just one other instance I would like to mention in connection with development. Shadow Lake is a beautiful area. I do not know how many people have ever climbed the mountain and walked the two or three miles up to Shadow Lake. For many years the Brewster people have carried out an expedition for the aged, the crippled, and those who cannot walk very far but can walk a little way. They take these people from the bottom of the mountain up about seven or eight miles to a point where the road stops. Then they walk on a path for the last two or three miles. They can take their time. It is a pleasure to see the happiness in the eyes and faces of senior citizens and crippled people who could not begin to walk 15 miles but who will walk two and a half miles to get to Shadow Lake. When they get there it is worthwhile. The beauty of that entire area is thrilling indeed. Almost indescribable. Who would want to deny those people who cannot walk very far that pleasure and happiness?

Again, this is not destroying anything in the national park. It is opening up the beauties of the park and making them available to more people who would otherwise not be able to attend.

There are many other points that could be discussed in connection with Banff National Park. Many people are very concerned about the excessive land rents. I believe the department is now looking at that. Many people are concerned about the town site being 2,000 miles away from Ottawa and there being no local self-government. They have a school board but most of the decisions have to be made by the Minister, who is really the Mayor of Banff National Park. The Minister is giving the people an opportunity to consider the possibility of self-government in the town site. It is not being thrust upon the people there, it is going to be up to them to decide. However, for a Minister 2,000 miles away to decide what has to be done to their streets and what has to be done with regard to everyday services is not fair to the Minister or to the people. I believe the opportunity will come soon for the people of Banff National Park to decide whether they want self-government in order that they can run their own affairs like any other town.

• (1130)

That will not interfere with the park. The only thing we have to ensure is that there is sufficient room to build more single family dwellings so that more people can live in and enjoy the national park. There is no thought among the townspeople to create a Coney Island effect. The people who would be elected would be residents of the area dedicated to preserving national parks. However, allowing people to have a form of self-government has proven to be worthwhile over the years.

For many years land rents were very nominal. In 1980 an assessment was done on a basis with which I could not agree, the land residual method. That simply means that you place a hypothetical building on the land giving the land its best possible use. The fact is that the buildings are already there. There is no sense in placing a hypothetical building on the land and then assessing it because every building there has been approved by Parks Canada. Consequently, the basis of that assessment in 1980 was wrong and resulted in people paying up to as high as 3,500 per cent increases in their rents. If that happened in any other place in Canada there would be a revolution. It is just not sensible at all. I want the Minister to take a careful look at that because those types of increases are not fair.

I would like to deal with two further points which arise from living in a national park. First, the Government owns a number of homes in Banff and in Lake Louise. People such as RCMP members are required to live in these homes. The Department of Public Works gave them a discount on the rent on the homes just prior to 1987. This was sensible because some of the homes are right along the railway track, particularly in Banff where 20 to 24 trains pass by every 24 hours. Another department of the Government is now going to tax the reduction which was given, which is not fair at all and the

RCMP and public servants in Banff are dedicated people and should not be taxed on the amount of reduction they receive in their rents.

The other point I wish to mention briefly is that for over 20 years there have been trailers in the townsite of Lake Louise. People were required to buy a trailer in order to work for Parks Canada. There is now a move to have these people give up their homes, which are trailers, and become renters. I do not think that is sound. The trailers have been there for 20 years and are not hurting anyone. We should leave those trailers there for a few more years and the problem will solve itself. Let us not make these Canadian homeowners into renters. It is the philosophy of the Government that people should own their own homes. Here is a chance to put our words into practice.

In conclusion, Banff National Park is one of the beauty spots of the world. We want it to be there forever for Canadians to enjoy. However, we want it to be available to all types of Canadians— the old, the crippled, and the young—to come and enjoy the grandeur and the majesty of that beautiful place. I support the passage of this Bill and look forward to discussions on it in committee.

[*Translation*]

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I am very pleased to speak today and of course to support Bill C-30 and to congratulate the Minister for bringing in some measures required to conserve the national parks.

At the same time, the need to amend this bill and to add the measures required for the proper and true protection of the great outdoors must be pointed out. This bill does not provide a clear definition of the areas of wilderness that must be protected for citizens of the future, native people and outdoor activities. This is a shortcoming of the bill under consideration today. In talking about the measures proposed by some Conservative Members and the Conservative Government, the need to properly protect the wilderness areas becomes quite obvious.

[*English*]

I am pleased to see this Bill before us. I hope that the Minister himself will speak on the Bill and will answer questions in the House about some of the measures which are not adequate. Perhaps he will put to rest some of the rumours about pressure in the Conservative caucus, especially in Alberta, to weaken the measures before us. The Bill before us is not a strong Bill. It is a very necessary Bill but has been weakened. We understand that a better Bill came out of the Ministry of the Environment but it has been weakened in the course.

One of the major deficiencies which I want to cite is the failure to include a clear definition of a wilderness area. The Bill will permit the Minister to establish wilderness areas but it does not say what they are. Aircraft are allowed to fly in wilderness areas, there can be rudimentary campsites and some kind of tourism will be permitted in them. There is pressure by Alberta Conservatives to see that there is more development in the parks.

It is very important when only 1.5 per cent of the land mass of Canada is consecrated to national parks, when the land that is protected is as small a part of our natural heritage as it is, that there be some substantial protection. This Bill does not go far enough toward doing that.

Alberta Conservatives want to see more development. They are afraid that condos cannot go up in a wilderness area. There is a corridor in the middle of Maligne Lake, supposedly a wilderness area, where boats can ply. There are houses and cottages at one end. What kind of a wilderness area is this?

The previous speaker spoke about the need to have tourism and to allow everyone to see a wilderness area. That is a contradiction. There is a place for tourism and a place for people to enjoy our national parks, but we must be very clear that it is fundamental for the survival of Canada that we have some real wilderness areas. This is part of our heritage and is for the protection of species. We do not have enough of that at present and there is a real risk that there will be further encroachments.

I think of the comments which have already been made about the ski areas. We do have some ski areas allowed in national parks and the proposal from some Conservative Members is that there ought to be more of them, that they ought to be expanded. We currently have five ski areas in national parks and a sixth is provided for by federal-provincial agreement in Newfoundland. The government policy is to limit development of ski areas but it has not been rigorously enforced.

The Minister has expressed his willingness to entertain changes to this section of Bill C-30. He says that it is all right if the committee studying the Bill decides to defer a decision on the Sunshine ski hill to some future date. Sunshine has been very adept at getting further developments permitted. It has people lobbying for it to have the policies bent. I am very leery of this and hope that the Minister will have a firm backbone on this issue.

• (1140)

Given that we only have a small area of Canada devoted to national parks, it is absolutely vital that there not be further encroachments. There is a place for commercial tourism but there is a place for Canada to stand firm about the protection of nature. That has to be a priority, and, as environment critic, I will certainly be firm about speaking strongly for those kinds of measures.

Bill C-30 will allow for boundaries to be established for municipal areas for Banff and Jasper. Two reasons that the Government has offered are to permit local self-government and to limit the development of town sites. However, we are

not offered any idea of what these boundaries will be. They may go wider than what we would like and essentially be another way of reducing the areas that are really set aside for the survival of species in Canada.

Citizens of Jasper have already indicated that they do not want to pursue self-government at this time. Residents of Banff will vote later on whether or not they want to negotiate it. Before the committee begins its study of the Bill, the Government should bring forward its draft boundaries. We should know what we are passing. There should not be surprises later.

I have mentioned the role of the Alberta Government in lobbying on this measure. I want to refer specifically to some of the comments it has made. They show that the Alberta Government does not really understand what protection of the environment is all about.

On the question of ski areas, the document stating the views of the Alberta Government on the amendments to the National Parks Act states: "We cannot support the amendments which which seek to limit expansion of existing ski facilities and preclude new developments."

To continue: "Foreclosing the option of future ski development in Banff and Jasper National Parks would be a serious obstacle to expanding the tourism sector".

Yes, it would be. However, there are other places where there can be expansion of commercial skiing. That is a very legitimate activity and we support it, but the very *raison d'être* of national parks is to preserve our natural heritage. Some things simply do not go together and the purpose of having national parks is to give a high priority to conservation and to ensure that at some point we say that making a buck is not the most important. We must show some responsibility for the future.

The Alberta Government points out that the boundaries for Banff and Jasper town sites, once fixed by act of Parliament, would require an act of Parliament to change the boundaries. It considers that unnecessary and cumbersome and wants flexibility. Why? It wants to allow for more commercial developments. In short, the Alberta Government wants to weaken the national parks system and take some of this out of the land bank for the future and devote it to making money commercially, something to which 99 per cent of Canada is already devoted. In short, it wants to weaken the whole idea of having a national parks system.

Let me continue to quote the brief of the Alberta Government: "There is a fundamental difference between Alberta's approach to land and resource management on public lands and the approach adopted by Parks Canada with the national parks".

Yes, there certainly is a difference. The approach taken by Parks Canada is the proper one. While I may argue that it is not strong enough in terms of conservation, and there are areas where I have some worries about it being the thin edge of the wedge in terms of how it describes pollution and the kinds of developments that would be allowed, it is certainly far better than the approach proposed by the Alberta Government.

Let me turn to wilderness areas. The Alberta brief states: "We are concerned that the amendment might restrict present tourism related activities and exclude future development of appropriate tourism related facilities and activities which recognize the wilderness attributes of these areas".

One cannot have it both ways. If you really want to recognize the wilderness aspects, you cannot be having entertainment and recreation, more hotels and casinos with slot machines, dancing, parties and more fish and chip shops.

Mr. McDermid: There go the NDP Members exaggerating again. What nonsense.

Ms. McDonald: It is quite clear in the part to which they want to add that recreation and entertainment areas would be permitted. Is this recreation and entertainment for the gophers, elk and caribou?

Mr. McDermid: Ask Ian about skiing.

Ms. McDonald: Skiing enterprises are quite appropriate, but not in national parks. There must be limitations on that. Some of the positive measures in the Bill include expanding national parks and incorporating in the legislation some decisions that have already been made and announced. Bill C-30 entrenches the establishment of Ellesmere Island National Park and makes provision for the establishment of the Grasslands National Park. Naturally, we support this.

The Minister also proposed that we could establish the first marine national park in the Bruce area through an amendment at committee. We certainly would support that, but wonder why it was not provided for in the original Bill since it is something the department has been considering for some time. The need to establish marine parks has certainly been agreed upon by environmentalists for a long time. In any event, we certainly support that principle.

Another measure I do not like in the Bill is a proposal to establish a citizens heritage fund. Even the Government of Alberta makes some wise proposals and points out that there will be competition for fund raising to get people to donate to this citizens heritage fund.

What is wrong with this idea? The Minister states that the money would not go toward usual activities and become a substitute for expenses that taxpayers would otherwise bear, but would be used for expansion purposes. Some environmental groups have been basically told that it is the only way our national parks will be expanded.

I point out, however, that any citizen who wants to make a donation to the Crown can do so through other current provisions. We do not need a special measure, and I believe some people would get upset, as people in the arts world were upset when there was a proposal that the National Gallery do

fund-raising in the private sector. All the small museums became worried that they would have trouble raising funds for their operations with such a big organization hustling funds from the same people.

Environmentalists should be concerned that this may happen with a citizens' heritage fund. We have a responsibility as citizens to have a public presence in the parks system. There should be no need for private fund raising in order to fulfil these obligations. Private citizens who have ample opportunity to make donations to smaller parks and other environmental causes should not be crowded out.

Further, the proposal would increase the leverage the Minister has over non-governmental organizations who would then have to apply for funding from this citizens' heritage fund. There is no proposal that it even be an arm's length agency, and this would be a very unhealthy development. I hope the Minister will reconsider that and drop this proposal. It has not been well accepted by the people most involved with national parks.

The Bill would permit certain subsistence activities. This is an important matter in the case of native people who have been using national park areas. As we hopefully expand the system in the future, this would be a very important measure. As well, non-native people in local areas have used parks for subsistence purposes. The idea is that they not be cut off from this source of livelihood. I would certainly agree with that, especially if this is a measure in the case of non native people, to include those people already involved but not necessarily to expand this practice.

It makes a great deal of sense in the case of native people in areas where we may want to see further park development and some kind of integrated way of carrying on traditional hunting and gathering activities. Native people are extremely good conservationists. This kind of combination of activity would be very desirable and suitable.

• (1150)

Another measure in this Bill about which we heartily approve is the increased penalties for poaching. I note that the Parliamentary Secretary spent a great deal of time talking about this section. I suppose this is the real motherhood section of the Bill. No one can object to it. We might even want some stronger measures. I understand the Government is going to entertain amendments for stronger measures in parts of the penalty section where the penalties are not quite strong enough for species of animals that are not rare. Everyone is on board in this one. This is something that environmentalists have been talking about for a long time. The penalties in place right now are, in effect, a licence to poach. They certainly do not discourage poaching. They do not adequately punish for such activities.

Members of the Liberal Party have spoken on this Bill. They have joined in condemning the Government for its inactivity with respect to national parks. I simply want to state that I think the Liberal Party does not have a leg to stand on. This is an area where the present Government has at least taken a few steps forward, although I do not think it has done enough in this area. We know of its record in slashing funds at the beginning of its mandate in the environmental area. We do not want to suggest that the Conservative Government is a model to follow. We would like things done very much differently. However, the Liberal criticism of the Conservative record is really far-fetched indeed.

There was a long, blank period on national parks under the Liberal Government when nothing was done. It was only because of considerable agitation from voluntary organizations and the non-governmental sector that we got some action. Of course, my Party was very active in fighting to get a national park on Ellesmere Island. Finally, we had a three-Party consensus and pressure was put on the Social Credit Government of British Columbia to get that deal negotiated, and we see the fruits of that consensus in Bill C-30 today. But it was tough going and we certainly did not see leadership from either the present Government or the previous Liberal Government with respect to those issues.

There are a number of housekeeping measures in Bill C-30. The present National Parks Act has been out of date for some time. We are in favour of good housekeeping. There are many minor measures that simply bring Bill C-30 up to date. However, some of these minor measures are perhaps not worded as carefully as they might be. We see the authorized use, regulated use—but how prudently regulated, we wonder—of pesticides and other toxic substances in the parks. I find even the contemplation of this a rather daunting prospect. There is certainly provision for spills in transportation. I suppose that has to be there if that kind of transportation is going to be permitted. But it is certainly a rather dismal prospect that there would be toxic substances used in the parks.

We have had pressure from the Government of Alberta and Conservatives from that province who would want to make greater use of pesticides, and who believe that we have to protect the human commercial areas adjacent to national parks. Not only do they want to encroach into the national parks but they want to reduce the naturalness of our national parks by allowing the use of these toxic substances, supposedly to protect commercial activities next to the parks. It is a very short-sighted approach, that profits in the short term are all we should be considering. We have thousands of toxic substances in use and we do not know what the impact will be on the environment. We would like to think there are some areas where there would be an absolutely total ban. I would like to think there are some areas where the use of chemical pesticides simply would not be contemplated.

National parks themselves would be threatened enough by the waters and by air coming into them from some other areas. The idea that we would permit or in any way encourage the use of chemical pesticides in national parks seems to me to be very unfortunate. Therefore, when we talk about regulation,

does it mean zero regulation or some regulation? We have too many people in the pesticide business who think that as long as we do not have too much of it at any one time, it is all right. They completely forget the cumulative effect of chemical pesticides. The stuff does not go away. It is there in the soil, in the ground water and it continues to have its effect year after year after year.

The Acting Speaker (Mr. Paproski): I would just like to bring to the Hon. Member's attention that her time has expired. However, I will give her another minute or so to wind up.

Mr. Angus: Mr. Speaker, I wonder if there would be a disposition of the House to grant my colleague the traditional 40 minutes? As you know, Mr. Speaker, the Bill was brought forward without notice on Friday and a number of other Members had to participate. I see the Minister of the Environment (Mr. McMillan) is here today as well and perhaps he would like 40 minutes.

The Acting Speaker (Mr. Paproski): Is there consent?

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): There is no consent. The Hon. Member for Broadview—Greenwood (Ms. McDonald) will have an extra 60 seconds.

Ms. McDonald: Mr. Speaker, I will just take one minute to wrap up by saying that we certainly support this Bill. We think it is important. We want to see some further clarification and we are looking for certain amendments. I hope the Minister will address these questions very promptly. I hope this will be put into the context that we need stronger environmental protection. A Ministry which has slashed its budget in the environment, I think, has to answer these questions and not simply ask us to be confident that everything will be done properly. I think we need very precise assurances. Is the Minister going to give way on the ski areas? Is he going to give way on development? Is he going to put commercial interests ahead of conservation? I think he has to answer those questions. I hope he will answer them favourably.

We will support him in taking a very strong stand for the environment. This Bill goes some of the way but it does not go quite far enough. We would like to be very sure that mistakes are not made, that we get a very clear definition of wilderness areas so that we will have a National Parks Act of which we as Canadians can be proud, an Act which will ensure some protection for future generations.

Mr. Allmand: Mr. Speaker, I was extremely surprised to hear the Hon. Member say that Liberal Governments did nothing for national parks. I know she has a reputation for telling the truth and I do not think that she would want to mislead the House. Any objective person who looks at our record will see that during the 1970s, the number of national parks was more than doubled. In fact, they were substantially increased. I can recall when the Hon. Jean Chrétien was appointed Minister of Indian Affairs and Northern Development. At that time national parks was under that Ministry. The number of national parks in Canada was relatively small and were doubled, if not tripled. I can go through the list of national parks. I do not know the exact number but there was a substantial increase of national parks at that time. I was also the Minister responsible.

I challenge anyone in this House to look at the great increase in national parks under the Government of the Right Hon. Pierre Elliott Trudeau. There was a substantial increase not only in national parks but in historic places, in canals and waterways. There was a fantastic increase. I think to suggest otherwise to the House is simply to mislead the House and the country.

I might say as well that in the period when I was the Minister responsible for national parks, we did not always get the co-operation we wanted in establishing new parks from New Democratic and Conservative provincial Governments. As a matter of fact, very often they took a very dog in the manager approach to the creation of national parks in British Columbia, Manitoba, and Saskatchewan. I challenge anyone to look at the record and to stand by that kind of statement.

• (1200)

Ms. McDonald: Mr. Speaker, the Hon. Member talked only in generalities. He did not name one park. He did not name one square mile. He just talked about his wonderful record. I do not have the dates or the square miles with me either. I would be a little bit skeptical about these kinds of claims. Let him put on the record exactly what the Liberal achievement was. I do not think that it was very good. The result is that we have a relatively small part of our national heritage devoted to national parks after a very long period of Liberal Government. Let the Hon. Member be specific if he really wants to make that case.

Mr. Allmand: I would be glad to.

Ms. McDonald: I would be very glad to listen to him, but I am not impressed.

Mr. Ravis: Mr. Speaker, I would like to make a couple of comments on the presentation of the Hon. Member for Broadview—Greenwood (Ms. McDonald). I happen to enjoy one of the national parks in Saskatchewan. It is called Prince Albert National Park. Of course we go through the same kind of discussion there as to commercial activities versus environmental concerns.

The point I want to make is that we have to keep in mind that national parks are for people and, I suppose, for wildlife as well, but primarily for the enjoyment of people. I certainly want to protect these parks for centuries to come.

It seems to me that we tend to forget that we have to maintain a balance. I suggest that this is a rather imperfect

balance when we look at a figure of as little as 1 per cent or less. As a matter of fact, it would be a mere fraction of the total land surface of national parks devoted to some kind of town site with some commercial activity that is there to serve the needs of people. Of course, the thousands of square miles that are devoted to our heritage are there for conservation purposes.

I would like to ask the Hon. Member to expand a little and to try to demonstrate perhaps a little better understanding. In her presentation this morning I detected that she felt that the Act and that the Conservatives, particularly people from Alberta and western Canada, have no feeling for these concerns. I do not think that is accurate. I would like her to comment on that.

Ms. McDonald: Mr. Speaker, I am delighted to comment on that very crucial question. The Hon. member talked about balance. My whole point is that the balance is too skewed the other way. If 98.5 per cent of land surface is devoted to commercial activity and 1.5 per cent is devoted to national parks, and then a lobby group of Alberta back-benchers is talking about reducing that 1.5 per cent to something smaller, then I think that the balance is entirely missing.

Mrs. Sparrow: That is not true.

Ms. McDonald: The Hon. Member said that I did not think people in the West or Alberta understood. My point is that there are many environmentalists, many people who are concerned to preserve some of our heritage, our physical heritage, for future generations. There are people who are concerned. I do not think that the Alberta Conservative caucus represents those people.

Mrs. Sparrow: And you think you do?

Ms. McDonald: Let me quote from one Alberta Member who said, "They could not offend anyone to do some angle drilling for gas and oil from outside the parks' boundaries". He does not see any objection to limited to moderate lumber developments. Good grief, this is just saying that we will use the national parks for making a fast buck, the same as the rest of the country. That is against the whole idea. Some areas need to be preserved as wilderness areas. Some areas must provide for the preservation of some species. There must be some areas where we human beings will not be boss and kill off everything else with chemical pesticides or what have you. There must be some areas about which we will be thinking for the future and where there will be some conservation.

Mr. Ravis: Mr. Speaker, all I can say is thank goodness that the elks and the bears do not have television sets to watch and listen to this sort of nonsense. It is a prime example of a distortion of what in fact has happened. It makes me a little annoyed.

The point I am trying to make is that we have to strike a balance with respect to what the *status quo* is today, for example, when we take a look at a national park. I am all for including more national parks in the country. We have to take a look at setting aside town sites which represent probably less than 1 per cent of our national parks. Surely to goodness, as we do in our cities right now where we have such things as zoning by-laws, we have to be very careful as to what we will allow into parks. For goodness' sakes, let us separate the wilderness from the town sites. That is the point I am trying to make. I think that the Hon. Member has taken this to the extreme and has brought in all kinds of other issues which are totally unrelated.

Ms. McDonald: Mr. Speaker, I think the problem is that some Conservative Members, and I believe it is true of some Liberal Members as well, want to have it both ways. They talk about wanting wilderness areas and everyone to be there to enjoy it. They must have restaurants and motels so that they can enjoy these wilderness areas in comfort. But then one cannot have a wilderness area if one has all these amenities. Let us not kid ourselves. That is ordinary tourism, which is perfectly desirable. I am not objecting to that. But there has to be something separate from that. There needs to be some areas which are wilderness areas that protect nature, that say this is an area in which the human destructive urges are going to be limited and we are going to keep something from being wrecked by the normal processes of civilization for the future.

Ms. Jewett: You would think that the dinosaur club would like that.

Ms. McDonald: Dinosaur club indeed. Let me quote another dinosaur who said that decisions regarding highway construction and maintenance should reflect the important role they play in Canada's economy and not be based solely on park land use criteria. This is saying that a park should not be a park, but a place where highways go and the normal economic criteria are the ones that would count. That is missing the whole point of having wilderness areas and having national parks.

Mr. Edwards: Mr. Speaker, I appreciate the opportunity to ask a question of the Hon. Member for Broadview—Greenwood (Ms. McDonald). A few moments ago the Hon. Member made reference to a particular Alberta Member of Parliament. I hope that she had a particular one in mind since I am going to ask her to identify that Member of Parliament. As I understood the Hon. Member, a particular Alberta Member of Parliament said or recommended that angle drilling and lumbering in national parks was all right. I would appreciate if the Hon. Member would identify the Alberta Member of Parliament and the source that she is using.

By making the statement as she did she brings into question all Alberta Members of Parliament and their positions on this issue.

Ms. McDonald: Mr. Speaker, I welcome that intervention. I hope that the Hon. Member will rise and give a very strong

pro-conservation, pro-environment, pro-parks speech. I think that would be very important.

I cannot give the Hon. Member the source of the quote right now. I will give it to him later. The Member I am quoting is the Hon. Member for Crow's Nest. With respect to the highway construction it is another one from the Alberta Government. I can give him the exact quote on the spot.

Mr. Edwards: I am afraid that, again, we are dealing with NDP fear, fabrication and fantasy. In fact, there is no Member for Crow's Nest.

Ms. Jewett: Mr. Speaker, first, I would ask the Hon. Member when she replies to my question to make any further comments.

We have been having an uproar in British Columbia because of the Government's attitude on Strathcona and the possible despoliation of Strathcona. I would like to ask the Hon. Member if she sees any possible replication in the Government's attitudes, the dinosaur club's attitudes in this Bill. Is there any potential replication of the Strathcona affair on Vancouver Island?

• (1210)

Ms. McDonald: I apologize for the mistake. It was the riding of Crowfoot, and it is contained in a newspaper interview.

In answer to the Hon. Member for New Westminster—Coquitlam (Ms. Jewett) I think the Strathcona situation in British Columbia is one of the most flagrant examples of the misuse of provincial parks. This is an example of simply rezoning an area that is supposed to be wilderness, or it had limited development, and calling it a recreational area, then mining, lumbering, and other economic activities can be allowed. I would hate to think that the Government would be so unenlightened, but the legislation is not clear enough. It does not state precisely what wilderness areas will be. It gives the Minister the right to designate wilderness areas, and it talks about activities consistent with protecting wilderness areas. Since there is little understanding about what a wilderness area is in the caucus at large, and I do not know if that is true for the Minister and I hope that he will clear it up, we must be a little worried. That could be dealt with by having a clear amendment about what is a wilderness area, in order that people will not have to be worried about a repeat of the Strathcona Park affair.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the Hon. Member for Davenport (Mr. Caccia).

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I know the Minister is anxious to close the debate. We are not only on the motion of the Minister, but on the motion of another Member whereby there could be further speakers. I think that it would add to the total quality of this debate if the Minister had an opportunity to answer some of the questions asked and dispelled certain fears, some may be legitimate and some may not be, and concluded with the full knowledge of the criticism put forward rather than being attacked from the back, so to speak, after he has spoken.

I am glad to take the floor at this point. In answer to the question put forward by the Hon. Member for Edmonton South (Mr. Edwards), I would like to give him additional information now that he knows it is the Hon. Member for Crowfoot (Mr. Malone) who was quoted on angle drilling in parks as a possibility for exploitation. As to the source, we can only go by one that is highly reputable, because it comes from the city of the Hon. Member, and it is *The Edmonton Journal* for Tuesday, December 15, 1987.

Some Hon. Members: Oh, oh!

Mr. Caccia: Not only did it contain the gem of angle drilling, which everyone found quite amusing, but it also contained another interesting notion attributed to the same Hon. Member for Crowfoot, namely, the possibility that he sees room for some "limited to moderate lumber developments". That was contained in the same article.

Evidently we are dealing here with quotations. We all know from past experience that they are not all reliable. We will be glad to give the Hon. Member for Crowfoot the benefit of the doubt of a misquote.

Where we cannot give him or other colleagues from Alberta the same benefit of the doubt, because the source is solid and irrefutable, is in a letter from the Chairman of the Edmonton chapter of the Canadian Parks and Wilderness Society dated January 10, 1988. In that letter, Mr. Speaker, I would like to bring to your attention a couple of sentences in which Mr. Rasmussen writes: "I realize that the Alberta caucus is lobbying hard to alter or stall the Bill", namely Bill C-30. "Frankly, the Bill is not nearly strong enough in its protectionist stance. However, on behalf of the membership of my organization, I urge you", and this is a circular letter addressed to all Members of Parliament, "to move it in an unaltered form to a second reading in the very near future".

Mr. Rasmussen goes on to say, "The Alberta caucus is very much out of touch with Albertans on this issue". That is an interesting statement coming from someone in Edmonton, not from one of us here, or an unwashed Member of Parliament from Toronto. Mr. Rasmussen goes on to say: "The letters and editorials are unanimously against the development stance. In fact, there has not been a single letter", meaning letter to the editor, "supporting the stance of the Alberta caucus. The press in all other Alberta centres is running the same on this issue!"

The substance of this letter is that there is a national consensus to get this Bill going and through. The sentiments expressed by Mr. Rasmussen are such, coming from Alberta, that we have to take them into account and give them the credence and the weight that they deserve, unless Alberta

Members in the House would like to rise and debate the content of Mr. Rasmussen's letter dated January 10, 1988.

In detail the Bill contains a number of measures that we do support. Those measures are strangely reminiscent of a decision made in 1984 to amend the Bill. In other words, the Bill contains a set of measures, except for one or two, including the one that deals with the citizens' heritage fund, which have been available to the Government for action since it came into power in September, 1984, three and a half years ago.

As my colleague, the Hon. Member for Cochrane—Superior, did on Friday, we would like to express our support in general terms. On more than one occasion on Thursdays when the business of the House is called, the Liberal Party inquired with the House Leader of the Government as to when this Bill would be brought forward. That is something that does not happen very often.

Having analysed the Bill in depth, I have some reservations about the weakness of clauses 1.3 to 1.6 on pollution. It seems to me that those clauses need to be strengthened. Perhaps they were written in isolation from what we have been attempting to do on Bill C-74, an Act respecting the protection of the environment. I would hope when the Minister will appear in committee he will find it possible to come forward with amendments that will strengthen the pollution clauses of the Bill. Perhaps today he has some comments to make to that effect.

In those particular clauses on the costs of clean-up, I would urge the Minister to review the Bill carefully as we are approving it on second reading. Since we will have an opportunity in committee to examine it clause by clause, I urge the Minister to come forward with an amendment to strengthen those clauses. If not, we in the Opposition will be prepared to do so, provided we receive the necessary support from Members on the government side.

The main controversy which has been raised by others is whether or not the Ministers can give us assurance, possibly today, on the question of boundaries in the ski area. That is definitely a source of great uncertainty, speculation, and unnecessary grief. In other words, we would like to be given the assurance that the Government will not come forward in committee with an amendment to the present Bill that will make the boundaries of Sunshine Village changeable by way of a cabinet decision. Therefore, the assurance today in the House that the boundaries of Sunshine Village will remain as they are proposed now at second reading would go a long way in removing fears on the part of all parties concerned, not only in the House, but those outside who follow the proceedings of this Bill very carefully.

• (1220)

I would love to engage, if time were to permit, but I will not, in putting on the record numerous national parks that were established in Liberal times just to straighten out the false impression which the Hon. Member for Broadview—Greenwood (Ms. McDonald) has in relation to the Liberal record, which is a very fine and outstanding one. We are very glad to see that our record is being built upon at the present time in the life of this Parliament by Bill C-30, but there is no justification at all for the Member's statement made earlier.

The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) indicated that the number of national parks introduced when he was the Minister runs into a dozen or more. It would take too much time to cite them all, but they stretch from east to west and from south to north. They are there to be seen by every Canadian who wants to enjoy the beauty and recreation that such parks offer. The national parks system is an outstanding one and it is the envy of every visitor from outside of Canada. What puzzles me is that the Government in October, 1986, in the Speech from the Throne announced the following:

> Canada's national parks represent a heritage of great importance to the present and future generations.

We agree. "My government" said the representative of the Queen in the Senate:

> —will ask Parliament to approve major reforms to the National Parks Act.

Where are the major reforms in this Bill? They are extremely difficult to find. Maybe one could make the case for a major reform, as the Minister no doubt will try to do about the proposed citizens' heritage fund, but that is not something that can go by uncriticized because it has a number of flaws. In my view it is not in that category of initiatives. Why was it necessary for almost four years to go by to introduce a piece of legislation which so closely reminds us of decisions which were ready for this Government to make when it took power in September, 1984? That is a puzzle very few can answer.

The Government has demonstrated by this enormous delay since September, 1984,—when there was also a hiatus between two administrations and a lack of legislation—that it cannot manage in a competent manner the flow of legislative measures to be introduced in this House. This very measure we are debating here today, I submit, could have been debated in 1985, at the latest in 1986, because it was all there to be brought forward. No wonder if Canadians in communities across the country, who cherish and place a high value, understandably and quite rightly so, on our national parks systems and ways to strengthen and improve them, have become so frustrated. To add to that particular frustration is this uncertainty created in Alberta, in your own province, Mr. Speaker, as reflected in the letter written by Mr. Rasmussen which I read a few moments ago.

We have within the Alberta Progressive Conservative caucus two members, one is the Hon. Member for Crowfoot (Mr. Malone) whose tendency is to favour angle-drilling in national parks, and the other is the Hon. Member for Bow River (Mr. Taylor), who would like, if one reads between the lines in what he said, our national parks to be turned into tourist playgrounds. That would be the ultimate joy and accomplishment

for the Member from Bow River. On the one hand he finds that the taxation system on citizens of Banff and Jasper is too high, yet he had to admit that citizens do not want to switch to a municipal type of government as in any other part of the country. Evidently there are some advantages in the regime that Canadians in Banff and Jasper do enjoy, otherwise they would have already opted and decided in favour of introducing a municipal form of government in their own towns.

I would like to draw your attention, Mr. Speaker, the importance of spelling out the boundaries of the ski areas in the three parks, namely, Banff, Jasper and Riding Mountain, as this Bill does, and to obtain the assurance that these boundaries will remain entrenched in the Bill so that the assurance will be in a legislative form and changes will not be possible by way of an executive decision.

In moving on to the question of the citizens' heritage fund proposed by the Minister in Clause 8, the question is one that shifts the onus for the establishment of such a fund from the public to private initiative. The creation of a fund by way of a competitive effort with other efforts which take place every year and frequently in any community region and across the country is in itself a disadvantage. Second, the fund would be put at the disposal of the Minister and we would not know how that fund would be applied, how the decisions would be made on priorities, whether it would be a highly political fund or one whose utilization would be guided by principles having to do with the best interests of improving the quality and the extent of the national parks system. We do not think it will be a fund that will not be perceived as a slush fund by the public.

Therefore, we would much rather see an approach recommended by the task force on park establishment in November, 1986 of a 5 per cent minimum allocation yearly in Parks Canada's total annual budget to build up and develop over the next five years and more a capital acquisition fund. After a very few years that fund would be substantial, and it would allow acquisition with a degree of certainty. Money would be built up and everybody would know that by a certain date funds would be available. It would permit a gradual, constant, well planned expansion of the already fine system we have.

• (1230)

We are all trying to search for ways of establishing a capital acquisition fund for parks, and I do not want to knock down completely the proposal in Clause 8, but I can assure Hon. Members that it lends itself to a number of very legitimate criticisms which I am sure the Minister will take into account and deal with. I believe that out of general revenue which provides funds to the newly named Environment Canada Parks, the allocation ought to be established. Then there would be continuity and consistency so that in the long term these funds would be reliably built up.

When dealing with acquisitions of this size and with a program that is intergenerational, we want to provide for something that does not depend on the whims of economic conditions as they exist from one year to the next or on the whims of the success or lack of success of fund-raising initiatives. This particular sector of public interest deserves stability and continuity of this nature.

My colleague, the Hon. Member for Cochrane—Superior (Mr. Penner), dealt on Friday with traditional subsistence activities and with Clause 4 in particular, and I would like to reinforce what he said. This is the measure that recognizes the fact that new national parks must not inhibit traditional activities carried on by local native people. We are glad to see that this measure is being introduced because it was part of a package that was ready for implementation in 1984. It commands the attention of all of us who are concerned about the stability of the economies of native people in national parks.

I will conclude by stressing the importance, as others have, of wilderness zones. If this Bill had been introduced in 1985, we would certainly be ahead with that particular activity. A policy was already in practice at that time. The removal of the powers of expropriation is a new feature which I do not support because I think those powers ought to be in the Bill. Expropriation ought to be used very carefully, of course, but there may be times, over a period of 20, 30 or 40 years, when we may want to use expropriation powers in a careful and thoughtful manner. Without those powers, our ability to establish new areas will be weakened.

I do welcome the poaching regulations contained in Clause 7, but I find that the fines for the poaching of game animals such as caribou, elk and deer are far too low. In light of a television program which appeared a couple of weeks ago, we see that poaching is now an activity which constitutes an emergency, and I hope that either today or in committee, the Minister will indicate that these fines will be strengthened in a manner that will make it prohibitive to conduct such activity. I thank you for your indulgence, Mr. Speaker, and I look forward to hearing the next Hon. Member.

Ms. McDonald: Mr. Speaker, I welcome the support of the Hon. Member for Davenport (Mr. Caccia) on the need to have a clear definition of wilderness areas. I wonder if he could elaborate a bit on that. I wonder as well if he would comment on how much wilderness area we need.

Such a very small proportion of Canada is devoted to national parks. Would he therefore be in agreement that it would be desirable for Canada to have a much larger proportion of land devoted to national parks, particularly to wilderness areas within parks? Would he want to put a percentage figure on that?

Mr. Caccia: Mr. Speaker, unlike the Hon. Member for Broadview—Greenwood (Ms. McDonald), I do not have instant answers. On a matter of such complexity as wilderness zones, I do not know if anyone could give an immediate response by way of percentages or direct numbers.

Of course, there is an enormous potential for wilderness zones. One would want to put aside the largest possible acreage one could put his or her hands on in areas that would qualify and would be suitable. The concept is a very good one, and as I said in my intervention, this policy has already been in practice for some time.

The creation of a wilderness national parks status is something that we should examine in committee in great depth. Perhaps we could also find the correct phraseology to use in introducing such an amendment. We might even conclude, after studying the Bill, that there are certain parks, though perhaps not all of them, that could be set aside as wilderness reserves. Thus we could enhance and elevate the status of existing national parks. Obviously, in order to be successful with that, we would have to be very firm on pollution-control measures. As the Hon. Member knows, wilderness is easily affected by certain chemical products, and therefore we must establish the linkages necessary for the protection of wildlife over-all.

Mr. Allmand: Mr. Speaker, because certain Hon. Members are not very familiar with the national parks system in Canada, and in particular the Hon. Member for Broadview—Greenwood (Ms. McDonald) who said that under Liberal Governments nothing had been done, is the Hon. Member for Davenport (Mr. Caccia) aware of the fact that under the Trudeau Government alone, the following national parks were created: Kejimkujik in Nova Scotia, Kouchibouguac in New Brunswick, La Mauricie in Quebec, Pacific Rim in British Columbia, Forillon in Québec, Gros Morne in Newfoundland, Pukaskwa in Ontario, Kluane in the Yukon Territories, Nahanni in the Northwest Territories, Auyuitiuq in the Northwest Territories, Grasslands in Saskatchewan, Mingan in Québec and the Northern Yukon Park in the Yukon Territory which came at the end of the regime and was followed through by the Government opposite?

That makes 13 national parks created under the Trudeau Government alone, out of a total of 32. I said that they were doubled, but I was wrong. They were close to doubled since 13 out of 32 were created since 1968 when Mr. Trudeau came to power. That does not include the national historic sites of which there are now 80 in Canada, many of which were created under the previous Liberal Government, not to mention the heritage rivers and canals.

Is the Hon. Member also aware of the fact that in Canada we now have 180,000 square kilometres set aside for national parks, one of the largest areas in the world, and that most of those parks were created under Liberal Governments which were in power during that time and gave a high priority to national parks?

• (1240)

Mr. Caccia: Mr. Speaker, the Hon. Member is highly qualified to ask this question because he is a former Minister concerned with northern affairs and national parks. He was personally involved in the establishment of some of the parks that he just mentioned.

As I said, the record speaks for itself, and it is an outstanding record. The system is there to be seen by visitors. I would not be surprised if the St. Lawrence Island National Park was also established by a former Liberal Government. I would not be surprised if Point Pelee National Park were in that category as well. I am not quite sure about Mount Revelstoke National Park and Elk Island National Park, but the fact is that the whole system was given momentum and great impetus by successive Liberal administrations. That does not mean that negotiations at times, as the Hon. Member indicated, cannot go on so long that sometimes a park is announced and launched when the Progressive Conservative Party is in power. The Bruce Peninsula negotiations started a long time ago, even before my time here. I would like to add to that Ellesmere, an area over which negotiations go back over a decade or so.

This is a very tricky field in which to claim paternity or maternity, but nevertheless the basic point is that the Hon. Member for Broadview—Greenwood who unfortunately is not here to listen to us, made a statement that was a little bit off the mark, and that we in Canada have a fantastic network of parks of which we can collectively be very proud.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated.

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, it is indeed a pleasure for me to participate in the debate today on Bill C-30. The Bill means a great deal to western Canada, if not to all of Canada.

First I would like to congratulate the Minister for introducing the Bill. It contains many excellent amendments to the Act and I want to commend him especially for the new poaching laws to protect wildlife. It is extremely important that our national parks be protected. The parks are there for everyone to enjoy, whether they be hikers, skiers, visitors, or even residents of one of the town sites such as Banff, Jasper, or indeed Waterton National Park.

Tourism and the environment can work together. We in the Conservative Party certainly do not want to promote a cement jungle or a Coney Island situation in any of our national parks. However, we feel that with open debate and meetings, with participation by the residents of the various parks, we can sit down and design a controlled-type of development that will be beneficial not only to those residents but to the provinces as well.

As you well know, Mr. Speaker, coming from that great province, we in Alberta have more square kilometres of national park than any other province and are very pleased and proud to have them. Within Banff and Jasper National Parks we have skiing facilities which have been in place for many years. I am a skier and have been for about 30 or 35 years. Since about 1965 or 1966 I spent almost every weekend during the ski season skiing at Sunshine, Lake Louise or even Marmot

Basin up near your area. We are very proud of those skiing areas.

Our main problem today is that a lot of the facilities in those parks have to be replaced in order to make them competitive with other areas such as Whistler or indeed places like Aspen which have tremendous skiing facilities. I would like to see this Bill go to committee where the Minister can appear along with other witnesses to discuss how we can maintain some of these excellent skiing facilities in order to bring tourists and other visitors to our parks so they can enjoy the facilities.

Another area I wanted to discuss concerns the boundaries of the Towns of Banff and Jasper. It is noted in Bill C-30 that the Governor in Council may fix the boundaries of those two towns by an order adding a description of those boundaries as a schedule to the Act. I am very pleased to see that. The Minister has been very open and honest and feels he has to go to the residents of those areas and talk to them. He has to hear and see their concerns before carving the boundaries in stone. I must thank him for that move.

During the past two and a half years I have visited Jasper, Banff and Lake Louise and talked to their Chambers of Commerce as well as the residents about self-government. They also want self-sufficiency. They want to protect their areas. They do not want open development, they want controlled development so they can move towards self-sufficiency and reliability. I have to say that here again the Minister said he would have open meetings. He will listen to the people who live there, the people who are designing the future of those areas. Then, after close consultation with them and his officials, and indeed I hope the House, he will bring forward recommendations as to what the boundaries might be or indeed should be.

I think that is part of our efforts at national reconciliation, where the decisions are not made here in Ottawa without consultation. This Government is moving towards talking to the people in the provinces and the industry to decide what they need and what is best.

I have also had a lot of discussions with the Minister's department concerning land lease rates. The 1980 assessment value on properties in Banff, Jasper and Waterton National Parks proved to be perhaps too much of a hardship. Some of the rates increased by 2,000, 3,000 or 4,000 per cent. This Government does not feel that we should make a decision here and enforce it on people somewhere else in Canada, and we are reviewing the land lease rates and the assessment value of the various properties in those areas. A special committee has been formed which will make recommendations to the Minister. I know he will review those recommendations with all due care and try to make things more fair and equitable for the people who live in those areas.

• (1250)

With regard to the wilderness areas, it is very difficult to put boundaries on them. Perhaps many people here in the House today have never visited some of these huge parks in western Canada. It would be totally impossible to lay out specifically all the boundaries for wilderness areas. The mountain ranges are very vast and the Minister would have a great deal of difficulty if he tried to carve those boundaries in stone.

I am very interested in Bill C-30. It should really go to committee where we can hear the concerns of the people from the various parks and also hear from representatives of the tourism industry why they want to maintain and upgrade their equipment in order to attract people to the parks.

Therefore, I would like to move:

> That this House sit through the lunch hour for the purpose of continuing consideration of Bill C-30, an Act to amend the National Parks Act and to amend an Act to amend the National Parks Act.

The Acting Speaker (Mr. Paproski): Will those Members who object to the motion please rise in their places?

And fewer than 15 Members having risen:

The Acting Speaker (Mr. Paproski): Fewer than 15 Members having risen, pursuant to Standing Order 9(4)(b), the motion is adopted.

Motion (Mrs. Sparrow) agreed to.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I feel decidedly of two minds about the continuation of the debate at the moment. It has been as badly handled as the parks system of Canada very often has been. This debate began Friday when the Minister was not here and other people, including our critic on the environment, were not here to take part in the debate. The debate blundered on this morning with one of the Members from Alberta speaking first.

The Minister has been sitting there quietly not saying a word. He has had several opportunities to speak to the matter. He is, I am sure, taking it all in, but we expect the Minister to make a statement on the Bill, to make a defence of it. Rather, he sits there quietly, wanders around behind the curtains, and pays some attention to the debate. When does he intend to get into it and give us a defence of what he has put forward? More significantly, when does he plan to deal with those shortcomings in the Bill which have not been provided for?

There has been a nice debate between members of the Official Opposition and the Government on who should get credit for the development of the parks system. Longevity always helps in these matters and the Liberals, having had the privilege of governing this country for so much of this century, can, of course, take credit for a good deal of parks creation. However, to ensure that the parks system is maintained and provided for through legislation is surely the responsibility of the present Minister.

The Bill has significant shortcomings. It fails in a number of very important areas to provide for what is already supposedly the policy of the Government. For a private Member of the governing caucus to pull this particular stunt, with the

connivance of the Ministry of course, while the Minister sits there quietly not having said anything in the debate so far, seems to me to be a contemptible use of this House by the Conservative Government.

It is truly contemptible to interfere with the proper order of the day, to attempt to conclude the matter today by speaking through the noon hour when the debate on something which is of enormous importance to Canadians has barely started. The Government House Leader smiles his sarcastic smile and serves up another piece of the arrogance of the Conservatives which we have seen all too often.

With those comments on the way in which this has been done, let me turn to Bill C-30, which is of such enormous importance to all Canadians who recognize the need for a well developed parks system. Canadians recognize that Canada, which covers such a large part of the earth's surface, has responsibility for its large natural resources and has all too often been preoccupied with the economic value of those resources. Canadians recognize the importance of the parks system in ensuring that some small part of Canada's territory will be set aside in preserves, in parks, to be enjoyed for decades and centuries to come in as close as possible to its pristine state.

I had intended to ask the Member who has just pulled this parliamentary trick on us whether she is in agreement with the Minister of Forestry, Lands and Wildlife in the Alberta Government who has suggested that we need more ski hills in the parks. A good part of the Member's quite short speech was a celebration of skiing in the mountains of Alberta and British Columbia. That certainly leaves me suspicious that she is not all that committed to the development and maintenance of our parks system.

The way in which this whole matter has been treated leaves me acutely suspicious, together with my colleagues in the New Democratic caucus, that the Conservatives have gone some distance toward doing what they had to do, that is, providing legislative amendments which the operation of the parks and the working responsibility of the officials absolutely required. However, they have neglected to put into this Bill those matters which have apparently already been established as government policy.

Given this particular manoeuver, I find it more difficult to say that we in our caucus are supportive of Bill C-30 as far as it goes. This Bill dates back to 1930 and was only amended significantly once, in 1974. As our sensitivity to the needs of the parks has developed and as the threat to the parks system has become more acute, there has been a very significant advance in our understanding of what is required. The failure of the Government to provide for that in this Bill leaves us with constrained support. To provide legislative housekeeping needed for the smooth operation of the national parks is a basic necessity for good administration. To put current parks policy into legislation is again taking a very small step.

The Minister of the Environment (Mr. McMillan), who does like to celebrate his own accomplishments and to put on a fine front before the environmentalists of the country, could do a lot better than he has in this Bill. He could have done a lot better by speaking to the Bill and possibly opening himself up to some questions and comments, although the rules of the House tend to constrain that in ways which are quite detrimental.

I find it particularly unfortunate that it seems to be the intention to have the entire second reading debate in as brief a time as possible. It was thrown into the House on Friday and they want to wrap it up on the following Tuesday and get it into legislative committee. Lord knows what sort of attacks on the parliamentary process will take place in the committee.

My friend, the Member for Broadview—Greenwood (Ms. McDonald), has already pointed out the need for far more frankness by the Government in dealing with the parks system of the country. That was a point made in a briefing note to my colleagues and myself.

• (1300)

The refusal of the Minister to rise to the occasion and speak on policy and his refusal to come to grips with the needs of the parks system and to ensure they are met, only underscores the Government's lack of frankness.

This country needs a government that will support parks as natural preserves, not as tourist sites to attract floods of people. Obviously, we want Canadians to have an opportunity to appreciate and enjoy natural preserves, but that calls for careful control of how we operate them. We want to ensure that the Government is committed to that kind of principle.

We need a government that will allocate resources to parks development with the funds of Canadians, without opening the kinds of possibilities that obtain with the citizens, heritage fund proposal of the Minister. There must be a clear commitment by the Government through taxpayers' funds to ensure that the parks system is maintained and expanded. Obviously this means that there must be clear evidence that the Government is really committed without equivocation to the development of the national parks system of Canada. There are very serious questions about whether that is really the case.

For example, the concept of wilderness is integral to the concern about natural preserves. Only when we know how those within the Government responsible for the parks system envisage wilderness will we be assured that the preserves will remain in perpetuity for the people of Canada to enjoy. The Bill does not provide for that because there is no definition. One is left guessing at the Government's intention as to what wilderness may be.

The fact that the suggestion for activities within these parks include aircraft and surface transportation rates is a real concern. We are particularly suspicious of Conservative caucus members from Alberta who want highways development in

parks removed from the control of the department responsible for the parks. There is a very clear danger that in spite of our desire to maintain wilderness areas, roads will be built to cut through these parks and thereby violate the sense of wilderness and the entire ecology of the park system. The failure to define wilderness in the Bill leaves us with no assurance that this fundamental need within the parks system will be met by the Government.

Another concern is the lack of clear provision for certain subsistence activities that can be carried on in parks. This is a concern that arises as parks are established in northern areas and places where aboriginal peoples still subsist on the natural resources and wildlife. We must take into account the treaty rights and more recent land negotiation agreements with our aboriginal peoples when we are establishing these parks. We want to ensure that in allowing these activities to continue in some parks there is a clear definition of them within the legislation. The failure to do so properly in Bill C-30 arouses a great deal of concern.

We must be concerned that others may try to assume the rights being given to aboriginal peoples, which represents more than just the thin edge of the wedge. As the wedge opens the park more and more to these activities what assurances are there that the desire to maintain the preserves as much as possible will be respected in these circumstances?

The Government's failure to define these matters clearly are reasons for the constrained support and concern about the Minister's and the Government's policy on parks that I have been expressing.

These concerns find their greatest expression in two of our greatest and oldest national parks in the Rockies, in which the towns of Jasper and Banff are located. There has been a certain amount of skiing activity in these parks for some time. The Bill does not provide us with proper assurance with respect to the boundaries of the town sites within the parks, and that substantial commercial development along with ski development will be carefully controlled within the parks.

I wish to pursue some even greater concerns than those particular elements in the Bill I have discussed. There is the matter of the establishment of national marine parks. If anyone listening thinks that these remarks have been rhetoric brought up for the occasion, particularly as we speak into the lunch hour, let me say clearly and firmly that in the matter of national marine parks it is anything but rhetoric. Here we see one of the most significant indications of the failure of the Minister, which makes it no surprise to me that he sits there silent, ashamed to get up and speak to the Bill.

We have the opportunity to establish parks along shorelines in various places to add significantly to what already exists within our large land-based parks in the nation. The Government has declared its policy that there will be marine parks, but in this grab bag of amendments to the National Parks Act there is no clear provision for the establishment of these marine parks.

• (1310)

That is particularly unfortunate given the fact that the existing Act, in another of its shortcomings, does not provide clearly for the process by which territory is acquired. The Government of Canada gets the rights to territory and gradually works through the process of creating a national park. That process is not provided for in the existing National Parks Act, so difficulties arise. The Government of Canada has to use one Act and another Act, one form of authorization and another form of authorization, in dealing with provincial Governments, which generally have the rights of the Crown in ownership, if you will, of natural resources. In dealings with provincial Governments, the federal Government has great difficulties in carrying the process through.

The Minister walks out of the House, presumably off to his lunch, leaving behind a Bill which has not provided properly for a process for the acquisition of territory and the process of establishing a park. That seems to me a monstrous shortcoming in the Bill. He should have a declaration of policy for the establishment of national marine parks when the process is finally concluded, a process which has, by ministerial directive and under one pretext or another, to be carried forward. Not to have the final basis provided for the final destination of the process, if you will, and a national marine park provided, only underscores how limited Bill C-30 really is.

As a Member of Parliament from Northern Ontario, whose riding includes a vast chunk of northwestern Ontario land, small lakes, rivers and so on, my constituency has Lake Superior located on its southern border. Lake Superior is a great body of water. As we all know it is the largest lake of this kind on the face of the earth. It has one national park, a territory abutting on the north, but no necessity in our concern to provide natural preserves for the establishment of a marine park on Lake Superior.

I am not the only one who feels that lack. I am particularly critical of the failure to provide for national marine parks. We should have a basis for establishing such a park on Lake Superior, to draw this great lake to the attention of Canadians from coast to coast, and people from other countries as well, and encourage them to enjoy a part of it. It should be something as close to the pristine state as we can find.

Mr. Caccia: I hate to interrupt the Hon. Member, but the government Party called for an extension of debate into the lunch hour. I wonder if you, Mr. Speaker, would wish to call a quorum.

The Acting Speaker (Mr. Paproski): I do not see a quorum. Call in the Members.

And the bells having rung:

The Acting Speaker (Mr. Paproski): I do see a quorum now.

The Hon. Member for Thunder Bay—Nipigon (Mr. Epp) has just completed his speech. His time has expired. Are there questions are comments? There are no questions or comments.

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the motion that the question be now put. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

Motion (Mr. Hawkes) agreed to.

The Acting Speaker (Mr. Paproski): The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): It being 1.20 p.m., I do now leave the Chair until 2 p.m. this day.

At 1.20 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

LIBERAL PARTY OF CANADA'S CONVENTION

RESOLUTIONS ON JOB EQUALITY FOR WOMEN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the Liberal Party of Canada held its convention over the week-end and, on that occasion, several resolutions of great importance if women are to achieve social equality were passed because the Liberal Party is convinced that women must get the help they need to achieve equality in society. This means that work in the home must be considered as the responsibility of both parents and of society as a whole. This means that education and training circles must be made aware of the special needs of women. Job equality and equal pay for equal work programs must be carried out immediately and remain in force as long as women's wages are not equal to men's.

The labour market and the education system must recognize the needs of men and women, not only as employees but as parents. The system must evolve and consider workers and students, both men and women, as parents with family responsibilities who want to have some time to spend with their children.

Job equality goes hand in hand with the establishment of family assistance services, and the Liberal Party considers that the government must act now. It is unacceptable and unreasonable to think that obstacles to the women employment will, given time, go away on their own. Job equality will become a reality only if we make it happen.

And the Liberal Party of Canada has decided to adopt these resolutions aimed at equality for women in the workplace.

* * *

[*English*]

CANADA POST CORPORATION

OBJECTION TO VARIETY STORE SERVICE IN HAMILTON

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, I rise to report on a meeting that I attended Sunday evening with two dozen very concerned residents in a fashionable new housing development on the Mountain in my riding.

The problem that my constituents raised with the Minister responsible for Canada Post is this. With no door-to-door mail delivery anywhere in the area there is only one tiny postal counter, and it is located in a variety store which is right next door to a strip joint: "Girls, Girls, Girls, Six Nights a Week", and a hard rock club, all of which suggests that this convenience store provides considerably more variety than usual.

My neighbours told me bluntly that what we do not need is our wives and children being molested because of a strip joint next door to a so-called convenience store.

I toured the area and was appalled at the proximity of a rack of pornographic magazines and tapes no more than six feet away from the postal counter. Surely this shabby situation is unacceptable.

I urge the Minister and Canada Post to take immediate action to provide this new, large and growing community with proper mail service, and preferably door-to-door delivery.

* * *

HUMAN RIGHTS

GUATEMALA—ARREST AND RELEASE OF RETURNING OF POLITICAL OPPOSITION LEADERS

Mr. Dan Heap (Spadina): Mr. Speaker, yesterday there was an alert phoned to many Canadians about Guatemala. Rigoberta Mencher, an outspoken critic of the army in Guatemala, who has been living in Canada, and Orlando Castillo, were arrested at the airport returning to Guatemala,

along with others, including the Right Rev. Bob Smith, a former Moderator of the United Church of Canada.

Phone calls, telexes, and other communications from Canadians went to encourage their release. Today, Ambassador Federico Ulloa phoned to tell me that Mencher and Castillo were released for lack of evidence or lack of a sustainable charge, and were at all times during their arrest accompanied by a representative of the Human Rights Commission of Guatemala.

I congratulate the Government of Guatemala on making progress in respect for human rights. I congratulate Canadians and others who kept watch on human rights in Guatemala and sent the encouraging telexes.

* * *

ABORTION

ANNUAL LOSS OF 60,000 UNBORN CANADIAN BABIES

Mr. Gordon Taylor (Bow River): Mr. Speaker, it must be costing the taxpayers of Canada a tremendous sum of money to process, feed and clothe, and accommodate the thousands of immigrants who are coming daily to our country. It is ironic that while we are populating our country with people from other lands we are permitting some 60,000 unborn babies in Canada every year to be murdered in the womb.

Abortion has been wrong since the beginning of life, and is still wrong because it defies God's moral law and the natural law governing all men and women. Is it not time we started spending some money to keep the family together and to help women and girls to keep their babies, along the lines presently being followed by the Government of British Columbia?

We are listening to everybody except the unborn baby. Mr. Speaker, can you not hear the silent cry from a baby in the womb, who is being torn apart, asking: "Why can't I live?"

* * *

• (1405)

PUBLISHING INDUSTRY

GINN CANADA TAKEOVER—CRITICISM OF GOVERNMENT POLICY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Government's approval of the sale of New American Library to Penguin Books appears to have given the final death blow to the Baie Comeau book publishing policy. Over and over again the Government has stated that it is committed to building a Canadian publishing industry, but recent government actions demonstrate otherwise.

The 1985 Baie Comeau book publishing policy stipulated that in any takeover of a Canadian based publishing company or subsidiary, either directly or indirectly through an international merger, a foreign buyer must find a majority Canadian partner for the subsidiary within two years.

Last month the Government announced its offer to buy 51 per cent equity control of Ginn Canada from American entertainment conglomerate Gulf and Western. However, it appears to have allowed the retention of a veto power over significant operating decisions. This offer does not make good business sense for Canadian management, because it disallows and disavows Canadian control.

Now, with the NAL takeover, the Government has shown a total lack of commitment not only to its own policy but to the building of a Canadian publishing industry. It is time that the Government re-read Baie Comeau, this time the lines, not just between them.

* * *

[*Translation*]

POLITICAL PARTIES

SOCIAL POLICIES OF PROGRESSIVE CONSERVATIVE PARTY

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, during this first term, we have tried to emphasize the importance of the individual by letting people live responsibly, with dignity, instead of holding them hostage and keeping them in a servile state.

The Progressive Conservative Party of Canada is proud of this achievement and has no regrets about putting its trust in the people of this country who are the motor of the economy. Never before have Canadians been as confident about the stability and guarantees of their social policies. It took the Progressive Conservative Party to bring about this change and the resulting prosperity in this country. For a long time, the general attitude was to depend on the Government, which meant that people lacked self-confidence and failed to develop collective initiatives.

As Sartre said: "Responsibility is a necessary and logical consequence of freedom". The Conservative Government understands and implements this philosophy.

* * *

[*English*]

RAIL TRANSPORT

PORT COQUITLAM TO VANCOUVER COMMUTER RAIL PROJECT

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, before the Hon. Member for Mission—Port Moody (Mr. St. Germain) was recently appointed a Minister in the Mulroney

Government, he supported federal funding for commuter rail transit from Port Coquitlam to Vancouver to service those rapidly growing communities. Even the Vander Zalm Government promised $16 million for the project. The Hon. Member for Mission—Port Moody was quoted locally as saying that there have already been enough studies done.

What is his first act as junior Transport Minister? You guessed it, Mr. Speaker. Yesterday, he and his provincial counterpart announced another study.

I believe that the federal Government has the money and the clout with CP Rail to make commuter rail happen, and to make it happen soon.

Please, Mr. Speaker, we want a specific commitment of federal funds, and a deadline. No more studies!

* * *

SCIENTIFIC RESEARCH

ANIMAL DISEASE RESEARCH GRANT

Mr. Don Ravis (Saskatoon East): Mr. Speaker, the federal Government has again demonstrated its dedication to the advancement of biotechnology in Canada. This month the Natural Sciences and Engineering Research Council together with Ciba-Geigy Canada Ltd. allocated $6.4 million to the Veterinary Infectious Disease Organization of Saskatoon. This is the largest grant ever awarded by NSERC under its university-industry program.

Over the next five years these funds will be dedicated to a major research project on animal disease. The greatest beneficiary of this particular venture will be the Canadian livestock industry, which still loses millions of dollars annually to disease.

The expertise in research at the University of Saskatchewan has attracted an international component through the involvement of Ciba-Geigy, and hopefully some of this research will carry on at its headquarters in Switzerland.

I know that all Canadians will join with me in congratulating the University of Saskatchewan, and those companies, for illustrating the potential to be found in academic, corporate, and government co-operation. This is an investment in research which will translate into improved competitiveness for our industries.

S. O. 21

[*Translation*]

FISHERIES

FINANCIAL AID FOR RESTRUCTURING PÊCHEURS-UNIS COMPANY—GOVERNMENT POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I rise in the House today to express my disappointment following the federal Government's refusal to assist *Les pêcheurs-Unis des Maritimes.*

The company applied to DRIE for financial assistance to help rationalize its operations. However, the bad news came in a letter signed on March 25 this year by the Minister of State (Small Businesses and Tourism). Yesterday, Judge Alfred Landry of the Court of Queen's Bench of New Brunswick rendered his judgment concerning the company's financial problems. He decided the company was not solvent and that the rationalization plan was not feasible, especially since the federal Government had refused to grant financial assistance.

Mr. Speaker, by refusing to help the company, the federal Government has put over 800 jobs directly at risk and indirectly endangered hundreds of jobs in the Atlantic region. I urge the Government to work actively towards finding a solution to this very serious problem. Our region cannot afford a loss of this magnitude. The situation is strangely similar to the CN workshop case. Once again, the Government has refused to get involved.

* * *

INTELLECTUAL PROPERTY

POSITION OF LIBERALS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, Canadian authors, creators, composers, poets, writers, artists, programmers and others who are affected by the issue of intellectual property have now reached the very limits of their patience. Today, they are protected by a law that basically goes back to 1924. Although the House of Commons decided to update the legislation on intellectual property, the Liberals in this House, the Liberal Caucus and the Liberal majority in our non-elected Senate are using all kinds of political tricks and strategies to hold up the legislation on intellectual property.

This is just one more instance that proves, Mr. Speaker, that the Liberal Leader has no leadership!

S. O. 21

• (1410)

[*English*]

WELFARE

STATEMENT ATTRIBUTED TO BRITISH COLUMBIA PREMIER

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, Premier Vander Zalm of British Columbia, whose Government has cut back on services to poor people, now has the hypocrisy to say:

> If we can somehow help them to get to know Jesus Christ they'll be much happier and their problems will be resolved much easier.

Carl Sandburg, the American poet, didn't know Bill Vander Zalm, but he did know the kind of people who used this kind of pious cant. In 1915 he wrote:

> You tell people living in shanties Jesus is going to fix it up all right with them by giving them mansions in the skies after they're dead and the worms have eaten 'em.
>
> You tell $6 a week department store girls all they need is Jesus . . .
>
> You tell poor people they don't need any more money on pay day and even if it's fierce to be out of a job, Jesus'll fix that up all right, all right—all they gotta do is take Jesus the way you say.
>
> I'm telling you Jesus wouldn't stand for the stuff you're handing out . . .

* * *

RAILWAYS

CARRIAGE OF DANGEROUS GOODS—TORONTO REQUEST FOR RELOCATION OF LINES

Mr. Alan Redway (York East): Mr. Speaker, if the Railway Safety Act, Bill C-105, is passed in its present form it will repeal the Railway Relocation Act and for the first time in living memory there will be no legislative authority for railway relocation in Canada.

This comes at a time when Metropolitan Toronto is specially asking for the relocation of rail lines carrying dangerous goods and commodities away from high density residential areas. Hopefully, the Minister of Transport (Mr. Bouchard) and my friends on the Transport Committee, which is currently studying Bill C-105, will reconsider the decision to repeal the Railway Relocation Act.

[*Translation*]

NATIONAL CITIZENSHIP WEEK

PRIDE IN BEING CANADIAN

Mr. Claude Lanthier (La Salle): Mr. Speaker, it being National Citizenship Week, I would like to express today, before my colleagues in the House of Commons and before the people of Canada, my great pride in being a citizen of this beautiful country. I am proud to be a Canadian because Canada, besides being a beautiful country, is also one of the most advanced countries with respect to the rights and freedoms enjoyed by its citizens.

I am proud to live in a wonderful country that encourages all its cultural communities to safeguard and enhance the language and traditions of their ancestors. I am proud to be a citizen of this marvelous country that has always been considered to be a country open to all. Its democratic tradition, its respect for individual freedoms, and the industrious, peace-loving and tolerant nature of its people are the envy of many nations on this earth. In fact, Mr. Speaker, since our first Citizenship Act was adopted in 1947, more than 3 million people have elected to become citizens of this beautiful country of ours.

Mr. Speaker, I don't think Canadians are particularly lacking in national pride but they lack opportunities to express that pride loudly and clearly. I therefore urge my fellow citizens to take advantage of Citizenship Week to express and show their pride in being a Canadian.

I am proud to be a Canadian Mr. Speaker! *Je suis fier d'être Canadien, monsieur le Président*!

* * *

[*English*]

NATIONAL DEFENCE

GOVERNMENT POLICIES

Mr. Derek Blackburn (Brant): Mr. Speaker, all Parties expect to give and receive fair criticism in a legitimate debate on Canada's defence priorities. And I will debate any Conservative cold warrior on his or her bleak policy to fuel the international arm's race, but I cannot stomach duplicity. When the Minister of Defence (Mr. Beatty) has the nerve to call our proposals costly, dishonest, and cowardly, I must draw the line.

Didn't he read last week's newspapers? We found out that it was Conservative Defence Minister Erik Nielsen who first proposed to pull Canada's troops out of Europe.

• (1415)

Does the Minister not remember his own White Paper? It was his Government that abandoned our friend and ally,

Norway, without notice. Is he forgetting the cost of his own proposals? It is the Conservative Government that wants to drive up defence spending with its outrageously expensive scheme to buy nuclear submarines.

Before any other Conservative tries to score cheap political points in the defence debate, he or she should check the Government's record. They are in no position to criticize.

* * *

UNITED NATIONS

PROPOSED PLACEMENT OF PEACE-KEEPING FORCE IN AFGHANISTAN

Mr. William C. Winegard (Guelph): Mr. Speaker, the United Nations has asked Canada to consider participating in a multinational force to observe the withdrawal of Soviet troops from Afghanistan. As well, there would be a continuing role for the force in peace-keeping.

I cannot think of a more dangerous role for our armed forces to play than to be on site in Afghanistan before a complete ceasefire has been negotiated. Let us not even consider putting Canadian Forces personnel into a situation that holds out, at least at this moment, no promise for peace.

ORAL QUESTION PERIOD

[*English*]

THE JUDICIARY

SECURITY OF TENURE—CHIEF JUSTICE OF QUEBEC COURT OF APPEAL

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question, in the absence of the Prime Minister, is for the Acting Prime Minister. There is a long tradition in Canada—

Some Hon. Members: Here he comes.

Mr. Kaplan: Okay, will this be worth waiting for?

An Hon. Member: You bet it is.

Some Hon. Members: Hear, hear!

Mr. Kaplan: Mr. Speaker, there is a long tradition in Canada of independence of the judiciary from the political process and from the administration in Ottawa. The independence of the judiciary rests firmly on the tradition of security of tenure for judges. They cannot be removed by the Government.

In flagrant violation of this tradition, the Prime Minister, last fall, sent his Principal Secretary, Bernard Roy, to ask the Chief Justice of the Court of Appeal of Québec, Marcel Crête, to resign, so that a Conservative could be appointed, and offered the judge a favour in return for acceding to this demand. The judge refused.

I want to ask the Prime Minister to explain why this happened.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, because it never happened. The statement of my hon. friend is false from beginning to end.

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST THAT PRIME MINISTER'S PRINCIPAL SECRETARY APPEAR BEFORE HOUSE COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, details of this scandal, the worst yet under this Government, were published in this month's *Le monde juridique*. This morning I spoke to a confidante of the judge, who confirmed the story. If the Prime Minister denies it is true, is he prepared to let his Principal Secretary appear before the Committee on Justice and Solicitor General of the House of Commons and to let us question the confidante who confirmed the story?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I said the Hon. Member's statement was false. It is calumny and a complete fabrication. The Hon. Member said in reply that this morning he spoke to a confidante of the Chief Justice, who confirmed this story. Let him name the confidante now before this House!

Hon. Bob Kaplan (York Centre): The confidante is André Gagnon, the editor of the magazine. The magazine's editorial staff include a judge and four lawyers, so it is a publication of some substance.

[*English*]

POSITION OF PRIME MINISTER'S PRINCIPAL SECRETARY

Hon. Bob Kaplan (York Centre): Mr. Speaker, finally I want to ask the Prime Minister, if the story is false as he says it is, has his Principal Secretary, Bernard Roy, taken the opportunity, having seen this article, of defending his reputation by beginning litigation against this magazine?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the condifante to whom he refers is the same person who wrote the article.

[*English*]

He has the temerity to rise and say that he got this from a confidante of the Chief Justice when the alleged confidante of the Chief Justice is the same person who wrote the calumny. What kind—

Mr. Kaplan: Are you starting an action?

Mr. Mulroney: Yes, indeed we have, because in response to the second part of my hon. friend's question, did Mr. Roy

institute action in regard to this calumny and falsehood and fabrication, yes, he did.

• (1420)

[*Translation*]

QUERY WHETHER PRIME MINISTER ASKED PRINCIPAL SECRETARY TO MEET JUDGE

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Prime Minister. Like the Prime Minister, we members of the Civil Bar receive *Le monde juridique*. I would like to ask the Prime Minister whether the whole story is false from start to finish, or did the Prime Minister actually ask his Principal Secretary to meet Judge Crête, and did a meeting take place, yes or no?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I informed the Hon. Member from Toronto in English, and I say it again in French to the Hon. Member for Shefford, that this libellous article, published by the so-called confidante of the Chief Justice now deceased, the late Chief Justice Marcel Crête, that this article was a complete falsehood. It is a fabrication from start to finish.

PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, in other words, is the Prime Minister telling the House that there never was a meeting between his Principal Secretary and Chief Justice Marcel Crête?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I gave my answer to the Hon. Member from Toronto. He asked whether legal action had been taken, and the answer is yes. On April 5, Mr. Roy's lawyer sent a letter to André Gagnon, editor in chief of *Le monde juridique*, warning him that this was a falsehood and asking for appropriate action by *Le monde juridique*, otherwise the necessary legal action would be taken, and the falsehood and libel the Hon. Member just repeated would be exposed before the general public. And we have a member of the Civil Bar repeating libellous remarks of this kind about a colleague! Shame!

[*English*]

You should be ashamed of yourselves, both of you.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

THE ENVIRONMENT

ALLOCATION OF FUNDS TO QUEBEC TO REMOVE POLLUTION FROM ST. LAWRENCE RIVER—MINISTER'S POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of the Environment and concerns the clean up of the St. Lawrence, where half the population of Quebec gets its drinking water. Could the Minister now react favourably to a request by the Quebec Minister of the Environment for the financing required to clean up the St. Lawrence River and, especially, to conduct a study of toxic substances and their sources prior to setting up a realistic clean-up program?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the way the question was posed implies that the role of the federal Government in this regard is merely one of responding to a request from the Quebec Government for federal funding of a Quebec project. Nothing could be farther from the truth.

What is happening here is that the Minister of the Environment, on behalf of the federal Government, is working hand in glove with his counterpart in Quebec on an action plan to clean up the St. Lawrence, a major international waterway for which the federal Government has some real responsibility. We are not responding to Quebec; we are working with Quebec on a matter of common concern.

SAGUENAY REGION—THREAT TO BELUGA WHALES

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I am glad to hear the Government is working, but a very specific request has been made and I want to know if there is going to be a favourable answer. Is the answer going to be yes?

As well, there is the Saguenay region and the death of beluga whales in that area. Then there is the situation of the Aquasasne people who are subject to toxic substances coming from the U.S. What responsibility does the federal Minister have for clean up in those two particular areas?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I do not wish to be partisan about this issue, but I think the House would agree that for a quarter of a century, when the Liberal Party was in power, the federal Government it discriminated wildly against Quebec as far as the environment was concerned. It did do some valuable work in the Great Lakes but totally ignored the St. Lawrence as an integral part of the over-all St. Lawrence River—Great Lakes basin.

• (1425)

The Progressive Conservative Party is eager to redress a quarter-century-old imbalance. The action plan to which I made reference in my earlier response will contain some provisions earmarked for Saguenay and the better management of the beluga whales, which are very much threatened.

TOXIC WASTES IN GREAT LAKES—PRIME MINISTER'S SCHEDULED MEETING WITH UNITED STATES PRESIDENT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I would like to direct my supplementary question to

the Prime Minister because it deals with the summit meeting coming up with Mr. Reagan.

We have an agreement with the United States on the removal of toxic wastes from the Great Lakes and particularly the hot sites identified earlier. Ninety per cent of those toxic substances come from the United States. We have an agreement about water quality, but there is no action on the American side.

Will the question of the actual cleanup of those hot spots, those toxic places around the Niagara region from which toxins are coming into the drinking water of Ontario and moving out into the St. Lawrence, be on the agenda with Mr. Reagan at the end of the month?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for that important question. Indeed, that and other matters relating to the question of the environment will be on the agenda for the various meetings that I will be holding with President Reagan and the leadership of the Congress because I believe that all Parties in this House are very firmly of the view that, with regard to the Niagara situation and others, joint action on the environment is urgently required.

* * *

[*Translation*]

OFFICIAL LANGUAGES

LINGUISTIC SITUATION IN WEST—PRIME MINISTER'S POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Prime Minister.

Before leaving for the West, the Prime Minister, in answer to a question I put to him on April 12, used a reference from the 1987 Report of the Commissioner of Official Languages to inform the House that there had been, and I quote: "Substancial progress in Saskatchewan with respect to use of French."

I read the Commissioner's report, and in fact it mentions on page 159: "Special difficulties, sharp debates, confrontations over the demands for French language schools, legal battles over the right of accused persons to trials in the official language of their choice and the controversy surrounding the status and use of French in the provincial legislatures". This is entirely different from what the Prime Minister told us in the House.

I wonder whether the Prime Minister, now that he is back from his trip out West, could inform the House whether the language situation he found there corresponds to the situation described by the Commissioner of Official Languages or to the one he described in the House last week, in rather optimistic and perhaps slightly exaggerated terms.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, at the time I was referring to... I am trying to remember the context, but I think it was a direct reference to the number of English-speaking students who were studying French in Saskatchewan, numbers which were progressing substantially, and if I am not mistaken—and I speak here to the Hon. Member—it was a rather interesting and laudatory comment by reporter William Johnson, who has an abiding interest in language issues at the national level. And I think that was widely reported. Now I may be mistaken about the person, and I can go back a few weeks to look at the file.

As for the second part of the question, last week I had meetings with the Government of Saskatchewan and with the province's Francophone leaders and other intervenors, and we will continue our work, which is to try and improve the status of this language minority in Saskatchewan.

[*English*]

MANDATE OF FEDERAL REPRESENTATIVES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like some clarification if possible. The federal Government presently has some negotiators or representatives, whatever it wants to call them, in Saskatchewan talking to the Government of Saskatchewan.

Can the Prime Minister tell us if these representatives of the federal Government, these high public servants, are indeed authorized to negotiate something in terms of monetary settlement or support? Are they talking specifically about a deal? Are they talking specifically about offering human resources, technical resources in translation? Are they indeed talking to the Government of Saskatchewan about the constitutional rights that exist in Saskatchewan today in terms of education?

• (1430)

Will he give the House the assurance that he will press Saskatchewan to respect at least that minimum in our present Constitution to give minorities access to their educational institutions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed I have stated in Saskatchewan that which I have stated here and elsewhere. In my judgment, and I believe in the view of my hon. friend, minority rights are indivisible. You either believe in the protection of minority rights or you do not. You do not believe in them three-quarters of the time or half the time. That is the position that I adopted in Saskatchewan and it is the same position in Manitoba, Quebec, or British Columbia.

When minority constitutional rights could have been constitutionalized in 1982, because that is the only way in which to protect them fully, I think it was a source of regret to everyone that that was not done. I think that is a source of deep regret not only to my hon. friend but to many of us.

Presence in the Gallery

Linguistic minorities were left hanging out in 1982. Moreover, what is a matter of deep concern to me is that at that time provincial Premiers were given the right of constitutional over-ride in certain provisions. In exchange for what? This remains to be seen.

That is the constitutional position I have taken. I deeply deplore, as do the people in Saskatchewan, that there were not better protections at that time. L'Association des fransaskois is concerned as well with the residual implications of the Supreme Court decision, as am I.

With regard to the future, Premier Devine has set out his wish that Saskatchewan become bilingual. I think it is an important step forward for Canada that a Premier of a western province make that statement. As Prime Minister of Canada, I have genuinely encouraged Premier Devine along that road. I think it would be an important new advance for Canada in this regard. To that extent representatives of the Government of Canada are there working with the representatives of the Government of Saskatchewan to bring what I hope will be a greater degree of fairness to the province, a greater degree of understanding of this sensitive matter, and a greater degree of support for the French language minority in the Province of Saskatchewan, to enable them to preserve their language, their heritage, and their contribution to Canada.

Some Hon. Members: Hear, hear!

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

SALE OF KITCHENER HOUSES—METHANE GAS HAZARD

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister responsible for Canada Mortgage and Housing. I gave the Minister notice of this question last week.

As the Minister knows, CMHC owns some 80 townhouses in the city of Kitchener, Ontario, that have been vacant for some eight years because it was discovered that they were located on a landfill and garbage dumpsite. The reason they are vacant is because methane gas from the dump has been migrating into the houses.

Will the Minister advise the House why CMHC is now trying to sell those houses on the private market and is claiming that it does not want to destroy the houses because it considers them to be affordable housing?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I am grateful to the Hon. Member for notice of the question. This is a situation which has existed for some 10 years. There is a lack of affordable housing in that particular area and we are endeavouring to respond.

We have called for private sector solutions to see if the methane gas problem can be dealt with. We have had 13 responses and are now analyzing those to see if the criteria we have put in place can be adhered to.

We will not sell those houses until we have guarantees approved by the appropriate regulatory bodies that the sales can proceed without damage to anyone.

DANGER OF GAS EXPLOSION

Mr. Neil Young (Beaches): Mr. Speaker, the Minister must be aware that his Department has commissioned reports which clearly indicate the danger involved in occupying these homes which are contaminated by methane gas. Does the Minister not agree with those reports which state that the only solution to the problem is to demolish the houses and excavate the garbage in those dumps? Will the Minister not agree that his proposal is really quite a hare-brained scheme? I do not know of anyone who would want to live in those houses which could explode on ignition of that methane gas.

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, it may not be relevant, but there are five houses in the methane gas area which are now occupied and have been occupied for the past six years.

Mr. Cassidy: By non-smokers.

Mr. McInnes: Nevertheless, we recognize that there is a danger and we recognize the health problem. We will not proceed until officials give us advice that we can do so in safety.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF COMMISSIONER FOR EXTERNAL RELATIONS AND TRADE POLICY OF THE EUROPEAN COMMUNITIES

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of Mr. Willy De Clerc, Commissioner for External Relations and Trade Policy of the European Communities.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

AIRPORTS

CONSTRUCTION OF THIRD TERMINAL AT PEARSON INTERNATIONAL AIRPORT—QUERY WHY WORK NOT STARTED

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is for the Minister of Transport. On June 22, 1987, the Government announced that Toronto developer Huang and Danczay Ltd., supported by consultant

Frank Moores, a friend of the Prime Minister, had won the contract for the $381-million project to build Terminal 3 at Pearson International Airport and that construction would begin in the fall of 1987.

Since the project is now some six months late and passenger congestion at Pearson has reached unprecedented levels, can the Minister explain to this House why the work has not begun? Yet privatization was supposed to speed up the whole process. What is happening on this?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think that my friend will admit that privatization has nothing to do with Terminal 3 in Toronto.

Yes, for all sorts of reasons, there were delays in the beginning the work began at Terminal 3 in Toronto, but I think that these issues are progessively being solved and I hope in the coming days to go to Toronto for the ground-breaking at Terminal 3.

[*English*]

GOVERNMENT LOAN GUARANTEES

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, will the Minister confirm to the House that the real reason why work has not started at Terminal 3 is that Huang and Danczkay want more than the $70 million in loan guarantees already granted by the Government and which other bidders have already labelled as a sham and an unfair commitment never offered to the other bidders? Is the Government prepared to offer more financial support to this one developer? Are the original terms of the June 22 offer being revised?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, it has nothing to do with what my hon. friend proposed. As I said in French, there were some complexities involved with all of this contract. We are quite sure that next Monday we will be able to perform the sod turning in Toronto.

* * *

SHIPBUILDING

CONSTRUCTION OF POLAR 8 ICE-BREAKER—STATUS OF PROJECT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is addressed to the Minister of State for Transport. Since he is new at the job I have made it kind of easy. What is the current status of the Polar 8 ice-breaker project? When will construction start? Is there any good news for British Columbia?

Hon. Gerry St. Germain (Minister of State (Transport)): Mr. Speaker, first I want to thank the Hon. Member for posing the first question I will have to answer in the House after being selected to Cabinet. I want to say to all Members in the House that I am prepared to work with them in helping serve their constituents better.

Some Hon. Members: Hear, hear!

Mr. St. Germain: In regard to the Polar 8 contract which is so important to British Columbia and to the Hon. Member's riding, I can tell the Hon. Member that the project is proceeding well. The actual construction contract should take place in December of 1988 and the contract should be completed by 1992. I think this important project will not only mean jobs for British Columbians but jobs for the people in the Arctic as well.

* * *

• (1440)

ENVIRONMENTAL AFFAIRS

WINDSOR—PROBLEMS CAUSED BY UNITED STATES PROJECTS

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is addressed to the Right Hon. Prime Minister who knows that Windsor has been plagued by a number of environmental disputes precipitated by actions taken on the American side. These include the Detroit incinerator, the Fermi II nuclear plant and the Detroit airport expansion. None of these issues has been resolved.

Just last night the Governor of Michigan indicated to Premier Peterson that a Canadian request for the installation of pollution control devices on the incinerator had been rejected. Will the Prime Minister raise these issues with President Reagan to the end of seeking a satisfactory resolution to these horrendous environmental problems in the Windsor area?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Government of Canada, and myself in particular, attach a great deal of importance to the three issues mentioned and others of import to the Windsor residents. The matter of the Detroit incinerator was raised by myself with Vice-President George Bush when he was in Ottawa. So the U.S. administration is very sensitive, indeed, to Canadian concerns and those of the Canadian Government.

As for the other two issues raised by the Hon. Member, among them Fermi II, the Government is making the most vigorous representations possible through all diplomatic and political channels available to us.

MECHANISM TO RESOLVE DISPUTES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Canadian Government claims to have made vigorous interventions. The fact is that nothing has happened. Will the Prime Minister raise the serious problems resulting particularly from trans-boundary atmospheric pollution? Will he suggest to the President of the United States that a mechanism ought to be developed whereby we can have environmental impact assessment establishments on either side

of the border which will affect the other country, and some mechanism designed to resolve the kinds of disputes we have in the Windsor area and other parts of Canada which are not now subject to any kind of resolution?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I am a little puzzled by the question because it reflects what appears to be a lack of appreciation on the part of the Hon. Member of the truth that there are now mechanisms that can be pressed into service for this kind of environmental problem. I refer, for example, to the Canada-U.S. Great Lakes Water Quality Agreement, in one context and, in another context the International Joint Commission. We have already made references to the IJC for such purposes. If the Hon. Member thinks that further representations need to be made, and that more needs to be done through the International Joint Commission and through other existing joint instruments, we would be very open to his representations in that connection.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF VICE PRESIDENT OF THE CHINESE PEOPLE'S INSTITUTE OF FOREIGN AFFAIRS

Mr. Speaker: I wish to draw to Members' attention the presence in the gallery of his Excellency, Ambassador Chai, Vice President of the Chinese People's Institute of Foreign Affairs of the Peoples' Republic of China.

Some Hon. Members: Hear, hear!

* * *

HORTICULTURE

BEES—NEED FOR REPLACEMENT STOCKS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Acting Minister of Agriculture in the absence of the Minister. The Minister knows that thousands of honey producers in western Canada, from Manitoba through to the Peace River country, are facing the loss of their business this year due to the Government closing the border with respect to replacement stocks of bees from the United States.

Can the Acting Minister explain what the Government is going to do with respect to this serious problem for western Canada? Some 2,500 jobs are involved and tens of millions of dollars of production of honey. There is also the impact on clover and canola crops. What is the Government going to do to provide assistance with respect to bringing in replacement stocks of bees from non-infected countries or areas?

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, as the Hon. Member knows, the federal Government has responded to the request on the part of nine provincial beekeepers' associations throughout Canada to take the necessary precautions to close the door to Canada because of the presence of the Varroa mite in many States of the United States. Our concern in doing that, of course, was to protect the well-being of the Canadian honey industry in general. We recognize in doing that that there is, of course, a very substantial disadvantage to those who have been buying packaged bees.

The industry has worked with the Department to try to ensure that supplies are made available to be brought into Canada from alternative sources such as Australia and New Zealand. Of course, as the Member also knows, the inclusion of the honey industry in the Special Grains Program was a first this year. We hope that as well will help ease the financial crisis being experienced by honey producers.

REQUEST THAT HONEY PRODUCERS BE GIVEN GOVERNMENT COMPENSATION

Mr. Maurice Foster (Algoma): Mr. Speaker, what we want to know is when the Government is going to provide assistance to bring in replacement bees from other countries, and not the history of why the border was closed. The Government has dawdled so long since January 1 in carrying this out. Is it now prepared to provide direct compensation to these honey producers who are facing the loss of their business and losses of tens of millions of dollars?

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, again as the Hon. Member knows, the Government has a responsibility to try to make decisions for the betterment of the industry as a whole. In doing that, we have acted in very close co-operation with the provincial honey producers' associations. We have been following their advice. We have also been trying to provide guidance in terms of location of those available alternative sources.

As I said before, the fact that there has already been a payment under the Special Grains Program, we believe will assist those producers who need help at this particular time. I would also point out that some provincial Departments of Agriculture in western Canada have responded very, very well to the needs of their own honey producers by making special grants available. Unfortunately, there are certain provinces in the Prairies which have not accepted that responsibility, so there is a certain disparity for honey producers in western Canada. Perhaps elections in the future will change that.

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ENVIRONMENTAL AFFAIRS

SASKATCHEWAN—CONSTRUCTION OF DAM ON SOURIS RIVER

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of the Environment. I am sure he is aware that the Saskatchewan Government has

started construction of the Rafferty Dam on the Souris River which is located in the Premier's riding. I am sure he is also aware that under the International River Improvements Act this construction requires a licence from the federal Government. Has the Government of Saskatchewan applied for this licence? Has the licence been granted? If the licence has not been granted, will the Minister seek an injunction to stop the Province of Saskatchewan from proceeding with construction of this dam?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member is correct in saying that a permit is required under the International River Improvements Act, for which purpose the Government of Saskatchewan has made an application. I believe the application was received by my Department, which administers the relevant Act, in January. Due process is being followed.

The Government of Saskatchewan will have to satisfy the Government of Canada that issues surrounding the quantity and quality of the water, will be resolved in favour of the environment. I have followed the matter with keen personal interest, of course at a distance, to ensure that the integrity of the process is preserved. I am advised by my most senior officials that every environmental consideration is being factored into the equation.

REQUEST THAT CONSTRUCTION BE HALTED PENDING ISSUANCE OF LICENCE

Mr. Simon de Jong (Regina East): Mr. Speaker, my supplementary question is directed to the same Minister. Despite what the Minister has stated, the fact is that the Saskatchewan Government has proceeded with construction. It has built several coffer dams which deflect the flow of this river. This is clearly illegal under the International River Improvements Act.

• (1450)

Will the Minister assure us that the federal Environmental Assessment Review Process will be followed before a licence is issued? Will the Minister ask the Government of Saskatchewan to stop construction until it gets its licence?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I said in my first answer that an application had been made. The permit has yet to be issued. I will not pronounce now, since it would be premature to do so, on whether a permit will be issued. The building of the coffer dams is not in contravention of the relevant Act because it does not yet have an effect on the inter-basin flows as far as international and national jurisdictions are concerned.

I can tell the Hon. Member, in response to his question, that the *Federal Environmental Assessment and Review Process* is now being followed.

Oral Questions

CANADA POST CORPORATION

EMPLOYEE SEMINAR MEETINGS

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is for the Minister responsible for Canada Post Corporation. Canada Post buses its employees to downtown luxury hotels in maximum security and secrecy to show videos of the Post Office, while ordering them to leave their jobs unattended and the mail on the floor while at the meetings.

If Canada Post is performing so well, why all these supersecrets about these meetings? If these meetings are regular why is there all this security, with walkie-talkies in people's hands while walking around the hotel forbidding anyone to get close to the meeting place? What does Canada Post have to hide?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I presume the Hon. Member is asking a question about an erroneous television report from BC TV. What Canada Post was doing, which is what most corporations do, was holding a seminar for its employees to which employees were invited to attend on a voluntary basis. It had to do with internal communications and trying to encourage the employees to treat customers like real customers, to recognize there is competition and that they should be polite in dealing with customers.

If the Hon. Member finds that an insidious activity on the part of Canada Post, then that is his opinion. It is not one that I share.

Mr. Gagliano: Mr. Speaker, I would like to inform the Minister that these meetings are going on not only in Vancouver but also in Montreal.

[*Translation*]

MAIL DELIVERY—MEETING COSTS—MINISTER'S POSITION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): While Canada Post wants to improve its employees' morale by showing them videos in luxury hotels, who is delivering the mail left on the ground and who pays? How much will these meetings, to be held across the country by the end of May cost?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, if the Hon. Member wants to know how much it costs to rent a room in a hotel, why does he not phone the hotel? This is somewhat of an absurd question to raise in Question Period.

Some Hon. Members: Oh, oh!

Mr. Andre: When this meeting was set up by Canada Post one of the union shop stewards, one to whom the Hon. Member seems to listen all the time, called the television studio to say that Canada Post was having a secret meeting to lay off some employees. When it turned out to be false, of course the union was a little embarrassed. It is now trying to

cover up by giving this erroneous information to the Hon. Member who dutifully brings it forward to the House of Commons, wasting the time of everyone here.

* * *

FISHERIES

COMMERCIAL FISHING AND PROCESSING INDUSTRY IN BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. I am sure all Members of the House are aware that over the weekend and again yesterday the Socred Minister responsible for environment and fisheries in B.C. suggested that the commercial fishing and processing industry in B.C. should be shut down.

Will the Minister advise the House what formal steps he has taken to protest the attacks on an industry that produced over $750 million in product last year alone, and make it clear to the Canadian public and to the B.C. public that this is a viable, wealth producing industry and that it has its place on the B.C. coast?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, when I heard of the statements attributed to the Hon. Mr. Strachan I could not believe that he could have said what he is said to have said. Therefore I intend to be calling him in the next 24 hours to find out if indeed he did say what he was reported to have said with respect to the commercial fishery. At the same time I intend to set him straight if he feels that in any way we could sacrifice this very important industry on the Pacific Coast of Canada employing 20,000 to 25,000 Canadians, fishermen and shore workers, and producing some three-quarters of a billion dollars worth of wealth to the British Columbia and Canadian economy each year.

I intend to ensure that he has his figures straight, and that we recognize that all of those who enjoy the opportunity to have access to our precious salmon resources share equitably in that benefit.

REQUEST THAT MINISTER CONVENE MEETING OF ALL INTERESTED PARTIES

Mr. Jim Fulton (Skeena): Mr. Speaker, the B.C. Minister has been variously described as a lunatic, and other things. I would like to know why the Minister of Fisheries is waiting to call him.

Since both Ministers have failed miserably to seek consensus among the competing user groups in B.C., and since the B.C. Government has now thrown down the gauntlet and escalated the conflict to new heights, will the Minister today agree to take steps before the end of May to pull together the competing user groups in B.C., native, sports and commercial groups, to a summit meeting in British Columbia to find common ground before obtaining consensus in British Columbia is impossible?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I do not normally make a practice of calling persons lunatics in a hurry.

I do not know to what crisis the Hon. Member is referring. In fact, we are involving all user groups in consultation on all important fishery matters. I treat them with an even-handedness and a sense of concern for all of their problems, as I will continue to do.

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CANADA ELECTIONS ACT

REQUEST FOR AMENDMENTS TO PROHIBIT FINANCING OF MUNICIPAL ELECTION CANDIDATES

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Deputy Prime Minister. I am sure that he is aware of the fact that the Province of Ontario has just introduced legislation which will give a financial contributor to a municipal political candidate a deduction from real estate property taxes for that contribution.

Will the Deputy Prime Minister assure the House that he will move immediately to introduce amendments to the Canada Elections Act to ensure that the devious minds in the NDP do not find a way to rip off the taxpayers of Canada further by giving the contributors to their municipal candidates both the deduction from property taxes and also, in addition to that, the immoral deduction from federal income taxes which the NDP presently gives?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think that all Canadians will be grateful for the watchful eye of the Hon. Member.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: I can advise him and other Hon. Members of the House that there are a number of suggested amendments to the Canada Elections Act that we are now considering. What I am presently trying to determine is whether it might be better to seek unanimous consent of all Members of the House to withdraw this Bill and to rewrite it, incorporating some of the new amendments, or whether we can work out some way in which the amendments can be incorporated. However, that is something that I will be taking up with the House Leaders in the next few days.

ENVIRONMENTAL AFFAIRS

FERMI II NUCLEAR GENERATING PLANT—ROLE OF INTERNATIONAL JOINT COMMISSION

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of the Environment. Earlier in Question Period I understood him to say that matters such as the Fermi II nuclear generating plant could be dealt with through the International Joint Commission. I want to ask him is he not aware that the International Joint Commission has no reference giving it a mandate to deal with matters like Fermi II.

Is he not aware that after I requested the Secretary of State for External Affairs to get the U.S. Government to agree to such a reference, the Secretary of State for External Affairs rejected that request? I want to know why he is telling Members of the House and the public that the IJC has a role to deal with Fermi II when his own Government is refusing to get the United States to agree to a reference which would give the IJC a mandate to go into this important matter.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I think that a careful reading of the "blues" by the Hon. Member will support me when I say that my reference to the International Joint Commission was with respect to the Detroit incinerator and not Fermi II.

• (1500)

REQUEST FOR REFERRAL TO INTERNATIONAL JOINT COMMISSION

Hon. Herb Gray (Windsor West): Mr. Speaker, I wish to ask the Minister of the Environment if he would join with me in urging his colleague, the Secretary of State for External Affairs (Mr. Clark), to reopen and rethink his previous refusal of my request, and get him to agree to ask the United States to agree to a reference of the Fermi II and other similar matters to the International Joint Commission to allow the International Joint Commission to monitor Fermi II on an ongoing basis.

Will the Minister of the Environment be serious about his mandate to protect the environment in the Windsor area, and join with me in order that some action can be taken on this important matter which is so worrisome to the people of Windsor and Essex County?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Hon. Member will know that one of his idols, Premier Peterson of Ontario, made a very vigorous representation to his opposite number in the State of Michigan on this and several other environmental matters, and struck out. It is, therefore, understandable that the House Leader of the Liberal Party would come to the floor of the House of Commons and make this type of appeal.

I commit myself and the Government of Canada to the cause. We have been following every possible legal and political route. We have had some genuine success. I do not think that the Hon. Member should be so wedded to the International Joint Commission that he rules out other possibilities that the federal Government itself is at present entertaining. I am open to representations from the Hon. Member and his Party on this as on other matters.

* * *

IMMIGRATION

ABUSERS OF CANADIAN POLICY

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The House is now aware that last Saturday 22 Chinese arrived at Vancouver International Airport claiming refugee status; on Sunday, 18 Iranians did the same; on Monday, two Sri Lankans and eight more Chinese repeated this action. None of those people were carrying proper documentation.

What is the legal position of the Government with regard to action that can be taken against abusers of our immigration policy?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I thank the Hon. Member for his question. As the Hon. Member knows, if people arrive in Canada without proper documentation there is a process to be followed in terms of immigration officials. As long as we are aware that people will show up for their immigration hearing, we do not like to detain them. We are not in the business of detaining people. As soon as we receive that assurance, we do not detain them any longer. That is why we need the two immigration Bills C-84 and C-55 in order that we can turn around as soon as possible refugee claimants who are not genuine.

The immigration officials deal with each of those cases on an individual basis when they first arrive in Canada.

Mr. Speaker: This will be the last single question of Question Period. The Hon. Member for Cowichan—Malahat—The Islands.

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EXTERNAL AFFAIRS

GUATEMALA—SAFETY OF OPPOSITION LEADERS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Yesterday, when the five leaders of the political opposition returned to Guatemala two of them, Rigoberto Menchu and Rolando Castillo, were arrested and subsequently released.

Given the precarious nature of human rights in Guatemala where political kidnappings and disappearances still take place, will the Canadian Government make representations to the Government of Guatemala indicating Canadian concern for the continued safety of the five opposition leaders who have returned to Guatemala as part of the reconciliation process that was called for by the Esquipulas Accord?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, two of the Guatemalan leaders in exile who returned to Guatemala on April 18 were arrested as they deplaned. They have since been released, which we welcome, and think that it will encourage further moderation and dialogue in Guatemala.

Our Ambassador to Guatemala has expressed to the President the concern of Canadians with respect to the safety and well-being of those individuals. We will continue to make representations in that respect.

We should note that the human rights situation in Guatemala has improved considerably since the election of a civilian government. That is at least a step in the right direction.

GOVERNMENT ORDERS

[*English*]

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO ENACT

The House proceeded to the consideration of of Bill C-74, an Act respecting the protection of the environment and of human life and health, as reported (with amendments) from a legislative committee.

Mr. Speaker: I have several observations with respect to the matter that is in front of the House at the present time.

[*Translation*]

There are 31 motions in amendment for consideration at the report stage of Bill C-74, an Act respecting the protection of the environment and human life and health. After much deliberation and especially discussion with the concerned Members, I am now ready to make a ruling on the grouping and voting pattern for the report stage.

[*English*]

Motions Nos. 1, 5(a) and 31 standing in the name of the Hon. Member for Cochrane—Superior (Mr. Penner) cause the Chair some procedural difficulty. I will deal with parts (b) and (c) of motion No. 5 later. These three motions in amendment refer to aboriginal peoples. The Hon. Member is attempting to introduce into Bill C-74 a definition of aboriginal peoples which is designated in section 35 of the Constitution Act. Unfortunately, by inserting this particular definition, the Hon. Member is increasing the scope of the Bill to a stage beyond what was agreed to at second reading. The only reference already included in the Bill is to reserves or surrendered lands subject to the Indian Act which, of course, concerns Indians or Métis but not specifically Cree or Naskapi bands. Therefore, I am of the opinion that to include this particular definition of "Aboriginal Peoples" takes the Bill beyond what was originally envisaged, consequently I must rule these amendments out of order. Therefore, motions Nos. 1, 5(a) and 31 will not be put to the House.

Motion No. 2 standing in the name of the Hon. Member for Davenport (Mr. Caccia) was moved in the committee during its study of the Bill. The legislative committee had debated at length similar amendments which were negatived on recorded divisions. Nevertheless, after consultation with the Hon. Member, he has made the case that this matter of "establishing national standards" is of such significance that it warrants further consideration as permitted under Standing Order 114(10). Accordingly, Motion No. 2 will be debated and voted upon separately.

Motions Nos. 3, 5(b), 5(c), 7, 20, and 21 standing in the name of the Hon. Member for Cochrane—Superior (Mr. Penner) are also a cause of some procedural difficulty to the Chair. Each of these motions in amendment attempts to insert into the Bill additional aspects based upon the James Bay and Northern Quebec agreement. These further motions go beyond the scope of the clauses which they attempt to amend. However important and worthy these proposed changes may be, I feel that I must declare them procedurally unacceptable in accordance with Beauchesne's Fifth edition at Citation 773(1). Consequently, they will not be put to the House.

[*Translation*]

Motions numbered 4, 14 and 25 are acceptable and will be debated together but voted on as follows. Motion No. 4 will be voted upon separately and the vote on motion No. 14 will apply to motion No. 25.

[*English*]

Motions Nos. 6, 8 and 9 are in order and will be debated together but voted on separately.

Motions Nos. 10 and 11, standing in the name of the Hon. Members for Cochrane—Superior (Mr. Penner) and Davenport (Mr. Caccia) respectively, are similar to amendments debated and negatived in committee. Therefore, in accordance with Standing Order 114(10), I shall not put them to the House for further debate.

[*Translation*]

Motions Nos. 12 and 13 are in order and will be debated together but voted upon separately.

[*English*]

Motions Nos. 15, 16, 19 are in order and will be debated together but voted upon separately.

Motions Nos. 17 and 18 are acceptable and will be debated and voted upon separately.

Motion No. 22 standing in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald) causes the Chair some procedural difficulty. The clause which the Hon. Member proposes to amend concerns air pollution in countries other than Canada in possible violation of an international agreement. The proposal of the Hon. Member deals with air pollution in a province within Canada. Therefore, I must rule this motion in amendment inadmissible in accordance with Beauchesne's Citation 773(1) in that it goes beyond the scope of the clause.

Motions Nos. 23 and 24 are in order but will be debated and voted upon separately.

Motions Nos. 26, 27 and 28 will be debated together but voted upon separately.

[*Translation*]

Motions Nos. 29 and 30 are acceptable and will be debated together but voted upon separately.

• (1510)

[*English*]

Hon. Chas. L. Caccia (Davenport) moved:

Motion No. 2

That Bill C-74 be amended in Clause 2 by striking out lines 19 and 20 at page 2 and substituting the following therefor:

(f) endeavour to establish national standards of environmental quality.

He said: Madam Speaker, I want to thank you for the acceptance of this motion which is extremely important. It deals with a question that strikes at the very heart of the Bill itself having to do with the importance of recognizing the establishment of national standards of environmental quality.

The Bill as worded now is weak and reveals on the part of the Government a lack of political will in acting as it speaks. The Government announced that this Bill is the greatest measure to clean up the environment, which it does not, and will open up a new era for the protection of the environment from damage that could be caused by new products, which it does attempt to do. But in endeavouring to do that the Government shies away, it withdraws and is afraid to put forward and entrench in the Bill, which is to be known as the Canadian Environmental Protection Act, the notion that it will establish national standards of environmental quality for the protection of Canadians.

It is interesting to note, and I want to bring it to your attention as forcefully as I can, Madam Speaker, that when this Bill was the object of public consultations in draft form it had in it exactly what I am proposing this afternoon. I draw your attention to page one of the draft Bill entitled Proposed Environmental Protection Act. On page one you will find in subparagraph (b) the following:

provide leadership in the establishment of nationally consistent standards of environmental quality,

I repeat, "standards of environmental quality". That phrase has disappeared and one wonders why because it was a good phrase. It received substantial and widespread support throughout the country in the process of public consultation, but it has gone. This is why at committee it became absolutely essential to put forward again this phrase, this concept, that in the duties of the Government in applying this Bill national standards of environmental quality be established. Instead what we have here, and what we object to, is this phrase which simply says "endeavour to establish nationally consistent levels of environmental quality". This is a far cry, quite different and extremely weak in comparison to the wording, "establish national standards of environmental quality".

The way the Bill is drafted now puts the emphasis on consistency. The way that Motion No.2 as proposed by us reads is to establish national standards. The difference that I want to bring out as clearly as I can is between the public relations effort of the Government in appearing to be the defender of environmental quality and the substance it delivered.

There was the impression, as I read from page 1, subparagraph (b), that the Government would provide leadership in the establishment of nationally consistent standards of environmental quality, but when it comes to the crunch the Government retreats into the words, "nationally consistent levels of environmental quality". What a sham, Madam Speaker. No wonder Canadians are catching up with the Government because they are beginning to see through the smokescreen which the Government has attempted to create not only with environmental matters. Here is a glowing and classical example of abandonment of the Government's stand when it launched the Bill and the substance we are facing today at report stage debate. This is why we objected in committee.

I am glad and very grateful to the Chair for having overruled the Chairman of the committee who ruled out of order what is now Motion No. 2 when we were in committee. I am extremely grateful because Mr. Speaker understood the importance of this amendment, its validity and its acceptability as we now have an opportunity to debate it in the light of the ruling a few minutes ago.

I cannot stress sufficiently and with enough vigour and passion the importance of this clause covered in Motion No. 2. When a government retreats from the policy concept of establishing national standards into the comfortable mushy world of endeavouring to establish nationally consistent levels, the Government does a 180 turnaround and says "Look, what we are really going to achieve is the lowest common denominator, that is what we will accept". The lowest, weakest standard that will be established in one part of the country will become our guiding principle in the application of our duties in relation to this particular legislation. There will no longer be national standards but only consistency. There will no longer be the strongest possible standards from the point of view of the public interest. We will only use what the weakest element in the link will be willing to accept. I do not want to mention any

region or any particular province because that would be unfair and premature.

• (1520)

I draw your attention, Madam Speaker, to the serious implication of the departure in political and policy terms that this Government has made by abandoning the concept that existed in the draft legislation and what came out of the committee as a result of the clause-by-clause analysis. I see you are indicating that my time is up, Madam Speaker. I will sit down, but again I want to express my gratitude to the Chair for having overruled the decision, thus permitting the debate on this particular amendment to occur today.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Madam Speaker, we are very pleased that this Bill has now proceeded to report stage on the floor of the House of Commons. We spent many weeks on it in committee. We debated a number of amendments that were put to the committee, and of all the committees on which I have worked, it seems to me that there was the greatest amount of co-operation extended on the legislative committee on this Bill under the direction of Barry Turner, the chairman at the time, and I know you are telling me that I should not be mentioning any names, Madam Speaker, but I have forgotten his riding, one of those great Ottawa ridings.

A number of witnesses appeared before the committee. A number of amendments were debated, the vast majority of which were passed. The members of the committee had the sense that we wanted this to be the finest environment Bill that had ever come to the House of Commons because this is the first environment Bill that has come to the House of Commons for 11 years. The amendment before us indeed was debated at great length in the committee. The amendment deals with national standards as opposed to nationally consistent levels.

For the first time, the Canadian Environmental Protection Act will provide an ecosystem management approach to environmental protection, an approach that protects the Canadian environment against the contamination of our air, our waterways, our soils and the marine environment. For the first time, we will have an Act with real teeth.

Clause 33 of the Canadian Environmental Protection Bill gives the Government broad powers to regulate against substances that harm the health and/or the environment of Canada and its citizens. These regulations will define national standards of control on the toxic substances now threatening our nation.

The Hon. Member for Davenport (Mr. Caccia), who has just spoken, proposed a seemingly minor amendment to the administrative duties section of the Bill. He has recommended that we make one word change by substituting the word "levels" for the word "standards" so that subclause 2(f) would require the Government of Canada to endeavour to establish nationally consistent standards, not levels, of environmental quality.

Although I recognize the Hon. Member's intention is to further strengthen this important piece of legislation, to adopt his seemingly innocent word change would be to impair the very goal he seeks. Consider the fact that subclause 2(f) lies within the administrative duties part of the Bill, the part that establishes the framework for the functioning of the Bill. It establishes a framework of flexibility, reflecting the very complexity of environmental management in a country this size and in this day and age.

The establishment of environmental standards, as requested by the Hon. Member, is an option under the Bill's regulatory apparatus. The replacement of the word "levels" with the word "standards" under the administrative duties part of the Bill would limit its regulatory powers to but one regulatory option which would be that of standards.

The Canadian Environmental Protection Bill, by signalling the Government's intention to establish nationally consistent levels, not standards, of environmental quality, is also signalling its refusal to limit itself to just one option of environmental control. The word "levels" allows for a range of regulatory possibilities, guidelines for industries to follow, objectives to be aimed at, codes of practice to be adhered to, standards to be achieved and outright bans to be implemented if required.

Canada's acid rain program is a case in point. The federal Government did not establish standards that would have prescribed emission limits at specific sources. Rather, it established an objective, the famous 20 kilograms of sulphur dioxide per hectare per year, as necessary for the protection of the Canadian environment. The provinces east of Saskatchewan have agreed to that objective and each of them is working to control its emissions to help meet that objective.

Flexibility of action is the key here. The provinces have different industries with different technologies. How they meet that objective is left to them. To call for national standards of environmental quality is to restrict unduly the many options for environmental control and to impair the capacity of the Government to offer Canadians the environmental protection they are demanding. I would ask that Hon. Members reject the proposed amendment to subclause 2(f).

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, I rise to support the amendment proposed by the Hon. Member for Davenport (Mr. Caccia), and I would like to thank the Chair for allowing this debate on such an important matter by in effect overruling the decision of the committee which tried to dispose of it by simply denying the importance of this question. We will now have a debate in the House on this absolutely crucial, vital matter.

Subclause 2(f) of the Bill simply says that we endeavour to establish nationally consistent levels of environmental quality. That is the obligation set out in the Bill, but the obligation is to establish nationally consistent levels, and the clause only requires that we endeavour to do so. How weak can the wording be? The amendment merely asks that we endeavour

to establish national standards of environmental equality. I believe the wording ought to be far, far stronger than that.

The Brundtland Commission report entitled *Our Common Future*, The World Commission on Environment and Development, concluded the following:

> —national governments should establish clear environmental goals and enforce environmental laws, regulations, incentives and standards on industrial enterprises.
>
> This should normally be done at the national level with local governments being empowered to exceed, but not to lower, national norms.

• (1530)

This is a proposal of the UN World Commission headed by the Prime Minister of Norway. The report has been approved in principle by the federal and provincial Governments. They say in principle we want this excellent protection for the environment, but here we have a specific piece of legislation and they do not stand up to be counted. They are not there when it comes to actually having national standards. Guidelines are weaker.

The committee heard in detail from environmental groups coast to coast, national, provincial and local groups, all kinds of experts and concerned citizens, about environmental protection and the need for really strong national standards. Let me just quote some of the advice given to the committee, now to the House, and so far ignored by the Government. Pollution Probe is a major environmental group and I quote them:

> In Clause 8, CEPA leaves out one of the strongest tools that can be used for environmental protection—legally enforceable standards. Not all numbers related to environmental protection need to be standards, but not to have the option of using them is simply short-sighted, and limits available tools for use in the future.

I could not agree more. Let me quote Friends of the Earth:

> The Bill should provide the opportunity to set numeric standards for ambient environmental quality, discharge limitations, or any other area which can be appropriately regulated in this manner and delete the reference to guidelines since they would allow for displacement of truly enforceable regulatory tools.

It is perfectly clear what the advice is but, I am sorry to say, it is being ignored by the Government. Let me quote the Environmental Law Centre, a major source of expertise on the subject:

> It is unfortunate that the guidelines to be formulated by the Minister will not be legally binding. They should be given legislative force and enacted as regulations. The Minister should be given authority to issue standards.

The language is perfectly clear. Toxic Watch Project said this:

> The absence of the word "standards" from this clause is a concern especially since CEPA repeals the Clean Air Act. The federal government must be able to set standards since only standards can be enforced.

To quote that group further:

> The federal government should have the ability to set national minimum standards with provincial authority to exceed such standards.

I heartily agree that the provinces should have the opportunity to set higher standards where they believe they are necessary for conditions in their own provinces. However, we should have nothing but the best national standards to ensure there will not be pollution ghettos and that some province will opt out or there will be negotiations whereby some kind of agreed upon objective is accepted as the only one politically saleables. In short, one that is not good enough.

Let me quote the Canadian Labour Congress, which participated in these hearings:

> The federal government should have authority to establish strong minimum national standards.

Let me be clear that this kind of advice came from all across the country. No province with environmental groups said anything different. All across the country there is agreement that environmental questions require minimum national standards. Why? Because environmentalists understand that pollution does not stop at provincial or municipal boundaries. Rivers cross international and provincial boundaries. Underground water crosses all kinds of boundaries. This very parochial approach does not take into account the reality that all life is connected, that pollution travels by air and by water, and that it is extremely important to have thoroughly adequate national standards.

Some of us thought we were going to get them. We thought we were going to get something at least close. The Minister stated earlier that there would be consultation with the provinces. He said that under the new amendment the federal Government is not compelled to consult with the provinces before taking action in cases where it is going to be necessary to act without it. Instead, where a province can convince the federal Government that its regulations are as strong or stronger than federal regulations and that the province is actively enforcing them, both Governments can enter into an agreement that ensures the requirements of the federal legislation are met.

The idea was that the federal Minister of the Environment (Mr. McMillan) would publish a report on the status of agreements worked out with the provinces and they would be made public so people would be able to look at the adequacy of the agreements. Further, any group of 12 provincial residents can petition the federal Minister if they believe the province is failing to honour the agreement. In that case the federal Minister would be required to investigate and respond within 90 days. The Minister said the effect of the relevant provisions would be to create a mechanism for provincial accountability for the environment through federal statute. In his view those provisions, along with others in the Act, have the potential to create an unprecedented level of integration and co-operation between the federal and provincial Governments on environmental issues in a way which respects the jurisdiction of both.

That is what the Minister said. Subsequently he introduced new amendments that went against it. We saw the Bill being weakened. I think it is extremely unfortunate that the very

high standards Canadians wanted are not going to be achieved at all in this Bill. We hope there will be some modest effort toward reducing pollution in the future but we should not have any illusions at all that this Bill will achieve any kind of clean-up whatsoever.

Therefore, I very much support the wording proposed by the Hon. Member for Davenport. It is modest but it is certainly in the spirit of the Brundtland Commission report. It is strongly supported by environmental groups across the country and would indeed make the Act stronger and contribute to giving Canadians the kind of protection they want for the environment. I strongly urge all Hon. Members to accept this amendment because we will end up with a far better Bill.

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, I was very impressed with the amendment presented by my colleague from Davenport. He may well be referred to as the Hon. Member from Italy or Zimbabwe or the European National Council because he is internationally renowned in the field of environmental studies, environment control, and certainly very knowledgeable in the field of pollution. If he felt there was an error in the way the Government structured the wording of this Bill, I suggest that we pay close attention to what he has to say.

Obviously this Bill will be touted by the Government as a great piece of pollution control. It will be a feather in the cap of the Government, a centre-piece of the Government's approach on the election trail. Yet it really is a bunch of smoke and mirrors that does not clean up the environment and control pollution. Let us not have any illusions. If the Government is serious about going through with a very important piece of legislation, let it be open enough to acknowledge the fact that we have to strengthen it. That, it seems to me, is not such a terrible thing. I think it would be in the Government's best interests.

The Parliamentary Secretary said it is just a minor word we are talking about, that all the Hon. Member wants to do is change the word "levels" to "standards", and I think that speaks reams.

• (1540)

I would suggest that the Meech Lake virus is creeping in here. The Member knows that within the Meech Lake concept one must establish national standards in order for the provincial governments to co-operate with the federal Government. That is exactly what they are trying to avoid doing by establishing the proper wording which has been recommended by my colleague, that is:

> That Bill C-74 be amended in Clause 2 by striking out lines 19 and 20 at page 2 and substituting the following therefor:
>
> "(f) endeavour to establish national standards of environmental quality;"

—instead of leaving it as it presently is under "Administrative Duties", "Duties of the Government of Canada":

> (f) endeavour to establish nationally consistent levels of environmental quality;"

You and I, Madam Speaker, know very well that we have had enough examples of the establishment of low quality criteria in some provinces while other provinces have been very concerned and very effective. To include this clause puts the lowest common denominator in place rather than the approach which my colleague has suggested which has been supported by the Member for Broadview—Greenwood (Ms. McDonald).

We are asking the Government to adopt this seemingly innocent change which has a powerful impact and is worth serious consideration rather than the light approach taken by the Member of the Government. This is an enforceable tool which makes it worth while. I am very glad that the Member for Davenport (Mr. Caccia) brought this forward so that we can address it.

The Brundtland Commission said that we should establish and enforce national standards on enterprises. We need this excellent protection. As the Member for Broadview—Greenwood pointed out, pollution does not recognize boundaries whether international, national, provincial, or municipal. If this will enable us to effect that kind of change the Government should gladly accept it and be appreciative of what the Member for Davenport has done.

I want to conclude by quoting something said by Mr. Higgins, a senior Canadian Government official, before the committee. He said:

> The term "standard" in the context of environmental quality standard is one that has had some considerable debate within the environmental regulatory community in Canada. In terms of developing water quality guidelines, the Canadian Council of Resource and Environment Ministers attempted to define various terms to allow for a differentiation of them. Perhaps I could read what they have described as a water quality standard:
>
> "It is an objective that is recognized in enforceable environmental control laws of a level of government.
>
> I think that is what the committee is suggesting—that members of the committee would like to see, within this particular section of the legislation, the ability of the Minister to set such standards, which would be enforceable in law.

That is what is wrong with many of the Bills the Government has brought in. They all say certain things in essence but have no teeth which enable us to move forward in a concrete way in order to realize the goals which are enunciated but not carried out in the legislation. This is a perfect example of such misuse of words and intent. I hope that the House will support the motion put forward by the Hon. Member.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I want to participate briefly in the grouping of motions before us. I am particularly interested in the clause which relates to legally enforceable standards. It is important that we place in law the strength necessary to provide rules that make clear what is required. Not all aspects of environmental protection need to be chiselled in stone, but we must be able to examine them and adhere to them.

In Clause 8, for example, the Canadian Environmental Protection Act leaves out one of the strongest tools that can be used for environmental protection, that is, legally enforceable

standards. Not all numbers related to environmental protection need to be standards, but not to have the option of using them is simply short-sighted and limits available tools for use in the future.

Pollution Probe has recommended that the authority to set standards should be added to Clause 8 wherever it is now limited to objective, guidelines, and codes of practice. Clearly, "objectives, guidelines, and codes of practice" are kind of fuzzy. They are subject to interpretation and abuse, if you like.

However, when placed in law they become, if I can use the analogy, like a zoning by-law in a municipality. In order to change them one must go through a set process. If any government wanted to change those standards, to make them either stronger or weaker, it would have to come before this Parliament to do so. It would require a Bill and the kind of public notification and public debate that is occurring with regard to this Bill today. I think it is important that we provide that level of protection for our environment to ensure that any changes over and above those provided for by this Act must come before this House in order that the public is made aware of the changes desired.

The Bill should provide the opportunity to set numeric standards for ambient environmental quality, discharge limitations, or any other area which can be appropriately regulated in this manner and delete the reference to guidelines since they would allow for displacement of truly enforceable regulatory tools.

Also, codes of practice should not be part of the Department's legislative mandate. The development of such codes may be an internal tool for regulated parties to achieve compliance but should not replace regulatory or legal requirements.

I think it makes eminent sense that this amendment be accepted. It provides the Bill with stronger teeth and much more rigid adherence to the protection of our environment.

Mr. David Berger (Laurier): Madam Speaker, I understand that the time I have is somewhat limited. I will therefore try to state concisely why I agree with my colleagues that this provision in Section 2 of the Act is a cop-out compared to the language found in the proposed Environmental Protection Act which was circulated by the Minister of the Environment (Mr. McMillan) some time ago.

Section (b) of the discussion paper which was circulated to interested parties throughout the country said that the Department's responsibilities were to include providing leadership—and I stress the word "leadership"—in the establishment of nationally consistent standards of environmental quality. I think that the word which should be stressed in the second part of this objective is "standard".

The legislation which we are studying today as amended by the legislative committee talks about the responsibility of the department to establish nationally consistent levels of environmental quality. Therefore, I say it is a cop-out because, first, the word "leadership" has been removed. Quite clearly the Government does not want to take the bold step of saying that leadership should be part of its role as a national government.

• (1550)

The Government is not prepared to say that it should be the role of the Parliament of Canada and agencies of this Parliament and the national Government to speak for all of Canada and provide national leadership which can only come from a body that speaks for the whole of the country.

We are familiar with the Meech Lake agreement. As my colleague, the Member for Davenport (Mr. Caccia) has described it, the Meech Lake virus has found its way into the area of environmental protection. Quite clearly, the Government is reluctant to express it in those kinds of terms. It is reluctant to assume leadership. Again, I think this is reflected in the change of the word "standards" to "levels", whatever "levels" means.

I recall Professor Al Johnston who appeared before the joint committee of the House of Commons and Senate. He referred to the significance of the word "standard". He related it to the Canada Health Act which contains objectives to promote the health and well-being of Canadians, but then lists a set of standards which include such things as accessibility, universality, and comprehensiveness of a national health care plan with which the federal Government requires the provinces to comply with in order not to be penalized financially under the Canada Health Act.

This is the kind of standard which should be included in the environmental protection Bill. I am not saying the federal Government should devise these standards and impose them without any form of consultation because clearly there should be consultation among all levels of government and all interested parties. However, at some point someone has to decide what is in the national interest and clearly that is the role of the Parliament of Canada and the federal department or agency.

I deplore the fact that these changes have been made to this legislation. They are clearly not just semantic differences. These differences reflect themselves in many of the provisions of this Bill which we will be addressing during this report stage. Therefore, I wish to support the amendment of my colleague, the Member for Davenport, who argues that Clause 2 should be amended by striking out the text we find in lines 19 and 20 at page 2 and adding that it is the role of the department to endeavour to establish national standards of environmental quality.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on Motion No. 2 standing in the name of the Hon. Member for Davenport (Mr. Caccia). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Ms. Lynn McDonald (Broadview—Greenwood) moved:

Motion No. 4.

That Bill C-74 be amended in Clause 2 by adding immediately after line 28 at page 2 the following:

'(j) endeavour to act expeditiously to assess whether substances in use in Canada are toxic or capable of becoming toxic.'

Motion No. 14.

That Bill C-74 be amended by adding immediately after line 38 at page 10 the following:

'14. Where a substance has been specified on the Priority substance list for a period of five years and the Ministers have not yet assessed whether the substance is toxic or capable of becoming toxic, any person may file a notice of objection with the Minister requesting that a board of review be established under section 88.'

Motion No. 25

That Bill C-74 be amended in Clause 88 by adding immediately after line 35 at page 65 the following:

'(5) Where a person files with the Minister a notice of objection under subsection 13(2) in respect of failure to make a decision about whether a substance is toxic the Minister shall establish a board of review to inquire into whether the substance is toxic or capable of becoming toxic.'

She said: Madam Speaker, I simply want to explain the purpose of these three motions. They reflect the frustration that many of us felt at committee stage that the Government was not prepared to implement sufficiently strong measures and particularly to move expeditiously to review the toxic chemicals. If the Government could have given us firm guarantees in the legislation, these amendments would not have been necessary.

The first motion simply seeks to add a new clause which states that the Minister shall endeavour to act expeditiously to assess whether substances in use in Canada are toxic or capable of becoming toxic. We were unable to get any specific time frame in the legislation, so this at least gives the Minister some direction to act expeditiously.

The problem has been caused by slow response. There are substances which for years have been known to be toxic. Experts have raised objections and environmental groups have protested. Yet there has been a long tedious period of review. It has taken years to get toxic chemicals placed on a list and banned. In some cases, the chemical has even gone out of production because of objections in other places. It has even taken a long time to have substances that are no longer manufactured thoroughly banned on account of their toxicity. This motion is an additional attempt to get the Minister to act expeditiously.

Motion No. 14 deals with this problem of time. Five years is a long time for the Government to investigate the toxic substances in question. In the case of frivolous objections, there is no need to proceed. The Bill cannot compel the Government to assess toxicity of substances specified on the priority substances list.

The Minister's representative said that it would be unrealistic and unreasonable to require that any substances be assessed within a particular time frame. Even 10 years was considered to be unreasonable. What I have done is propose an amendment so that at least people can object if there has been no action in five years. That seems to me the least we can do in the circumstances. The Bill gives too much discretion to the Minister. With this amendment the Minister could still take as long as he wished to decide which priority substances were toxic and the public would have the right to abort a review when more than five years had lapsed.

• (1600)

The third motion, Motion No. 25, is consequential on the previous motion. Where a person files with the Minister a notice of objection in respect of failure to make a decision about whether a substance is toxic, the Minister shall establish a board of review to inquire into whether the subject is toxic or not. That seems to me the least we can do in the circumstances.

We have here a Bill with procedures that are, frankly, quite cumbersome. Many people have pointed out how cumbersome these procedures are and how very long it takes under the existing procedures to get a substance ruled to be toxic and regulated or banned. The new procedure is actually a little more complicated. We fear it will be even more time consuming to get action on it. These are three amendments which simply give citizens a bit of a right to push, to require the Minister to act when five years has elapsed. This makes the Bill a little more realistic and a little easier to respond to the really serious concerns environmentalists have. I would hope the Government would see fit at this stage to support these very reasonable and quite simple amendments.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Madam Speaker, with respect to these three motions we are debating together today, I would first like to speak to Motion No. 4. The key word here is "expeditiously". The Hon. Member for Broadview—Greenwood (Ms. McDonald) has brought it to our attention. I think it is an important word for us to include in this Act. This word, I am certain, was chosen because assessments of the toxic effects of substances existing in Canadian commerce have in the past not been carried out quickly enough. As we know, the Government has committed new resources to speed up the assessment process. Therefore, we would be pleased to accept Motion No. 4 as presented.

Motion No. 14 talks about the five years on the priority substance list. The Government is committed in assessing the substances placed on the priority substance list. That is its purpose. We want them assessed. We are in complete agreement with the establishment of a board of review when a substance has remained on the list for a five-year period without assessment. Therefore, the Government accepts Motion No. 14 also.

I understand we will be voting on Motion No. 14 with motion No. 25. Consequently, we will be supporting Motion No. 25 as it relates to Clause 88 of the Bill.

Mr. John Parry (Kenora—Rainy River): Madam Speaker, as the seconder of these three motions, Motions Nos. 4, 14 and 25, I would like to record my Party's thanks and satisfaction to the Parliamentary Secretary for the acceptance of these motions and, of course, our congratulations to the Hon. Member for Broadview-Greenwood (Ms. McDonald) who put them forward.

The Acting Speaker (Mrs. Champagne): The question is on Motion No. 4 standing in the name of the Hon. Member for Broadview Greenwood (Ms. McDonald).

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

Some Hon. Members: Agreed.

Motion No. 4 agreed to.

The Acting Speaker (Mrs. Champagne): the next question is on Motion No. 14 standing in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald). The vote on Motion No. 14 will also apply to Motion No. 25.

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

Some Hon. Members: Agreed.

Motions Nos. 14 and 25 agreed to.

The Acting Speaker (Mrs. Champagne): The next question is on Motion No. 6.

Ms. Lynn McDonald (Broadview—Greenwood) moved:

Motion No. 6:

That Bill C-74 be amended by deleting Clause 5 and substituting the following therefor:

"5.(1) For the purposes of carrying out the Minister's duties under this Act, the Minister shall establish an advisory council, composed of equal representation from industry, labour and environmental public interest groups, to

(a) provide advice to the Minister on matters that have been brought to its attention or referred to it concerning notification, assessment or procedure, and policy issues;

(b) make recommendations to the Minister concerning the administration of the Act;

(c) make recommendations with respect to biotechnology and products of biotechnology; and

(d) review the new chemicals program every three years.

(2) The advisory council shall report annually to the Minister on its activities, and this report shall be made public."

The Acting Speaker (Mrs. Champagne)): The next question is on Motion No. 8.

Hon. Chas. L. Caccia (Davenport) moved:

Motion No. 8:

That Bill C-74 be amended by deleting Clause 6 and substituting the following therefor:

"6. (1) Either Minister may, in cooperation with the governments of the provinces, establish a federal-provincial advisory committee to advise the Ministers on the exercise of the powers conferred by sections 7 and 32, paragraphs 33(1)(a), (b), (d), (o) and (q).

(2) The Minister shall include in the annual report required by section 137 a report of the activities of the federal-provincial advisory committee."

The Acting Speaker (Mrs. Champagne): The next question is on Motion No. 9:

Ms. Lynn McDonald (Broadview—Greenwood) moved:

Motion No. 9:

That Bill C-74 be amended by adding immediately after line 39 at page 5 the following:

"7. The Minister will make public all correspondence, documents and information arising from the work of the committees referred to in sections 5 and 6."

Hon. Chas. L. Caccia (Davenport): Madam Speaker, I will speak briefly on Motion No. 6 and Motion No. 8. I would like to draw to the attention of my colleagues in this House the way in which Clause 5 is presently written. It does not indicate the disposition on the part of the Government of the day or the Minister of the day to appoint an advisory committee that would be balanced in representing different interests in the community at large. It may well be that that might happen, but it may not. It may well be that an advisory committee could be loaded, so to speak, in favour of one interest in society as opposed to another.

• (1610)

I submit that it is good legislative practice to indicate in the law how a committee ought to be representative of the

community at large. This is the reason why in the amendment that Your Honour just read reference is made on the part of my Party to equal representation by industry, labour and non-governmental groups, mainly public interest groups that are active in environmental protection.

Why is that? First, it is to ensure that there is a certain balance in advisory committees to be created under the clause. Second, it is to open up the process, to ensure that the process of environmental advisory committees, which committees would advise the Minister of the day, would have access to it as well as a guarantee in the legislation to have this type of access.

It was our Party which in committee ensured by way of an amendment the inclusion of labour in a clause further on in the Bill, an inclusion which had been omitted, so that it would be a participant in a consultative process envisaged further on in the Bill. We therefore spoke for labour on that occasion. We are glad to do the same here now by way of an amendment that opens up the process to these three major sectors in society which usually have something very important to say when it comes to environmental matters.

With respect to Motion No. 8, the purpose of the motion is very simple. It is to make public the information that is the object of Clause 6. It is a very straightforward amendment that endeavours to do something that we do in a variety of ways when it comes to reports in other activities that are of public interest.

Therefore I hope that the House will see fit to adopt Motion No. 6 and Motion No. 8 in order to improve the quality of the Bill, the quality of consultation and the quality of public information.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I am pleased to support Motion No. 6 put forward by the Hon. Member for Davenport (Mr. Caccia). I think it is an important matter to have in the type of consultations proposed here an advisory council composed of equal representation from industry, labour and environmental public interest groups. It would have the function of providing advice to the Minister on matters brought forward, make recommendations concerning administration of the Act and recommendations respecting biotechnology and products of biotechnology, and review the new chemicals program and report annually.

These same three groups, industry, labour and environmental, have been working together in a variety of respects. Apropos toxic chemicals they came forward with a united approach as to how they should be dealt with. So we have had some useful experience of the groups working together to try to come up with some decent standards and advice. It seems to me that this is a very reasonable proposal. Perhaps these groups have other ways of getting their advice into Government and felt that a permanent advisory council was necessary and that Government was not listening to them. They wanted to have some input on the over-all direction with respect to how we are going and whether or not it is working. Frankly, we have a process that is not all that strong, and perhaps there need to be reviews of it. I do not mean solely with respect to particular substances where there can be input on the whole direction of the program to reduce pollution by toxic chemicals. There has been significant demand in order to have this type of a central consultative committee.

The second part of the proposal, Motion No. 8, I am a little bit more leery of because this is a federal-provincial advisory committee to advise Ministers on the exercise of powers. What makes me a little bit leery—and of course I am in favour of the principle of consultation between the federal and provincial Governments—is the very cumbersome process that has been put up. It is something like the double-whammy approach. First, we were told that if we were to have national standards with consultation then that was one thing. If a process of equivalency is set up that says that we will not have national standards, that we will let the provinces set up equivalent standards, and we will only have very modest guidelines, then why would there be the consultative process? It seems that one would spend all one's time consulting and that one would not end up with national standards since they have been rejected.

I am not happy with this. It seems that the principle of consultation is certainly a proper one. However, when we end up with too much consultation and we do not end up with adequate standards as a result of that consultation, I wonder if we are not wasting some time and should be going one or other route more consistently.

The third of the motions is the one that I proposed. It is Motion No. 9. It would amend the Bill to the effect that the Minister will make public all correspondence, documents and information arising from the work of the committees referred to in Sections 5 and 6, that is, the labour, industry and environmental committee, and the federal-provincial committee.

The reason for this needs to be understood very carefully. We have a Government that has bowed to pressure from the provinces to be consulted before the federal Government exercises its authority in environmental matters. This consultation seems to be going on at all times with respect to equivalency. It is being built into the process. However, there are some dangers in this consultation that have to be understood. One of them is a loophole that exists in accessing information passed between federal and provincial Governments. The provinces should not be able to become lobbyists in secret. By giving the public clear access to federal-provincial correspondence, abuse of this federal-provincial advisory process will be mitigated.

If we are to have the process which is proposed in the second motion, then it is very clear that experts, environmental groups and critics in the Opposition will be able to have access to the documents to ensure that there are not secret deals being made. We need to know what this advice is. Clearly, the environment is an area of shared jurisdiction in our Constitution. Clearly, the provinces have an important role. Clearly,

the need for national standards and the national presence is also there.

If we are to have decent environmental regulation, then we have to understand what consultation is going on between the federal Government and the provinces. We need to know what advice is being given. If a province is advising that it wants a pollution ghetto, if it is asking for standards to be reduced or is trying to look for ways to get out of having adequate environmental protection, then we need to know that. We do not want to have secret deals. So it seems to me very reasonable that Motion No. 9 would be passed.

It would simply respect the intent of the Bill to improve environmental protection and to involve the public and environmental groups. The Government has built this into the Bill at various stages. It has certainly showed a willingness to work with environmental groups and, indeed, to benefit from the expertise, the knowledge and experience which environmental groups have. It seems to me that this would be a very logical extension of that principle. Accordingly, I hope that the Government will see fit to support these amendments.

• (1620)

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Madam Speaker, as we begin discussing Motion No. 6 and Motion No. 8, I am going to ask if it is possible to divide Motion No. 6 and vote on each part separately. The first part relates to Clause 5(1), and the second part relates to Clause 5(2). Motion No. 8 relates to Clause 6. Might we vote on Clauses 6(1) and 6(2) separately?

First, I will speak to Motion No. 6. The Canadian Environmental Protection Act does in fact provide an effective framework for protecting the Canadian environment. The Act is designed to counter the increasing number of environmental and health threats afflicting the world around us.

The very drafting and formulation of the Canadian Environmental Protection Act was truly a national effort, because it is the culmination of extensive public consultations involving all three levels of Government, industry, labour, the university community, and citizens' groups. Indeed, it is the product of five years' work as experts joined together to grapple with the problems associated with toxic chemicals.

That consultative process is built into the very fabric of this Act. Citizens now have unprecedented rights of participation in helping to implement and enforce the Canadian Environmental Protection Act.

Citizens can request that a substance be added to the priority substance list for assessment and possible controls. They can object to regulatory decisions by requesting that a board of review be established, and they can make representation before those boards. Canadians can petition the Minister of the Environment to investigate an alleged infraction under the Act. The people of Canada will have a very strong say in how this Act is administered.

Section 5 of the Canadian Environmental Protection Act also provides the Minister with an opportunity to establish special advisory committees. It is an important provision; environmental concerns are complex. A Minister must have proper recourse to a range of possibilities in overseeing an implementation of the Act. Flexibility of approach is the key to good management.

The Hon. Member for Davenport (Mr. Caccia) has proposed that Section 5 be amended. He suggested that it require the Minister to establish an advisory council to oversee the administration of the Act. I find this point redundant. We have debated this extensively in committee. There already exists an advisory body, the Canadian Environmental Advisory Council, which advises the Minister. It was established in 1972.

The council provides guidance and makes recommendations to the Minister of the Environment, and through him to the Government as a whole, and through the Government to the public on environmental policy. Its work is becoming increasingly public. In the same manner as it was active in the national consultation process on CEPA and gave impetus to many of the changes in the earlier parts, so also will it play a key role in advising on the administration of the legislation following passage.

The council has been involved in the development of CEPA. It is now working on a project to enhance the efficiency of the assessment of substances. The council is representative; its members appointed to reflect the reality that is Canada. They come from all regions. At different times, the council members have been drawn from the ranks of academe, citizens' groups, industry, and labour, the goal being a genuine cross-section of Canadian society and expertise.

I see no point in the Hon. Member's amendment to tie down in legislation a reality that already exists, an advisory council to advise the Minister. In this section, with your indulgence, Madam Speaker, I do recommend that the House reject the first part of this amendment.

In regard to part (2) requiring an annual report on the activities of advisory committees, because Section 5 talks about advisory committees, the Government accepts that part of the motion if it refers to advisory committees.

In relation to Motion No. 8 before the House, we would also seek your indulgence, Madam Speaker, in having the two parts voted on separately. In this motion, Bill C-74 provides a Canada-wide framework of environmental protection. Forging a partnership between the federal Government and the provinces will serve to harmonize environmental controls, and ensure an equivalent level of protection for all Canadians, no matter where they reside in this country. The federal-provincial advisory committee is an important manifestation of that partnership. Therefore, it shall be established.

The committee's focus is regulations. The motion suggests that the committee also deal with monitoring activities

described in Clause 7. There is well-established co-operation among Governments for sharing monitoring and operating equipment, and Clause 7(2) confirms that. In our view, it is unnecessary to have this activity be the subject of a federal-provincial advisory committee.

The motion proposes the committee deal with clause 32 which establishes a list of toxic substances. This clause is linked with the regulation making power set in Clause 33, and regulations are the subject of the committee. The amendment is therefore not considered necessary. The amendment drops the whole idea of consultation in paragraph 33(1)(c) which deals with regulations on the release of toxic substances to the environment at the commercial, manufacturing, or processing stages of the life cycle.

This paragraph will be of just as much interest and import to the provinces as paragraphs 33(1)(a),(b), and (d) which also deal with regulations on the release of toxic substances. These areas have traditionally fallen within the purview of provincial governments.

In general, the motion would define a very narrow role for the federal-provincial advisory committee, while removing the flexibility to assign to it tasks of mutual interest to both the federal and provincial Governments. Rather, our intention is that the committee will be an important mechanism for forging and maintaining the federal-provincial partnership.

To be effective in this role, both the Minister and the committee must retain a considerable flexibility in the tasks which can be assigned and assumed. Therefore, Madam Speaker, we reject the first part of this motion. If, in any given year, the committee is active and contributes to the administration of the Act, its work must be included in the annual report to Parliament. Therefore, we accept the second part of this motion.

Motion No. 9 is aimed at releasing the maximum amount of information to the public on matters arising from the work of the ministerial and federal-provincial advisory committees established under Bill C-74. Section 5(2) of the Act already provides for public release of reports of the ministerial advisory committees, subject to the confidentiality provisions of the Act. This provision is necessary to allow ministerial advisory committees to work with confidential business information, such as trade secrets, where circumstances warrant.

As far the federal-provincial advisory committees are concerned, the Access to Information Act allows exemption from release for information transmitted between the two levels of Government. The motion as proposed might put in jeopardy the provision of advice to the Minister by the provinces, and therefore Motion No. 9 would not be supported by the Government.

• (1630)

Mrs. Sheila Finestone (Mount Royal): Madam Speaker, I want to deal with Motion No. 6 at the outset. Motion No. 6 amends Bill C-74 by deleting Clause 5 and substituting the following:

Motion No. 6

> "5.(1) For the purposes of carrying out the Minister's duties under this Act, the Minister shall establish an advisory council, composed of equal representation from industry, labour and environmental public interest groups,

It goes on to outline what the responsibilities of these groups would be; namely, to:

> (a) provide advice to the Minister on matters that have been brought to its attention or referred to it concerning notification, assessment or procedure, and policy issues;

That is the provision of advice. Then to:

> (b) make recommendations to the Minister concerning the administration of the Act;

So we are now talking about advice and recommendations. We go on to:

> (c) make recommendations with respect to biotechnology and products of biotechnology;

Lord only knows we certainly need some concrete recommendations in this new and evolving technology. Last to:

> (d) review the new chemicals program every three years.

We know how quickly we are changing in this new and dynamic field and certainly the review every three years just makes quite logical sense of chemical programs. Then we come to:

> (2) The advisory council shall report annually to the the Minister on its activities,—

It strikes me that we are elected Members of this House, and that the Minister through his contacts carries his responsibilities further than that of an elected Member, but he is in a position to give real meaning to listening to the grass-roots, to listening to the professional organizations and to listening to those labour and industry groups actively involved in pursuing improvement in pollution and pollution control. They have already worked together as the Hon. Member for Davenport (Mr. Caccia) and the Hon. Member for Broadview—Greenwood (Ms. McDonald) have said. We know that the STOP group and *La société pour vaincre la pollution*, S.V.P., are very important.

We enable national standards and we establish national standards. This should be a primary goal which I am sure the Minister would like to have so there would not be the sense of copping out or hiding—which surely the Minister does not want. In the establishment of national standards and having this advisory group enable us to establish those national standards, we will be giving real meaning to the intent behind this particular Bill. I would strongly suggest that if the Minister will consider this, it would be much appreciated by groups in society with respect to the goals that he has established for this Bill.

If you look to Motion No. 8, Madam Speaker, you will see that there is a move on the part of my colleague from Davenport involving the deletion of Clause 6. I think his point was well accepted by the Parliamentary Secretary. I read from the committee reports, issue No. 22 for March 3, the exchange between the Member, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), Mr. Higgins, the expert and the Parliamentary Secretary. It is obvious they had a pleasant exchange but fundamentally the exchange is all about why we need this correction. Mr. Higgins said:

[*Translation*]

"The guidelines proposed in clause 8 are certainly the sorts of issues that advisory committees could deal with to advise the minister."

I do not see why the Minister would not agree to be advised. I believe that he has very effective advisors, but this would add to his competence in the subject.

Later, my colleague said, "Given Mr. Higgins' answer, it would be desirable to move a subamendment to clause 6 by adding after the words" other environmental matters that are of mutual interest to the federal and provincial governments and pertain to this Act."

[*English*]

What we have here is a tidying up of a lot of rhetoric, an establishment of principle and practice that is clear, unfuzzy and denotes the goals that are envisaged in this Bill.

[*Translation*]

So I suggest that we adopt the effective and enlightened recommendations to improve the contents of this Bill and the procedures provided therein.

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Madam Speaker, I had not intended to participate in this very enlightening debate. I think that the Parliamentary Secretary has articulated very well the general views of the Government with respect to the proposals put forward by our colleague, the Hon. Member for Davenport (Mr. Caccia). As is usually the case, one wants to be as accommodating as possible for constructive suggestions.

However, one of the difficulties is the nature of these proposals. Sometimes the way in which motions are put makes it difficult to accommodate the intentions of the Government and the intentions of the Opposition. I am not sure whether anything would be gained by having a look at whether or not we can, in effect, salvage this matter. It may be the form of the Hon. Member's motion as such, having predicated the whole set of amendments on deleting the clause completely. The Minister is here and I defer to my colleague. I guess I am donning my old House Leader's hat, seeing whether there is something that might be done and asking whether we might give some consideration to seeing what we can do, but I think it is very difficult for us in light of the form of the amendment. I think as a government we will have to vote against this amendment as per the explanation given by the Parliamentary Secretary. I might explain that while we are interested in certain aspects of the amendment, because of its nature we cannot accept it, and we will have to vote against the total amendment. That is the final and definitive position of the Government, until there is a change.

Mr. Angus: Madam Speaker, I know there have been some discussions at the table but I wonder whether it might make sense at this point to defer any further debate on these clauses and allow a resolve that might meet the intent of the Hon. Member who moved the motion and the Government.

Mr. Caccia: Madam Speaker, I thank the Minister of Justice (Mr. Hnatyshyn) for his helpful intervention both in the spirit and in the substance of what he has just said. I also want to express my gratitude to the Parliamentary Secretary for having expressed very clearly the will of the Government in relation to Motion Nos. 6 and 8 in particular. It seems to me that the difficulty which the Minister of Justice just outlined could be resolved.

Of course, I am making a case to see whether it would not be within the power of the House that if you were to call for a split in the vote so as to permit Motion No. 6, in particular, and Motion No. 8—or whichever it is that requires a splitting—so that by way of unanimous consent each motion is approached paragraph by paragraph. Having done so, we might then be able to overcome the procedural difficulty to which the Minister of Justice referred a few moments ago. That, of course, does not preclude the prerogative and privilege on the part of the Opposition to seek a recorded vote on the balance of the motion which is not acceptable to the Government. That, of course, is normal procedure.

• (1640)

I thought that the timely intervention on the part of the Minister of Justice and the speech made by the Parliamentary Secretary might indicate an avenue for us to explore, a route which is entirely in your hands at this point, Madam Speaker, but it might allow us to overcome this procedural hurdle. I seek your guidance on this matter.

The Acting Speaker (Mrs. Champagne): I will hear from the Hon. Parliamentary Secretary in a moment. The Chair is quite aware of the difficult situation which was quite well explained by the Parliamentary Secretary and the Minister of Justice (Mr. Hnatyshyn), and obviously well understood by members of the Opposition. There could also be another avenue which Hon. Members might want to consider, and that is the possibility of proposing a subamendment. I will now hear from the Parliamentary Secretary, and perhaps representatives of the different Parties may wish to get together on this. I wanted to make the House aware of this other possibility at this time.

Mrs. Browes: Madam Speaker, the Government applauds those parts of the amendments which deal with making reports

of committees available to the public and with having the annual report to the federal-provincial advisory committee included in the annual report. We would like to accept those parts of the motions which make the information available to the public.

As I understand it, the difficulty arises because the motion begins by deleting the whole clause. If we voted against the first part and voted for the second part, all we would have is the second part. We would have a public report with no committees having been formed. As I understand what was said by the Hon. Member for Davenport (Mr. Caccia), it would not be acceptable for the Government to accept the second part of the motion as the preamble to it now reads.

Mr. Angus: Madam Speaker, let me for a few moments join in this discussion. Perhaps there is another option, and that is for the Hon. Member who moved the motion to withdraw his motion. I would assume that that would require unanimous consent. Then either he or the Government could put forward a motion dealing with these two clauses, a motion that would meet what the Government is prepared to accept.

Mr. Caccia: Madam Speaker, returning to your intervention of a few minutes ago, it would seem to me that although the Parliamentary Secretary has expressed very clearly what is acceptable and what is not acceptable to the Government, nevertheless that will ought to be expressed in the language with which the Government is best acquainted. It would not be so easy for me to formulate the phraseology necessary to express the will of the Government. It seems to me, therefore, that your suggestion of a few moments ago to proceed by way of a subamendment would permit the clarity of language that only the Government could achieve.

The Government itself knows exactly what it is willing to accept, and to me, it would be perfectly acceptable to support a subamendment, in the spirit of co-operation that is emerging on these two motions. Therefore, the route you have suggested seems to me to be the one that will lead to a precision of language that in the end will achieve the desired result.

The Acting Speaker (Mrs. Champagne): After listening very carefully to all Hon. Members, I have a suggestion that the House may want to consider. I suggest that we let Motions Nos. 6, 8 and 9 stand at this point. Perhaps tomorrow the Hon. Parliamentary Secretary or someone else could propose an amendment to the motions that are now before the House so that it would be clearly understood by everyone what is hoped to be achieved through these motions. That is one suggestion that I am prepared to offer to the House.

Mrs. Browes: Madam Speaker, thank you for that suggestion. As I indicated, we are prepared to look at the latter parts of Motions Nos. 6 and 8. Your suggestion is to defer this until we have had time to review it in order to draw up such a subamendment. However, I would seek some clarification. If that were to be so, would Motions Nos. 6 and 8 be withdrawn?

The Acting Speaker (Mrs. Champagne): Amendments to the motions would be presented to the House at that time, and the House would deal with those amendments to these motions. Then the House could vote on the amendments to the motions.

The Hon. Member would have to make sure that the appropriate changes are made to the motions so that they could be presented to the House again.

Mrs. Browes: Madam Speaker, I gather that we will not be able to complete all of the motions today, so we could carry on to the next motion then.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent to stand Motions Nos. 6, 8 and 9 at this time?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): We will then move to the next grouping, Motions Nos. 12 and 13.

Ms. Lynn McDonald (Broadview—Greenwood) moved:

Motion No. 12.

That Bill C-74 be amended in Clause 11 by striking out line 16 at page 9 and substituting the following therefor:

"human, animal or plant life depends; or".

Motion No. 13.

That Bill C-74 be amended in Clause 11 by striking out line 18 at page 9 and substituting the following therefor:

"danger in Canada to life or health."

She said: Madam Speaker, I rise to explain Motions Nos. 12 and 13 and to urge Hon. Members to support them. The purpose of these motions is to ensure that we have an adequately broad definition of the environment and of the kinds of harm that exist.

Clause 11 deals with toxic substances. It provides that for the purposes of this part, a substance is toxic if it is entering or may enter the environment in a quantity or concentration or under conditions, and the first condition is having or may have an immediate or long-term harmful effect on the environment. The second is constituting or that may constitute a danger to the environment on which human life depends. The third part says "constituting or that may constitute a danger in Canada to human life or health."

• (1650)

Under the first amendment at line 16 the new wording would be:

constituting or that may constitute a danger to the environment on which human life depends;

Then the words "human life" simply become "life". This is to broaden the definition in two particular places and the point is to indicate very clearly that we are all part of the environment. It is not just human life and health that can be affected by toxic substances. We want to make it very clear that our

environment includes plants and animals, and if a toxic substance is causing harm to plants and animals, eventually it will get to us because we live on the same planet. There is a food chain, one thing leads to another, and the effect of toxic substances is magnified as they move up the food chain. If it is only lichens or very simple forms of life affected first, we should not ignore it on the grounds they are not human beings but some kind of low, non-conscious form of life. Lichens, after all, are eaten by other creatures, those creatures are eaten by larger creatures, and so on. Toxic substances are then concentrated as they move up the food chain.

I hope people will not see this as being unduly sentimental. I happen to take a perhaps more religious view of our responsibilities as stewards of the environment. However, we have to be practical. We all live on the planet and these things are connected. It is just foolish to think that we human beings stand at the top and we can ignore the threat to those beings further down the chain. We are all in it together and we have responsibilities. We have not taken those responsibilities very well and we have had all kinds of environmental disasters as a result of our lack of conscience, vigour, enforcement, and slowness in appreciating what is happening to the environment.

These amendments are to say let us be careful that we are not too narrow in defining only threats to human health or the environment on which human beings depend, but really understand that plants, animals and human beings all affect each other. We have to be clear. This is an Environmental Protection Act. Human health is an important part but let us not focus too narrowly and assume that by doing that we are going to protect ourselves or the environment.

It seems to me that these are simple amendments and will be recognized by every environmentalist as being eminently practical and wise. We cannot set ourselves apart and protect only ourselves. We have to be good environmentalists and understand the importance of protecting all life, plant and animal, and those of us who rise and speak in Parliament as well.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, in support of this amendment I would like to bring to your attention the fact that we spent a considerable amount of time in committee debating this clause because it deals with a definition of nothing less than toxic substances. Therefore, this is the heart and soul, in a way, of this Bill. Toxic substances cannot be regulated, you will appreciate, until a comprehensive and adequate definition has been worked out. We spent a lot of time in committee focusing on two words, "significant" and "important". In the end we collectively managed to arrive at a significantly improved definition, the one here before us today. In that respect we were all quite satisfied that we had made progress.

The two motions deal with two other subclauses that were, in retrospect, overlooked at bit because of our preoccupation in committee, as I recall it, with the first half of this clause. The thrust of the motion by the Hon. Member is to broaden the orientation of this clause from just and only the human perspective, as she put it, to a recognition of the totality of the value of an environment which is more than just humans. We know that what happens in animal life, for example, and this is why we have the Canadian Wildlife Service, or in plant life, eventually can reach humans because of the ecological chain the Hon. Member spoke about. If this clause is left the way it reads now, it means that toxic substances are important only within the context of human life. That is not bad. It is a good start.

However, we are saying, in the hope the Parliamentary Secretary will agree, that there has to be a totality in the description of what is toxic which is broader than just what affects humans. Hence, the value and importance of this amendment which also looks at life as plants and the animal world, not because of a romantic notion so much, as the Hon. Member for Broadview—Greenwood (Ms. McDonald) quite rightly put it, but because we know from experience that what happens in animals and plant life eventually has a significant, and sometimes profound effect on human beings on this planet.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Madam Speaker, I will be very brief. I would like to point out that what has happened here today was generally the kind of thing that happened in the committee. There was a kind of co-operation that took place with respect to the seven or eight amendments that we have discussed here today. The Government accepted three of them and is taking a look at two others.

However, in relation to Motion No. 12 and Motion No. 13, we feel they are not necessary and the Government will not support them. They are designed to add the concept of animal and plant life, but subclause 11(a) deals with the effects on the environment. If you go to Clause 3 of the Bill where it defines "environment", it already includes plant and animal life in the words "living organisms" in the definition of the word "environment". We believe these amendments are therefore unnecessary and the Government will not support them.

• (1700)

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

An Hon. Member: No.

The Acting Speaker (Mrs. Champagne): We will then continue with Motions 12 and 13 tomorrow.

It being 5 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

BLUE WATER BRIDGE AUTHORITY ACT

MEASURE TO AMEND

Mr. Ken James (Parliamentary Secretary to Minister of Supply and Services) moved that Bill C-210, an Act to amend the Blue Water Bridge Authority Act, be read the second time and referred to a legislative committee.

He said: Madam Speaker, I find myself in a somewhat unorthodox situation and I will explain why. This Bill is very important to me and I would like to expand upon it. However, you may be aware, Madam Speaker, that I have recently been appointed Parliamentary Secretary to the Minister of Supply and Services.

Some Hon. Members: Hear, hear!

Mr. James: Consequently, I do not feel that it would be right for me to continue as the sponsor of this Bill. I have been in contact with my colleague, the Member for Kent (Mr. Hardey) who will take over for me as the sponsor of this Bill.

I would like to take this opportunity, however, to say a few words because I am honoured to have been given the opportunity to present this Bill. The concerns which have been expressed to me centre around the issue of liability on the Blue Water Bridge which spans the St. Clair River between Michigan and Ontario.

As Hon. Members may recall, the insurance industry has been very volatile in recent years and liability insurance costs sky-rocketed. In 1984-85 the Blue Water Bridge Authority's insurance brokers provided a $50 million public liability umbrella policy on the bridge for $18,000 a year. In 1986-87 the highest insurance package that the brokers could offer was a $45 million public liability policy for $80,000 a year—a decrease in coverage with a premium increase of nearly 500 per cent.

Traffic on the bridge continues to increase dramatically. The commissioners and the general manager of the Blue Water Bridge Authority are concerned that, in the event of a major disaster on the bridge, their personal property and possessions could be attached if the $50 million coverage was not sufficient. Given the liberal insurance settlements we have seen recently in the courts, this is a real concern.

It is the contention of the Department of Transport that this issue is dealt with through the common law and is covered through other Acts of Parliament. I am aware of Transport Canada's concern and I do respect the department's position. However, I have been approached by the Blue Water Bridge Authority and it is clear that the commissioners do not feel entirely comfortable with the department's position.

I believe that the concerns expressed by the Blue Water Bridge Authority are valid. Also, I do understand and respect the reservations of the Department of Transport. However, the problem remains and a solution must be found. It is my feeling that a legislative committee will provide the best possible forum in which to resolve this subject to everyone's satisfaction.

It may be that the solution to the issue lies somewhere between Bill C-210 and the current situation. I would encourage all Hon. Members to support this Bill at second reading. It is too important a subject to ignore.

I understand that consultations have taken place with the opposition Parties and I believe, Madam Speaker, that you will find consent for the following motion:

> That the motion of Mr. James for second reading and reference to a legislative committee of Bill C-210, an Act to amend the Blue Water Bridge Authority Act, be, by unanimous consent, amended to stand in the name of Mr. Hardey, and that in any subsequent proceedings on the said Bill, the Bill will be deemed to stand in that Member's name.

The Acting Speaker (Mrs. Champagne): The House has heard the terms of the motion presented by the Hon. Member for Sarnia—Lambton (Mr. James). Is there unanimous consent?

Mr. Boudria: Madam Speaker, there have been discussions among various Members. I and my colleagues are certainly willing to give that unanimous consent in order to assist the Member with this Bill which could be of benefit to his constituency.

Mr. Angus: Madam Speaker, I, too, want to indicate that there have been discussions and that we are agreeable. Let me bootleg my congratulations to the Hon. Member on his appointment.

The Acting Speaker (Mrs. Champagne): As there is unanimous consent, the motion is agreed to.

Motion agreed to.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I just want to make one short intervention. I appreciate that we want to get Bill C-210 into a legislative committee so that there can be an examination of both its principle and its content. However, I have one question in my mind after having read the Bill. The Bill says that the members of the bridge authority are not personally liable for any injury or loss suffered by any user of the Blue Water Bridge as a result of an act of terrorism or the fault, neglect, want of skill, or willful or wrongful act of any person.

Does that free the board as an entity from any action taken against it because of a decision it has made? I am not sure that it was the intent of the mover to take away the legal responsibility and liability of the board should it decide to forego maintenance and should that lack of maintenance lead to a situation which creates an accident. I do not think that the board should be exempt from action by a citizen who finds himself injured because of that.

I hope that that will be examined during the discussions of the legislative committee to ensure that while an individual member is not taken to court as a result of an action over which he or she had no control, there must be some onus on the board itself. If a court of law finds the board negligent, an aggrieved party should have some recourse such as a pay-out or whatever.

We are not going to put up any more speakers and are quite willing to have this Bill passed very quickly.

Mr. Don Boudria (Glengarry—Prescott—Russell): Madam Speaker, I only want a moment or two to participate in this debate. I certainly have no intention of delaying this Bill in any way, shape, or form. I share the concerns which have been brought to the attention of the House. Perhaps, with unanimous consent, the Member could speak again and address some of those concerns. I would be willing to give such consent.

We do not want, of course, board members to be singularly or collectively responsible for liability. On the other hand, there must be provision, in the event of a mishap, for persons affected to collect. For example, if there was a major spill from a vehicle that perhaps ran off the end of the bridge due to a deficiency in the bridge as opposed to their own neglect, we would want to ensure there are provisions there for that kind of situation.

• (1710)

The Member prepared a briefing book for us and it states in the notes that he was to have delivered to us prior to his promotion, which cut down somewhat on his speech, that in the event of a major disaster on the bridge there is presently a $50 million liability coverage. If I understand it correctly, the situation is such that board members could be sued for a claim that was in excess of that. That is essentially the problem that the Hon. Member was explaining to us.

Nevertheless, we are also concerned particularly because of settlements that have been made in courts in recent years. We do not want to create the situation which would cause undue hardship for members of the board of that bridge authority.

We are willing to let the Bill go to committee. I invite the Member or one of his colleagues to perhaps answer some of those concerns. If that is possible, as far as I am concerned the Bill could then go to a legislative committee in order to be dealt with as soon as possible.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Madam Speaker, it is an honour to rise on behalf of the Government and present its view on this Private Members' Bill. First, I want to commend my colleague, the Member for Sarnia—Lambton (Mr. James), for his appointment as Parliamentary Secretary to the Minister of Supply and Services. It is a very important department which will involve a lot of extra work on his behalf. I am sure his constituents will understand that and will be thankful that he is to provide his judgment on behalf of the people of Canada.

Second, I want to commend the Hon. Member for this Bill. My colleague is a new Member and does not remember the old days when private Members had a Private Members' Hour but their Bills were almost universally talked out. No matter what Government was in power, private Members had no ability to legislate. This built frustrations that were genuine on our part as back-benchers.

Therefore, this new procedure whereby more and more Bills go to legislative committee and can actually become law of the land is a tremendous addition to law-making in this country. There is now a short list of 20 Bills which can come up, six of which can be drawn and are actually forced to a vote. Even though a Member may have a Bill that is inconvenient or indeed opposed by the Cabinet, if it is on the votable list it will come to a vote and the Cabinet has to accept that. That is tremendous power for back-benchers.

It is an historic occasion for a Bill to go to a legislative committee. We should be thankful because this would not be the rule of the House if it had not been for the actions of our Prime Minister (Mr. Mulroney). Only he had the courage, after a whole succession of Prime Ministers, to face this directly. As a new Prime Minister he said that he wanted Members of Parliament to be important. We should all be thankful for that. We may have partisan differences, but the Prime Minister deserves credit for this amendment to our rules.

In response to the Member for Thunder Bay—Atikokan (Mr. Angus) and the Member for Glengarry—Prescott—Russell (Mr. Boudria), I have seen a briefing note raising the points the officials have made. I think it would be wiser to send the Bill to committee where we will make sure all the witnesses necessary will explain any questions Members might have. I suggest that would be a wiser resolution, rather than getting into debate on it today. Therefore, I hope Members will agree to send it to committee.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

Mr. Angus: Madam Speaker, I rise on a point of order. In view of the hour, and knowing that there is a vote scheduled at six o'clock, perhaps it would be appropriate to suspend the sitting until then.

Sitting Suspended

SITTING SUSPENDED

The Acting Speaker (Mrs. Champagne): Is there unanimous consent to suspend the sitting?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): We will suspend the sitting until six o'clock, at which time we will call in the Members pursuant to order made earlier.

At 5.17 p.m., the sitting of the House was suspended.

● (1800)

SITTING RESUMED

The House resumed at 6 p.m.

GOVERNMENT ORDERS

[*English*]

ELDORADO NUCLEAR LIMITED REORGANIZATION AND DIVESTITURE ACT

MEASURE TO ENACT

The House resumed from Monday, April 18, consideration of the motion of Mrs. McDougall that Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof, be read the second time and referred to a legislative committee, and on the motion of Mr. Hawkes:

That this question be now put.

The Acting Speaker (Mrs. Champagne): It being six o'clock p.m., pursuant to Standing Order 13(4)(a) the House will now proceed to the taking of the deferred division on the motion of Mr. Hawkes for the previous question in relation to Bill C-121.

Call in the Members.

● (1810)

The House divided on the amendment (Mr. Hawkes) which was agreed to on the following division:

(*Division No. 318*)

YEAS

Members

Beatty
Belsher
Bernier
Bertrand
Binns
Blackburn (Jonquière)
Blais
Blenkarn
Blouin
Boyer
Brightwell
Browes
Cadieux
Cardiff
Carney
Clark (Brandon—Souris)
Clifford
Collins
Cooper
Corbett
Cossitt
Crofton
Crosbie (St. John's West)
Crouse
Darling
Desjardins
Duguay
Edwards
Fennell
Ferland
Fontaine
Forrestall
Gagnon
Gass
Gérin
Gormley
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Halliday
Hamelin
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Howie
Hudon
James
Jardine
Jelinek
Johnson (Bonavista—Trinity—Conception)
Jourdenais
Kelleher
Kilgour
King
Ladouceur
Landry
Lawrence
Layton
Lewis
MacDonald (Kingston and the Islands)
MacKay
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McInnes
McKenzie
McKinnon
McKnight
McLean
McMillan
Minaker
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Pennock
Pietz
Plourde
Porter
Ravis
Redway
St. Germain
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Speyer
Stevens
Stewart
Suluk
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa—Carleton)
Valcourt
Vézina
Vincent
Weiner
Wenman
Wilson (Swift Current—Maple Creek)
Wilson (Etobicoke Centre)
Winegard—112

NAYS

Members

Allmand
Angus
Baker
Benjamin
Berger
Blackburn (Brant)
Boudria
Caccia
Cassidy
de Jong
Epp (Thunder Bay—Nipigon)
Finestone
Foster
Fulton
Gagliano
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Isabelle
Jewett
Langdon
Lapierre
MacLellan
McCurdy
McDonald (Broadview—Greenwood)
Parry
Penner
Pépin
Prud'homme
Riis
Rodriguez
Rossi
Tardif (Richmond—Wolfe)
Waddell
Young—37

● (1820)

The Acting Speaker (Mrs. Champagne): I declare the amendment carried.

The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

The House divided on the Motion (Mrs. McDougall), which was agreed to on the following division:

(Division No. 319)

YEAS

Members

Allmand
Baker
Beatty
Belsher
Berger
Bernier
Bertrand
Binns
Blackburn (Jonquière)
Blais
Blenkarn
Blouin
Boudria
Boyer
Brightwell
Browes
Caccia
Cadieux
Cardiff
Carney
Clark (Brandon—Souris)
Clifford
Collins
Cooper
Corbett
Cossitt
Crofton
Crosbie (St. John's West)
Crouse
Darling
Desjardins
Duguay
Edwards
Fennell
Ferland
Finestone
Fontaine
Forrestall
Foster
Gagliano
Gagnon
Gass
Gauthier
Gérin
Gormley
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Gray (Windsor West)
Greenaway
Grisé
Grondin
Guilbault (Saint-Jacques)
Halliday
Hamelin
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Howie
Hudon
Isabelle
James
Jardine
Jelinek
Johnson (Bonavista—Trinity—Conception)
Jourdenais
Kelleher
Kilgour
King
Ladouceur
Landry
Lapierre
Lawrence
Layton
Lewis
Lopez
MacDonald (Kingston and the Islands)
MacKay
MacLellan
Malone
Mantha
Marin
Mayer
Mazankowski
McCain
McCrossan
McInnes
McKenzie
McKinnon
McKnight
McLean
McMillan
Minaker
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Penner
Pennock
Pépin
Pietz
Plourde
Porter
Prud'homme
Ravis
Redway
Rossi
St. Germain
Schellenberg (Nanaimo—Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Speyer
Stevens
Stewart
Suluk
Tardif (Richmond—Wolfe)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa—Carleton)
Valcourt
Vézina
Vincent
Weiner
Wenman
Wilson (Swift Current—Maple Creek)
Wilson (Etobicoke Centre)
Winegard—134

NAYS

Members

Angus
Benjamin
Blackburn (Brant)
Cassidy
de Jong
Epp (Thunder Bay—Nipigon)
Fulton
Heap
Jewett
Langdon
McCurdy
McDonald (Broadview—Greenwood)
Parry
Riis
Rodriguez
Waddell
Young—17

• (1830)

[*Translation*]

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed from Monday, April 18, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Standing Committee on Finance and Economic Affairs, and the amendment of Ms. McLaughlin:

That the motion be amended by deleting all the words after the word "that" and substituting the following therefore:

"Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be not now read a second time but that it be read a second time this day six months hence".

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 13(4)(a), the House will now proceed to the taking of the deferred division on the amendment of Ms. McLaughlin to Bill C-117.

The question is on the amendment.

The House divided on the amendment (Ms. McLaughlin), which was negatived on the following division:

(Division No. 320)

YEAS

Members

Allmand
Angus
Baker
Benjamin
Berger
Blackburn (Brant)
Boudria
Caccia
Cassidy
de Jong
Epp (Thunder Bay—Nipigon)
Finestone
Foster
Fulton

Gagliano
Gauthier
Gray
(Windsor West)
Grondin
Guilbault
(Saint-Jacques)
Heap
Isabelle
Jewett
Langdon
Lapierre
MacLellan
McCurdy
McDonald
(Broadview—
Greenwood)
Parry
Penner
Pépin
Prud'homme
Riis
Rodriguez
Rossi
Tardif
(Richmond—Wolfe)
Waddell
Young—37

NAYS

Members

Beatty
Belsher
Bernier
Bertrand
Binns
Blackburn
(Jonquière)
Blais
Blenkarn
Blouin
Boyer
Brightwell
Browes
Cadieux
Cardiff
Carney
Clark
(Brandon—Souris)
Clifford
Collins
Cooper
Corbett
Cossitt
Crofton
Crosbie
(St. John's West)
Crouse
Darling
Desjardins
Duguay
Edwards
Fennell
Ferland
Fontaine
Forrestall
Gagnon
Gass
Gérin
Gormley
Graham
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Halliday
Hamelin
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Howie
Hudon
James
Jardine
Jelinek
Johnson
(Bonavista—Trinity—
Conception)
Jourdenais
Kelleher
Kilgour
King
Ladouceur
Landry
Lawrence
Layton
Lewis
Lopez
MacDonald
(Kingston and
the Islands)
MacKay
Malone
Mantha
Marin
Mayer
Mazankowski
McCain
McCrossan
McInnes
McKenzie
McKinnon
McKnight
McLean
McMillan
Minaker
Nicholson
(Niagara Falls)
Nickerson
Oberle
O'Neil
Pennock
Pietz
Plourde
Porter
Ravis
Redway
St. Germain
Schellenberg
(Nanaimo—Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Hamilton—Wentworth)
Scowen
Siddon
Speyer
Stevens
Stewart
Suluk
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Vézina
Vincent
Weiner
Wenman
Wilson
(Swift Current
—Maple Creek)
Wilson
(Etobicoke
Centre)
Winegard—114

The Acting Speaker (Mrs. Champagne): I declare the amendment lost.

[*Translation*]

It being 6.38 p.m., the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.38 p.m.

HOUSE OF COMMONS

Wednesday, April 20, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

ACTION TAKEN BY INTERPARLIAMENTARY UNION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the protection of the environment was given a boost at the conference of the Interparliamentary Union held in Guatemala last week when parliamentarians from over 100 nations adopted a strongly worded document on environmental protection and sustainable development.

The policy document which is now being reported to other Parliaments as well contains substantial recommendations on key subjects such as the protection of the ozone layer, energy efficiency, pollution control, acid rain abatement, conservation of natural resources, population policies, debt relief to developing countries, climate protection, genetic diversity, development assistance, peace, arms race and disarmament, transportation of toxic wastes, education, protection of the world's artistic and cultural heritage, tropical forests and the like.

Parliamentarians have an important role in informing the public about global trends which affect our life on this planet. This policy document which is now available should be the object of serious consideration by all parliamentarians here in Ottawa and by the Government of Canada.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—SUPPORT FROM CANADIAN REAL ESTATE ASSOCIATION

Mr. Stan Darling (Parry Sound—Muskoka): Mr. Speaker, 70,000 Canadians cannot be all wrong. The Canadian Real Estate Association, CREA, which is holding its annual executive meeting here in Ottawa, has given its full support to the free trade agreement with the United States. They as well as a growing number of Canadians realize the benefits that the free trade agreement will bring to the service industry in Canada.

Homes in Canada will cost less to purchase. Opportunities and growth will occur in all related industries. This alone will translate into a great many jobs across Canada. As a service industry, the Canadian Real Estate Association understands the importance of such an agreement. We must ensure our existing markets and create more.

• (1405)

The service industry is one of the fastest growing Canadian exports. In coming years Canada must be ready to accept the challenge and offer our children the chance to grow and live in their native land.

CREA, like a great many other national associations, is encouraging the acceptance of the free trade agreement with the U.S. as a great step forward in maintaining our freedom and expanding our economic base. For CREA and all Canadians let us make sure we take advantage of this great opportunity.

* * *

CANADA POST CORPORATION

SUPERMAILBOXES—DISADVANTAGES TO USE BY ELDERLY AND THE DISABLED

Mr. Neil Young (Beaches): Mr. Speaker, the Minister responsible for the Post Office declared to a group of citizens soon after his appointment that he was not responsible for the Post Office. Perhaps this explains why he has refused to take decisive corrective action on issues of such fundamental importance to many Canadians as that of supermailboxes.

The supermailbox program disadvantages the elderly and disabled, making the mail virtually inaccessible during the rigours of winter. Supermailboxes have adversely affected property values and there are serious security concerns associated with them.

Instead of recognizing that supermailboxes were a super grandiose disaster and revoking the policy, the Minister chooses to fudge the numbers and tells Canadians that to extend home mail delivery to all homes would cause the price of a first-class stamp to rise to 60 cents. That is utter nonsense and he knows it.

In response to a question I put to him in the House on this topic he said that in front of his house there was a mailbox, an electrical utility box, and telephone poles. That later proved to be incorrect. Clearly the Minister is not responsible to the Canadian public. Clearly it is time he offered his resignation.

* * *

IMMIGRATION

BOGUS REFUGEE STATUS CLAIMANTS

Mr. Paul Gagnon (Calgary North): Mr. Speaker, the Government must be congratulated on taking a difficult but correct decision in deporting bogus refugees such as the Turks. This decision means personal hardship for those individuals. However, it is imperative that the world be given this clear, concise message: liars and cheaters are not welcome in Canada.

Genuine refugees are welcome. Immigrants who have waited in the immigration process are welcome. However, fairness dictates queue jumpers are not welcome.

* * *

[*Translation*]

FAMILY VIOLENCE

REQUEST THAT MINISTER OF JUSTICE AMEND LAW

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I rise again today to bring up once more the problem of family violence. I asked the Minister of Justice (Mr. Hnatyshyn) several times to reflect on this deplorable situation of family violence in this country. We have learned that, following Ontario's lead, Quebec's Minister of Justice yesterday increased his budget by $1.8 million to deal with the growing number of cases of family violence.

Yesterday morning, before the parliamentary committee reviewing his Estimates, the Minister of Justice said that the number of attorneys dealing with such cases increased fivefold in 1987 alone. Also, the various police forces in Quebec had to answer 6,559 cases involving offences. New services were set up, such as telephone services to help the victims of family violence.

That is not enough. Mr. Speaker, we must still re-examine the cause of this violence as well as amend the law. One of the things that could be done is, instead of taking women and children from their homes and sending them to shelters, to send the spouses and husbands who are responsible for this violence to shelters. The federal Government has cut grants, with the result that the shelters are not big enough and are now overcrowded.

So I again ask the Minister of Justice to reconsider bringing in amendments to improve the present law in cases of family violence.

* * *

• (1410)

[*English*]

WORLD CONFERENCE ON GLOBAL SURVIVAL

CIRCULATION OF STATEMENT TO PARLIAMENTARIANS

Mr. Bruce Halliday (Oxford): Mr. Speaker, last week our colleague, the Hon. Member for Waterloo (Mr. McLean), and I had the opportunity and privilege of attending the World Conference on Global Survival held at Christ Church, Oxford University, England.

It was organized jointly by the Global Committee of Parliamentarians on Population and Development together with the Temple of Understanding, and served to bring together for the first time over 100 spiritual leaders of the major world religions with a like number of parliamentarians from around the world to talk about issues which challenge the very survival of life on our planet.

This unique conference heard keynote speakers in the arts and sciences who had messages to offer to the delegates. Workshops of smaller numbers provided excellent opportunities for sharing and exchanging views on three main topics, namely, physical and spiritual resources, crisis and human responsibility, and global opportunities.

The conference concluded by approving a statement which I shall circulate in both official languages to all Members of this House and the other place.

* * *

[*Translation*]

CANADA POST CORPORATION

PRIVATIZATION—EFFECT ON SALARIES

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, the Canada Post Corporation is trying to sell its privatization policy by telling small businesses they can't lose on a postal concession because it will attract more customers.

However, privatization has the effect of dramatically reducing the salaries of employees who work in those concessions, and we know that most of these employees are women. This policy will certainly not help reduce the wage gap between men and women.

[*English*]

As well, Mr. Speaker, Canada Post is giving its services an image that is certainly inappropriate for a government corporation. Many of these new franchises are convenience stores or video rentals that are selling pornography. Many women, and certainly those with children, are not interested in having to patronize stores that sell images that are degrading to women and disturbing to children.

The Government, in supporting Canada Post's policy of privatization, has clearly shown once again its lack of commitment to equality for Canadian women and to the strength of Canadian families.

* * *

[*Translation*]

NATIONAL DEFENCE

COLLECTIVE LIBERTY AND SECURITY

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, I welcome this opportunity to draw the attention of the House to the cordial and supportive reception members of the select *Club de la garnison de Québec* gave on April 18 to Canada's Minister of National Defence, the Hon. Perrin Beatty.

For those attending, it was a unique opportunity to become more familiar with the Conservative Government's defence policy.

In keeping with its respect for the democratic process, the Mulroney Government has proceeded with many consultations on the views of Canadians about "peace and order in Canada". The concerns expressed in the course of these consultations will help us determine how we can make Canada a country that seeks peace through freedom, and security through international cooperation.

Mr. Speaker, the present Government will continue to meet its responsibility, which is that of any free and sovereign State, to ensure our common freedom and security.

* * *

MINORITY RIGHTS

JUSTICE FOR THE FRANSASKOIS

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, this morning, the federal Liberal Caucus met the President of the *Association culturelle franco-canadienne de la Saskatchewan*. Rupert Baudais, a Saskatchewan Francophone from Prince Albert whose ancestors settled in Saskatchewan in 1883, was accompanied by Vice President Margot Michaud of Gravelbourg and the proud President of *Jeunesse fransaskoise*, Francis Machildon of Zenon Park, where I had the privilege of campaigning several times back in 1964 and 1967.

They expressed their anxiety and concern, now that the Conservative Government in Saskatchewan, under the leadership of Mr. Devine, is about to adopt Bill 2. I hope Mr. Devine's government will review its position and start by consulting with those directly concerned, the Saskatchewan Francophones themselves. I found their representations so reasonable, and I wish they were better known to Canadians, that I fail to see why the government intends to adopt this Bill. The Fransaskois are reasonable people. They are asking far less than what is already provided by Section 133 of the Constitution in Quebec to protect our Anglophone minority, and I hope that . . .

• (1415)

[*English*]

Altogether, we should depoliticize this question and ask Mr. Devine to take the necessary steps by consulting the fransaskois themselves.

ORAL QUESTION PERIOD

[*Translation*]

THE JUDICIARY

ARTICLE PUBLISHED IN *LE MONDE JURIDIQUE*—MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is for the Minister of Justice. For nearly two weeks now, the Prime Minister's Office has been aware that *Le Monde juridique* was to publish an important article on Judge Crête's succession. I therefore ask the Minister of Justice: When the Prime Minister's Office was informed on April 5, was the Minister of Justice also informed that the article was to be published?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I must tell the Hon. Member that this matter was brought to my attention in a very general way possibly within the last two weeks, but it had not been published and there had been an absolute denial.

I think the Hon. Member will know that, indeed, Mr. Yves Pratte wrote to the publisher and the author of this article, indicating that it was without foundation and there would be serious legal consequences if the publication proceeded.

As we now discuss this matter, legal proceedings are being initiated to have this matter dealt with by a court of law. According to my information, I understand there will be an action commenced and served within the next day against the author, against the publisher and other defendants with respect to this matter. An absolute denial by Mr. Roy has been made public. I hope the Hon. Member will accept the statement at this time and let the court decide exactly what are the circumstances.

[*Translation*]

INDEPENDENCE OF JUSTICE—REQUEST THAT MINISTER INSTITUTE INQUIRY

Hon. Jean Lapierre (Shefford): Mr. Speaker, I wish to ask a supplementary question, because yesterday evening again, Mr. André Gagnon, who is a law graduate, was attached to Quebec's Minister of Justice and is editor in chief of this specialized journal, continued to maintain his allegations. Therefore I ask the Minister of Justice, setting aside the civil matter involving Bernard Roy, does he not think that it is his duty as Minister of Justice to look after the public interest and to ensure the independence of justice? Given the seriousness of the allegations, has he considered instituting an inquiry?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, it may interest the Hon. Member to know that I am involved in the matter in terms of the appointment of judges in the courts. I can assure the Hon. Member that at no time has there been any influence attempted by any member of the Cabinet with respect to judicial appointments. I hold very seriously any suggestion that any of my recommendations are tempered by any improper act. If the Hon. Member wants to make that allegation I ask him to stand in the House and make it.

I tell the Hon. Member that this matter will be dealt with, not by any third party but by Mr. Roy himself. He will bring this matter forward so that it can be decided by the court. I think we will have an opportunity at that time to see exactly what are the circumstances.

[*Translation*]

REQUEST THAT MATTER BE REFERRED TO COMMITTEE ON JUSTICE AND SOLICITOR GENERAL

Hon. Jean Lapierre (Shefford): Mr. Speaker, my supplementary question is for the Minister of Justice. Outside the civil and private matter involving Mr. Roy, would it not be in the interest of this House and of justice for this matter to be referred to the Committee on Justice and Solicitor General, where Mr. Gagnon himself has told us he is ready to testify at any time because he knows that civil proceedings could take very long and that we would be in doubt for a long time? Hopefully, in the interest of Mr. Roy as well, this will be cleared up as soon as possible. Could the Minister of Justice suggest some procedure like that where the integrity of the process would no longer be at stake?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, of course we can have any number of proceedings at the same time. I believe the Hon. Member is a lawyer who has standing at the Bar of Quebec. I think he will understand that when a very serious allegation is made with respect to the integrity of an individual, that person, regardless of their position in our country, is entitled to seek legal recourse. I think that is what Mr. Roy intends to do and is in the process of doing. I think the matter will be dealt with expeditiously, that justice will be served in the courts, and that the full story will come out.

* * *

• (1420)

CANADA LANDS COMPANY

COST OF PRINTING BROCHURES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister of Public Works. It concerns the latest scandalous misuse of taxpayers' dollars by the Canada Lands Company at Mirabel. Can the Minister explain to the House why the Canada Lands Company at Mirabel spent $61,000 of taxpayers' money to publish five thousand 24-page colour brochures featuring the Member of Parliament for Joliette (Mr. LaSalle) and his cousin Pierre Hardy congratulating each other for the fine mess they created at Mirabel? Is this Pierre Hardy's revenge, or is this Roch LaSalle's last hurrah?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the previous Government expropriated 98,000 acres of property which adversely affected some 10,000 people. It spent $225 million and engaged in $100 million worth of law suits. This Government settled the law suits, brought in investment to the extent of $22 million, restored the properties, and social justice has now been given to the people. It is a good investment to tell that story.

Mr. Boudria: I don't blame the Minister for not answering the question. He is probably just as embarrassed over this as everyone else.

[*Translation*]

AWARDING OF CONTRACT—MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to ask the Minister of Public Works to explain to the House why a contract for $36,960 was awarded to have this publication printed and why the contract was split in two, which contravenes Chapter 310 of the Administrative Policy Manual.

Why did this happen? Why were Treasury Board guidelines ignored?

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I would think an expenditure of $1 million would not be enough to remind the people of Canada of the mismanagement and scandal of that Government.

Mr. Rossi: In other words, you don't know the answer.

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—
TREATMENT OF FOREIGN FIRMS IN CANADA

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister for International Trade. Last night *The Journal* ran a powerful documentary—

Some Hon. Members: Oh, oh!

Mr. Langdon: —on the losses in economic independence that this country will suffer from the U.S. trade deal. That is the true tragedy of this deal. Will the Minister be forthright and confirm one of the key points made in that documentary, that this deal would prevent us from ever putting in place performance requirements on a foreign firm such as those we put on RCA, which gave us Spar Aerospace, now a dynamic high-tech firm with exports world-wide?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, luckily last night I was able to watch this program which the hon. gentleman describes as powerful. I found the arguments put forward by Mr. Lipsey to be most powerful, convincing, and intellectually honest. I don't want to mention any of the politicians who were on the program, but the Minister of Finance was a shining star there as well.

The U.S. Canada Free Trade Agreement does not in any way prevent us from acting. It governs how we may act in certain situations but it certainly does not prevent us from acting.

Mr. Riis: You are acting now.

Mr. Crosbie: We have to act in ways that are fair and non-discriminatory with the people who engage with our chief trading partner, just as they have to treat us fairly in a non-discriminatory way down there. That is the nature of the bargain. That is a very powerful case for approval of this agreement, as soon as we can get it, so that regime will commence.

• (1425)

PERFORMANCE REQUIREMENTS FOR COMPANIES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, since the Minister claims that this is a non-discriminatory deal let me ask him this question. Is it not true that if a foreign company from another country is involved then performance requirements are possible, but if a company from the United States is involved then performance requirements are not possible? In short, there is complete discrimination here. Are these not the facts?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, of course those are not the facts. I have not heard the Hon. Member give a fact yet in this whole discussion.

As far as whether it is discriminatory or not, let us look to an outside source, Mr. Arthur Dunkel, the GATT Secretary-General, who said this as quoted in today's *Globe and Mail*:

> The proposed free-trade pact between Canada and the United States "will in no way hinder" each country's trading obligations with the rest of the world—

He is advised by his Secretariat that the agreement generally conforms with the crucial section of the GATT charter banning discriminatory trade practices against other nations.

That is the hallmark of this agreement. What is sauce for the goose in the agreement is sauce for the gander.

CANADIAN INDEPENDENCE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is certainly clear who got goosed in this particular agreement. I have to say that it is definitely this country.

I want to suggest a last question to the Minister since he listened only to one side of the argument last night. It was the argument of those in favour of the deal, such as Mr. D'Aquino, who was absolutely clear that there was some loss of independence. How can he justify this giving away of Canadian independence for no more than jobs 25,000 per year, which is the maximum estimation of the Economic Council of Canada? How can he justify that?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, what the hon. gentleman forgets is that what is good for the Oshawa goose should be good for the Canadian gander generally.

Some Hon. Members: Hear, hear!

Mr. Crosbie: There is no loss of independence under this agreement. There is a loss in certain choices that can be made, just as when we entered into the GATT agreement. The hon. gentleman's Party believes in GATT. Why was it not up moaning and shrieking about GATT when we entered into the GATT?

There is a certain loss of independence in the sense that one loses certain choices because it is a bargain between two independent countries. When a man and a woman marry they each give up certain of their independence. Would anybody say that they are both slaves? They might be love slaves, but they are not slaves in any other direction.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The hon. gentleman's argument is completely silly. The Americans give up certain rights of independent action of theirs in certain areas, as do we, for our mutual benefit, for increasing the economic wealth of the two countries. For heaven's sake, grasp the fundamentals.

Oral Questions

FINANCE

FLOW-THROUGH SHARES TAX DEDUCTION—EFFECT ON MINERAL EXPLORATION

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is for the Minister of Finance. On March 1 of this year John Larche, President of the Prospectors & Developers Association of Canada, said that flow-throughs can perform despite the market conditions. He went on to say that at present flow-through is the only viable means of raising risk capital for mineral exploration.

On Monday of this week the Minister of National Revenue said in reply to a question I raised on flow-through shares: "... the Government is giving the matter close consideration."

I wish to ask the Minister of Finance this. When will he be ready to act? When will he give a favourable announcement and tell the mineral industry that this first-rate excellent tool for economic development is going to be retained?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me reaffirm what my colleague said on Monday. We are giving close consideration to this particular matter. Let me also say to the Member posing the question that the flow-through share mechanism has been retained.

There are some allegations made that tax reform has had some serious effects on the flow-through share mechanism. I would point out to the Hon. Member, as I have on previous occasions in the House, that the change since the stock market crash of October 19 has had the effect of upsetting equity financing for all industries, not only flow-through shares.

These are things that have come to bear on the attractiveness of flow-through share financing to investors. We are considering this matter closely, and in a short time I hope that I will have some announcements.

EARNED DEPRECIATION ALLOWANCE

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, that, of course, comes as good news. I wish to remind the Minister that he knows the industry does not want grants or subsidies. What it wants is retention of the earned depletion allowance. Time is a vital factor, because there are projects that are presently on hold, and also jobs.

I want to say to the Minister, if he is reluctant to accept these demands from the Opposition that, if he would listen to some of his own Members from the ridings of Timmins—Chapleau, Timiskaming, Western Arctic, and Abitibi, he will get exactly the same response, and that is, save the flow-through.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I have indicated, we are fully in agreement. We are saving the flow-through share.

We made some changes in the December announcements on tax reform which changed some of the provisions of the flow-through share financing with a view to improving its attractiveness.

The Hon. Member says that we should extend earned depletions. I also ask him to consider what he and others of his Party have said, that we should avoid tax shelter gimmicks. The Hon. Member is shaking is head.

Mr. Penner: Not gimmicks.

Mr. Wilson (Etobicoke Centre): The Hon. Member should read some of the literature that his Party has written, and some of the things that his colleagues have said. This is one of the considerations that we are going through in discussions that we are having on flow-through share financing. I would expect that we would get his support.

* * *

[*Translation*]

MINORITY RIGHTS

PARTICIPATION OF FRANSASKOIS IN NEGOTIATIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Deputy Prime Minister about language rights in Saskatchewan. Yesterday, the Prime Minister said he was pleased with Premier Devine's intention to declare Saskatchewan bilingual fifteen years from now, but strangely enough, he refused to criticize Bill 2 which will deny the historical and age-old rights of the Francophone minority in Saskatchewan. My question is this: Since the federal Government and the provincial Government are negotiating the future of the Fransaskois in their absence and in the upmost secrecy, is the Government now prepared to make a commitment to involve representatives of the Francophone minority of Saskatchewan directly in these negotiations?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I appreciate the interest of the New Democratic Party in this issue with respect to the Province of Saskatchewan. In fact, the federal Government, through my colleague, the Secretary of State for External Affairs, and I believe through other officials of government who are dealing with this particular issue, is in communication with *L'Association des fransaskois*. I think that I have made it a point to keep them fully informed with respect to the position of the federal Government in this matter.

As far as I am aware, there have also been communications with the French minority group in Saskatchewan by the provincial Government. It is in the process of ongoing discussions with them, and receiving the benefit of their views.

As I indicated, and as the Prime Minister has indicated, it is our hope that we will be able in our discussions—and I like to

term them as discussions as opposed to negotiations—to make our position quite clear. The Prime Minister has stated in the House of Commons, outside the House of Commons, and in a letter to Premier Devine, the position which we as a federal Government take.

On these issues at this point in time, we are always wanting to carry on these discussions to resolve them on a co-operative basis. That is my hope for Saskatchewan. I trust that the members of the New Democratic Party share that particular point of view.

PROPOSED TRIPARTITE SPONSORSHIP OF RESOLUTION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Minister of Justice not aware that *L'Association des fransaskois*, which has taken the trouble to come here to meet with the three caucuses over the last 24 hours, has stated quite specifically that it is excluded from participating in, from being present, or involved in any way in the negotiations or discussions that are now under way between the federal Government and the provincial Government?

In the meantime, Premier Devine refuses either to abandon or withdraw Bill 2, or substantially amend it.

Under those circumstances, is the Government ready now to come to the aid of the proposal of my Leader that the three political Parties in this Chamber should come together with a resolution which would clearly signal the desire of every Member of Parliament to support the rights of the francophone minority in Saskatchewan, and press the Government of that province to delay adopting Bill 2 until there has been a real consultation with the Saskatchewan francophone minority?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I find it strange that the Hon. Member put the question in the manner that he did. If he talked to his colleagues in the New Democratic caucus who come from the Province of Saskatchewan, he might be able to understand the nature of this problem.

Mr. Benjamin: We do.

Mr. Hnatyshyn: This is a problem which resulted from the Supreme Court decision, which is a matter within the provincial domain and jurisdiction at the present time. We in the federal Government have taken exemplary leadership in going forward and trying to assist the Province of Saskatchewan as best we can in the interests of the minority in Saskatchewan to resolve this matter.

Am I to take it that the Hon. Member is stating the position of the New Democratic Party, the federal New Democratic Party and, indeed, the provincial New Democratic Party, that he does not want us to carry on with these discussions to advance the cause of minority rights in Saskatchewan? Is that the position the Hon. Member is taking? If that is the case, shame on him.

Mr. Cassidy: We want the fransaskois to be involved.

* * *

[*Translation*]

OFFICIAL LANGUAGES

FRENCH FACT IN QUÉBEC—PUBLIC SERVICE LANGUAGE TEACHERS—GOVERNMENT POSITION

Mr. Robert Toupin (Terrebonne): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns his Government's attitude in two cases: First, the transfer of funds from the Department of the Secretary of State to Alliance Quebec, funds that are used to fight the French fact in Quebec and Bill 101; second, the Government's cavalier treatment of Public Service language teachers with respect to their working conditions and the impact this will have on the availability of services in French to all Canadians.

My question is this: Is the Deputy Prime Minister aware of the fact that Alliance Quebec obtained $1,109,000 in 1984; $1,183,000 in 1985; $1,150,000 in 1986; and $1,215,0000 in 1987? And this is still going on now! Is he aware of the fact that these funds have been used largely to fight the French fact and Bill 101 in Quebec? What do the Deputy Prime Minister and his Government intend to do to remedy a situation that is both unfair and dangerous?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think the direction in which the Hon. Member is pointing his question is a perilous one, because I think it would be extremely imprudent to make any value judgments about the way Alliance Quebec's funds are spent. I was once Secretary of State and I was involved in providing assistance to all language minorities in this country, both in Quebec and outside that province, to both Anglophone and Francophone minorities. I think the policies of the Department of the Secretary of State, which were established before this Government and which consist in helping minorities, are excellent and should be maintained as a reflection of the way this country was built and the way we want to continue to live in this country.

• (1440)

CONSEQUENCES FOR FRENCH SERVICES

Mr. Robert Toupin (Terrebonne): Mr. Speaker, I have the facts here and I can show the Minister.

Now, about our language teachers: What do the Deputy Prime Minister and his Government intend to do about their working conditions, since these will have a direct negative impact on French services offered to Canadians across this country, and also considering the fact that his Government's attitude seems to be in direct contradiction with the Government's own language policies?

[*English*]

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, questions have been asked about that particular strike several times in the House.

We have indicated that the Government accepts the majority report of the conciliation board and that it is ready to go back to the bargaining table with the language teachers at any time.

POSITION OF SASKATCHEWAN GOVERNMENT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I want to come back to the Saskatchewan question and ask the Minister of Justice a question. Yesterday in the House the Prime Minister, in answer to a question I put to him, said:

> In my judgment, and I believe in the view of my hon. friend, minority rights are indivisible. You either believe in the protection of minority rights or you do not. You do not believe in them three-quarters of the time or half the time. That is the position that I adopted in Saskatchewan—

That was the position of the Prime Minister yesterday. We know that there are existing acquired rights in Saskatchewan now in regard to languages, French and English. We know that Section 110 of the Northwest Territories Act gave that obligation and gave that access to the people of Saskatchewan in both English and French. There exist today certain rights.

Does the Minister believe that the Government of Saskatchewan in proposing to abrogate those rights, to reduce those rights, to make them possibly subject to the whims of Governments, is meeting the requirements of the Prime Minister, that the rights are indivisible, that you believe in them fully, that you do not cut them up and do not abrogate them?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, of course I stand with and behind the Prime Minister in his position with respect to the indivisibility of minority rights in our country. That is why the Prime Minister has taken so many initiatives with respect to this issue in the time that he has been Leader of our Party in opposition and in government as Prime Minister.

I think the Hon. Member would agree with me that the Supreme Court itself in its judgment recognizes the fact that its declaration with respect to this issue was one which indicated that there should not be a declaration at the time of the judgment and that there should be a reasonable opportunity for appropriate measures to be put into place with respect to the rights of the minority.

What I am saying is that it is important for us on an urgent basis to do what we can in the federal regime to assist the Province of Saskatchewan to meet the full implications of the Mercure decision of the Supreme Court of Canada. In that I share the same point of view as the Hon. Member. There is no difference between us. It is a question of us working has hard as possible to obtain justice for minority rights in Saskatchewan.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Minister is condemning Premier Devine who is actually going to abrogate those rights. If I understand the Minister clearly, he is actually critical of the measure before the Saskatchewan Government, because the Minister cannot have it both ways. You must either stand or not stand. That problem is there. You cannot have it half way.

[*Translation*]

PARTICIPATION OF FRANSASKOIS IN NEGOTIATIONS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Fransaskois who were here today told us they were not involved in current talks between the federal Government and Saskatchewan. They felt left out of negotiations that, after all, concern their fundamental rights and their future. Could the Minister give the House the assurance that as a participant in the current negotiations, he will make sure the Fransaskois are invited to the negotiating table and are present when their future is being discussed and when decisions are made concerning their future in Saskatchewan? I want to ask the Minister to give the House the assurance here today that the federal Government will ensure the Fransaskois are at the negotiating table to discuss their future.

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, first I want to make sure that there is no misunderstanding. I do not accept the commentary of the Hon. Member on my last answer before the premise to the next question.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I think he has caught up with me, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: I have indicated that in our discussions we have been cognizant of the role and participation of the fransaskois. The Prime Minister had a very good meeting with representatives of the association in Saskatchewan. We are in the process of dealing on behalf of the federal Government and discussing, among other things, what we can do on the federal government side on this very important issue. Naturally we are going to be in communication and we will be having an ongoing discussion with the fransaskois. We think it is important that we have the Association's point of view as we discuss the matter with the Province of Saskatchewan.

* * *

SPORTS

DIRECTOR OF INTERNATIONAL SPORTS RELATIONS

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

Amateur Sport. First, let me congratulate him on his new responsibilities.

Earlier this year his predecessor, in conjuction with the Secretary of State for External Affairs, announced the formation of an international sports relations body to represent Canadian sport around the world. Will the Minister explain why, when there were approximately seven Canadians who applied for the job of Director of International Sports Relations, his Department hired a British citizen?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I would like to thank my hon colleague for his best wishes. It will be a very difficult challenge for me to replace my predecessor.

Some Hon. Members: Hear, hear!

Mr. Charest: The item to which my colleague is referring stems from an initiative announced jointly by the Secretary of State for External Affairs and my predecessor which has as an objective to give Canada more prominence on the international scene as far as sports are concerned.

The information that I have at this point would indicate that we searched for the best candidate for the position. That is why the person to whom the Member is referring was chosen. He has not yet taken up the position. This person was chosen because of the very specific needs that we were looking to meet.

Mr. Speaker: The Hon. Member for Thunder Bay—Atikokan, a short supplemental, please.

EXPRESSION OF VIEWS

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, why would the Government of Canada choose someone with a reputation for expressing the views of Great Britain, particularly when the views of Great Britain are known to differ from that of Canada, particularly as they relate to apartheid in South Africa? Why didn't the Government hire a Canadian, and why did it give a slap in the face to the sports fraternity of Canada?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I do not think I would want to share in what my colleague has said. I have no evidence that what he said would be the case. I will look at the matter very closely and see whether there is any foundation to what the Hon. Member has just alleged.

As far as I am concerned, the person chosen was chosen because there were very specific detailed needs. This is a new initiative and, as far as we know, this was the best choice in the circumstances.

TAX REFORM

FORMAT OF PROPOSED LEGISLATION

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance. Last week the Government released draft legislation on taxation in 360 pages of arcane language, with no index or table of contents, and no technical notes. The public is given only until May 20 to respond.

Is this the Minister's idea of appropriate consultation on a major tax change?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is well aware that we heard the first reports of this as a result of tax reform in December and we have had a fair amount of consultation with the community since that time. In fact, there has been quite a bit of consultation. I do not think that there are any new concepts in the proposals released last week. I think that that, together with the ongoing process of legislative review, which will probably take us into June when we get to the final legislation, will give plenty of opportunity for people to provide us with their views.

• (1450)

INTRODUCTION OF SECOND PHASE OF TAX REFORM

Miss Aideen Nicholson (Trinity): Mr. Speaker, the Minister set the date of May 20, and much of this is in fact new. The Minister also continues to put off introduction of phase two of tax reform, although he calls the present sales tax system a silent killer of jobs. Why does he want to rush through phase one without proper examination while phase two remains shrouded in mystery until after the next election?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me be quite clear. The comments we are looking for by May 20 are on the draft legislation. There will be final legislation put forward then. That can be amended, as my hon. friend is well aware, so I do not want to have her leave the impression that May 20 is the last opportunity.

As regards phase two, my colleague is quite aware of the very full discussions we are having with the provinces and others. There is a difference between phase one and phase two. Phase one involves a number of changes to the existing system. Phase two involves the introduction of a new sales tax system. That is why we must have these fuller discussions. There are some very complex issues at stake.

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CO-OPERATIVES

UNITED MARITIME FISHERMEN CO-OPERATIVE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Minister of State for Small Business. The Minister is aware that the New Brunswick Court of Queen's

Bench yesterday placed the United Maritime Fishermen Co-operative in receivership, just days before the Atlantic fishing season is to start. Could the Minister explain why the federal Government refused to join with the Government of New Brunswick in providing assistance to management that was trying to put this co-operative on a sound basis and needed new capital to do so?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, first I would tell the Hon. Member that we were never asked by the province to participate in the refinancing of this operation. The Hon. Member must know and understand that in 1982 DRIE's predecessor Department provided a guarantee of $7 million for this operation. In 1984 the guarantee was converted to a $6.5 million interest-free repayable contribution which does not have to be repaid until the year 2000. With assets of about $10 million to $15 million, this operation had a total debt estimated at some $41 million.

The feasibility of the financial plan that was submitted was looked at carefully by the Department. The conclusion was that, unfortunately, that plan would not ensure the viability of the operation. Hence, we have declined to put more money into something which obviously could not make it financially.

FISHERMEN'S LIVELIHOOD

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Minister suggests the need for co-operation, so I seek his commitment that he will take an active role in this matter on behalf of the federal Government to ensure that the reorganization of the United Maritime Fishermen Co-operative is carried through successfully in order to save 650 jobs in various plants and to safeguard the livelihood of some 3,000 fishermen.

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I have already had contact with the President of UMF, Mr. Menard, among others. If the Government can be helpful in any way to the reorganization of this on a sound financial basis, of course we will be there to be helpful.

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HORTICULTURE

IMPORTATION OF BEE STOCKS FROM AUSTRALIA

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. In regard to the desperate situation facing thousands of honey producers in western Canada due to the Canadian embargo on replacement packages of bees from the United States, yesterday the Parliamentary Secretary said that the Government was advising producers in western Canada to bring these packages in from Australia.

I wonder if the Minister of Agriculture can certify that the bees in Canada are absolutely free from infestations of the borer mite. Since bringing in these replacement supplies from Australia will completely double the cost, will the Government provide the difference in additional costs to the honey producers of western Canada?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the question. I understand that the Hon. Member put the question to my Parliamentary Secretary, and I have been informed that his answer was very complete and indeed very accurate.

I have to take advice from the inspection branch of my Department with respect to the first part of his question. I have been advised that the Department is certain that we are mite-free in Canada. I take my Department's advice on that subject and, indeed, the Department continues to monitor and will continue to carry out surveys of this.

In conjunction with the industry, we have looked at the possibility of some type of a compensation plan, but to this point in time most of the attention has been directed at the people who would indeed have to pay an additional cost for bringing in packages. However, this industry is one with some division within it. It is an industry that has some difficulty reaching a common position. That has not been all that helpful to me, at least to this point in time.

We are cognizant of the additional costs required. Yet on the other hand we are fully aware of about 95 per cent of the industry which fully—

Mr. Speaker: Considering the hour, I would ask the Hon. Minister to resume his seat. The Hon. Member for Algoma on a short supplemental.

REQUEST FOR COMPENSATION FOR PRODUCERS

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister seems to be fumbling around on whether or not he will provide any assistance in bringing in replacement supplies from other countries that are free of the infestation. If he continues to fumble and cannot make up his mind if he will provide any assistance, will he provide direct compensation to these producers, some of whom are expecting to lose tens of thousands of dollars this year? After all, they do not want to be stung by this Government again.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, obviously I want to reject the Hon. Member's reference to fumbling around. This is a very complex and a very difficult problem and we are working on a day-to-day basis with the industry.

I have indicated to the Hon. Member that we continue to look at some method by which we could apply some compensation, but every option so far brings with it some inequities in

the system. To this point in time we have concluded that it would not be possible to make a compensation payment and still be fair and equitable to all producers.

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SUPPLY AND SERVICES

ACCESS BY ALL REGIONS TO GOVERNMENT CONTRACTS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my question is addressed to the Minister of Supply and Services. It is always a concern to the outlying regions of Canada such as the one I represent that they might not be getting their fair share of government procurement. What action is being taken to ensure that all regions have equal access to government contracts?

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, as the Hon. Member knows, much has been done in this area by my predecessor since 1984. We need only look at the tremendous success that has been achieved in the Atlantic provinces in government procurement through the Atlantic Opportunities Program. Nevertheless, I am currently and actively working with a number of my cabinet colleagues in building on these successes and initiatives taken in the last three years to bring a greater emphasis on openness and fairness to all regions and all Canadians, something that the previous Liberal administration did not know anything about.

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EXTERNAL AID

ETHIOPIA—DELIVERY TO NORTHERN AREA

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, last week I asked the Deputy Prime Minister if Canada would deliver aid to Eritrea and Tigray by the northern route through the Sudan. I now have an answer from the Minister for External Relations which I appreciate, but this letter indicates that there are difficulties in assuring delivery and obtaining the co-operation of the Sudanese Government. The NGOs that are willing and able to deliver this aid dismissed this claim.

Today we learn that a shipload of food is in port in Asab and will probably never reach the North. Is not the real reason for Canada's hesitation about the continued unnecessary starvation in the north Canada's policy against cross-border aid, and an excessive deference to the autonomy or sovereignty of the Ethiopian states, given the massive starvation going on there?

• (1500)

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I want to thank the Hon. Member for his question, and I share his concerns and the concerns of all Canadians and the Canadian Government about the situation facing millions of Ethiopians today.

Last week, the Hon. Member raised the question of the delivery of aid by non-governmental organizations.

Mr. Speaker, the NGOs play a very important role in the delivery of our aid programs in Ethiopia and elsewhere, but today, when we consider the possibility of delivery through Sudan, the point is that we are not sure, and we are now trying to find out, whether the Sudanese port and the various routes would be able to handle and carry this aid to the people who need it.

We are concerned about finding the best way to route this aid, and we believe that if the Government allows NGOs to return to the North, that would be the best solution to the problem of how to deliver aid to the people that need it.

[*English*]

AUTONOMY OF ERITREA—IMPLEMENTATION OF UNITED NATIONS RESOLUTION

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, the Minister has confirmed the assumption that we are going to fiddle around trying to deal with a Government which refuses to deal with us while people starve in the north. Last week I pointed out that Resolution 390 assured the autonomy of Eritrea in the Ethiopian confederation. In her answer she indicated that resolution no longer applies. It still applies, and it is the basis of the war and the cause of starvation.

Will the Government not take initiatives in the UN to force the UN to assume its responsibility with respect to the implementation of Resolution 390 which is the basis on which the war must end?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, we are looking at all the alternatives to ensure that aid is delivered as soon as possible.

At the present time, we have been given the assurance that the mission conducted by the Assistant Secretary-General of the United Nations, Mr. Ahtisaari, has produced results, in that Ethiopia will allow the United Nations to return and help deliver aid in the regions where people are starving.

Mr. Speaker, we are looking at all the possibilities, and we are also prepared to consider any suggestions the Hon. Member may have.

Tabling of Documents

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 11 petitions bearing Nos. 332-3951, 332-3994, 332-3995, 332-3998, 332-3999, 332-4127, 332-4136, 332-4180, 332-4196, 332-4223 and 332-4228.

* * *

[*English*]

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 106 from a number of constituents concerned that the trade deal the Government signed with the U.S. will have a very fundamental impact on Canada's economic, cultural and political independence. They believe the agreement will result in a loss of jobs not only in many sectors of the economy but in various regions.

Therefore, they ask the Parliament of Canada to obtain a clear mandate from the people on this critical issue through a national general election.

OPPOSITION TO CANADA POST SUPERMAILBOXES SERVICE

Mr. Geoff Scott (Hamilton—Wentworth): Madam Speaker, it is my honour to present a petition from a number of residents of Waterdown, Ontario, in my constituency of Hamilton—Wentworth. This petition is one of many circulating in my riding and so far we have approximately 1,300 signatures.

My constituents are very concerned over Canada Post's proposal to provide supermailbox service to 850 general delivery customers. The Flamboro Town Council passed a resolution objecting to the plan. Council stated, together with the majority of the users of the Waterdown Post Office, that they would rather see the existing building expanded. I support the petitioners' request and urge the Government to consider their wishes. By expanding the facility, Canada Post will be able to provide, in the most practical and realistic way, the best possible postal service for the next 25 years.

SUPPORT FOR BILL C-54 TO COMBAT PORNOGRAPHY

Mr. John Reimer (Kitchener): Madam Speaker, it is my honour to present a petition from 99 constituents of the riding of Kitchener. The petitioners support the Government's initiative in Bill C-54 to combat pornography. As they say, pornography offends standards of decency, portrays an abnormal view of societal values, and is harmful to normal family associations.

These 99 signatures are added to the close to 2,000 I have presented in the House previously which call upon the Government to bring in Bill C-54 and deal with this very serious social problem.

OPPOSITION TO SALES TAX ON FOOD

Mr. Maurice Foster (Algoma): Madam Speaker, I have the honour and privilege to present two petitions signed by several hundred of my constituents in Spanish, Ontario, on the north shore of Lake Huron, as well as petitioners from St. Joseph's Island and Richard's Landing, as well as a number of petitioners from Sault Ste. Marie, who deplore the action of the Government in its massive increase in regressive taxation on all manner of commodities. They call on the Government not to impose a tax on food.

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Peter Peterson (Hamilton West): Madam Speaker, I have two petitions to present to the House today, both of them signed by constituents of mine. The first petition relates to the issue of the illness of schizophrenia. The petitioners point out that it costs Canada $3 billion annually to treat that illness. They humbly pray and call upon Parliament to ensure that research efforts related to schizophrenia will in the future be commensurate with the seriousness of this illness.

ALLEGED WITHHOLDING OF FOOD BY ISRAEL TO CONTROL RIOTS

Mr. Peter Peterson (Hamilton West): The second petition deals with a concern expressed by a number of constituents regarding the remarks made by the Secretary of State for External Affairs (Mr. Clark) when he charged that the State of Israel was using food as a weapon to control the riots in the occupied territories of the West Bank and Gaza Strip. The petitioners humbly pray and call upon Parliament to ask the Department of External Affairs to provide the Canadian people with the evidence to support the charges made by the Minister.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, the following questions will be answered today: Nos. 275, 296 and 304.

[*Text*]

DSS—GRANTS AND/OR LOANS WITHIN METROPOLITAN TORONTO

Question No. 275—**Mr. Redway:**

Since September 4, 1984, did the Department of Supply and Services make grants and/or loans to persons or corporations, non-governmental organizations and governments within metropolitan Toronto and, if so, to which ones and, in each case, in what amount and for what purpose?

Hon. Otto Jelinek (Minister of Supply and Services): Since September 4, 1984, the Department of Supply and Services has not made grants and/or loans to persons or corporations, non-governmental organizations and governments within metropolitan Toronto.

UNEMPLOYMENT IN CALGARY

Question No. 296—**Mrs. Sparrow:**

On January 1 (*a*) 1981 (*b*) 1982 (*c*) 1983 (*d*) 1984 (*e*) 1985 (*f*) 1986 (*g*) 1987 (*h*) 1988, what were the percentage figures of unemployment in Calgary?

Hon. Otto Jelinek (Minister of Supply and Services): Statistics Canada reports: The unemployment rates for these months were:

January, 1981	4.6%
January, 1982	5.5%
January, 1983	13.5%
January, 1984	12.0%
January, 1985	12.5%
January, 1986	8.4%
January, 1987	12.0%
January, 1988	8.5%

AIR CANADA FLIGHT 123

Question No. 304—**Ms. McDonald:**

1. On February 24, 1988 did a lighted cigarette fall to the floor and cause an emergency landing for the 155 passengers on Air Canada flight 123?

2. Is it the position of the Department of Transport that there is no safety hazard posed by passenger smoking on commercial aircraft?

Hon. Benoît Bouchard (Minister of Transport): 1. On February 24, 1988, on Air Canada Flight 123, a passenger dropped a lit cigarette on the floor into an area where it could not be seen directly nor retrieved. A flight attendant discharged a fire extinguisher in the area. As a precautionary step, the Captain elected to land in Winnipeg, where the dead cigarette was located and removed.

2. Aircraft are equipped to safely permit smoking, with items such as enclosed metal ashtrays, fire retardant seat cushion material and lavatories equipped with smoke detectors and automatic fire extinguishers for waste bins.

[*English*]

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

The Acting Speaker (Mrs. Champagne): The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

[*Translation*]

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, I ask that all notices of motions for papers stand.

The Acting Speaker (Mrs. Champagne): Do all notices of motions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO ENACT

The House resumed from Tuesday, April 19, consideration of Bill C-74, an Act respecting the protection of the environment and of human life and health, as reported (with amendments) from a legislative committee, and the following motions of Ms. McDonald:

Motion No. 12

That Bill C-74 be amended in Clause 11 by striking out line 16 at page 9 and substituting the following therefor:

"human, animal or plant life depends; or".

Motion No. 13

That Bill C-74 be amended in Clause 11 by striking out line 18 at page 9 and substituting the following therefor:

"danger in Canada to life or health."

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): On a point of order, Madam Speaker. Yesterday during the debate at report stage, Motions Nos. 6, 8 and 9 were deferred. We discussed the possibility of a subamendment to Motion No. 8 and I would like to move:

• (1510)

That Motion No. 8 be amended by deleting all the words after "That" and substituting the following:

Bill C-74 be amended in Clause 6 by adding after line 39 on page 5 the following:

(2) the Minister shall include in the annual report required by Section 137, a report of the activities of the federal-provincial advisory committee.

Mr. Caccia: Madam Speaker, the Parliamentary Secretary has kindly read the subamendment as proposed by the Government to my amendment to Motion No. 8. The amendment is perfectly acceptable and I want to thank the Parliamentary Secretary.

The Acting Speaker (Mrs. Champagne): I would at this time require the unanimous consent of the House to return to Motion No. 8 to deal with the amendment suggested by the Parliamentary Secretary, as Motions Nos. 12 and 13 were actually being debated.

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): The House has heard the terms of the motion. Is it the pleasure of the House to accept the amendment?

Some Hon. Members: Agreed.

Amendment (Mrs. Browes) agreed to.

The Acting Speaker (Mrs. Champagne): Shall Motion No. 8, as amended, carry?

Some Hon. Members: Agreed.

Motion No. 8, as amended, agreed to.

Mrs. Browes: Madam Speaker, we also deferred Motion No. 6. There was considerable discussion yesterday about splitting Motion No. 6 as presented by the Hon. Member for Davenport (Mr. Caccia). I would seek the unanimous consent of the House to put forward the following text as the new Motion No. 6:

Motion No. 6

That Bill C-74 be amended in Clause 5 by adding after line 22 on page 5:

(3) the Minister shall include in the annual report required by Section 137, a report of the activities of any committees established under paragraph 5(1)(a).

The Acting Speaker (Mrs. Champagne): For this new Motion No. 6 to be acceptable the Hon. Member for Davenport (Mr. Caccia) would have to withdraw, with unanimous consent, his Motion No. 6. Does the Hon. Member agree to that?

Mr. Caccia: Madam Speaker, I have just had the opportunity to read the proposed alternative amendment as just read by the Parliamentary Secretary. It is helpful, no doubt, and probably could to be registered under the heading "better half a loaf than none". Therefore, I am prepared to withdraw my motion.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent for the Hon. Member to withdraw his motion?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): The House has heard the terms of the new motion. Is it the pleasure of the House to accept the motion?

Some Hon. Members: Agreed.

Motion No. 6, as amended agreed to.

The Acting Speaker (Mrs. Champagne): As the House has disposed of Motions Nos. 6 and 8, would the House agree to dispose of Motion No. 9 at this time? The motion in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald) reads:

Motion No. 9

That Bill C-74 be amended by adding immediately after line 39 at page 5 the following:

"7. The Minister will make public all correspondence, documents and information arising from the work of the committees referred to in sections 5 and 6."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Resuming debate on Motions Nos. 12 and 13, the Hon. Member for Kenora—Rainy River (Mr. Parry).

Mr. John Parry (Kenora—Rainy River): Madam Speaker, I would like to bring to the attention of the House what I believe will be an internal contradiction in the text of the Bill if these amendments, Motions Nos. 12 and 13, in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald), are not accepted. Specifically, in Clause 3 of the Bill we have the following definition of "environment":

—"environment" means the components of the Earth and includes

(a) air, land and water,

(b) all layers of the atmosphere,

(c) all organic and inorganic matter and living organisms and

(d) the interacting natural systems that include components referred to in paragraphs (a) to (c);

Ms. McDonald: Madam Speaker, I rise on a point of order. We are trying to make an extremely important point about a definition and the Parliamentary Secretary is having a conversation and will not be able to respond to it.

Some Hon. Members: Order.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Kenora—Rainy River.

Mr. Parry: Madam Speaker, this is an important point because I do not believe that it should lie within the purview of the House to pass legislation which is in some way internally inconsistent. As I quoted from Clause 3, we have a comprehensive and all-encompassing—as indeed it should be—definition of what the environment constitutes. Yet, Clause 11(b) reads:

> constituting or that may constitute a danger to the environment on which human life depends;

Taken on its own, that seems unnecessarily and unwarrantedly to circumscribe the interpretation of the meaning of "environment".

• (1520)

However, when we place it in the context of the definition that is provided in Clause 3, it is not only unwonted and unwarranted, it becomes inconsistent. There is an essential conflict between the global definition of environment in Clause 3 and the circumscribed definition we find in Clause 11(b).

The text of the amendment that is put forward by my colleague, the Hon. Member for Broadview—Greenwood is that the part "human life depends" is removed and replaced with "human, animal or plant life".

Given the understanding that seems to be general in the House of the interdependence of ecosystems within the total environment, I believe that would restore the internal consistency to the Bill. We would be talking in the definition section of environment broadly defined in the definition section and, when we get to Part II on toxic substances, we would be talking of environment broadly defined.

Motion No. 13 is of similar significance because Clause 11(c) in the present text states "may constitute a danger in Canada to human life or health" and Motion No. 13 proposed by my colleague would substitute "danger in Canada to life or health". Obviously that implies the life or health of all ecosystems, of all living components of the environment and not just human.

Obviously, we have a situation whereby in a country as vast and as sparsely populated as Canada, that which is not a hazard to human life or health today may indeed be a hazard to human life or health tomorrow.

The Parliamentary Secretary comes from the Golden Horseshoe in southern Ontario. I am sure she need not be reminded of some of the situations which have arisen there, whereby areas that were considered to be remote or isolated even a matter of years let alone a few decades ago, and where toxic substances were discarded, are now considered to be prime real estate but for the existence of the toxic substances.

There is this phenomenon of ever expanding areas in which substances must be collected and, therefore, even further areas for their storage or disposal that must be looked for.

Therefore, I conclude by urging the Government to accept these two amendments because I believe that by rejecting them the Government would leave within the legislation a serious inconsistency that would undermine not only the credibility of the legislation but also the credibility of the commitment that all Parties should be making to the environment, not only of Canada today but in Canada's future.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on Motion No. 12 standing in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 13 standing in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Mrs. Browes: Madam Speaker, I rise on a point of order. I know that you have grouped Motions Nos. 15, 16 and 19 for debate. Might you consider grouping Motion No. 23 with Motions Nos. 15, 16 and 19 since they are equivalent?

Mr. Caccia: Madam Speaker, it is already very difficult to debate three motions within the time allocation of 10 minutes. If we were to add a fourth motion it would make the task even more difficult. I would prefer to leave it the way the motions have been grouped by you in their present form, so as to allow a better debate.

The Acting Speaker (Mrs. Champagne): There is not unanimous consent.

Hon. Chas. L. Caccia (Davenport) moved:

Motion No. 15:

That Bill C-74 be amended in Clause 33 by striking out lines 12 to 22 at page 24 and substituting the following therefor:

'33.(1) Subject to subsection (3), where an order has been made to add a substance to the List of Toxic Substances in Schedule 1, the Governor in Council may, on the recommendation of the Minister, make regulations with respect to the substance, including regulations providing for or imposing requirements respecting'.

Motion No. 16:

That Bill C-74 be amended in Clause 33 by deleting lines 45 to 48 at page 26 and lines 1 to 32 at page 27.

Motion No. 19:

That Bill C-74 be amended by deleting Clause 53 and substituting the following therefor:

'53. Where no other Act of Parliament expressly provides for the making of regulations that result in the protection of the environment, the Governor in Council may, on the recommendation of the Minister, make regulations for the protection of the environment respecting

(a) limits on the release of emissions and effluents by departments, boards and agencies of the Government of Canada or from federal works or undertakings, and where appropriate, by corporations named in Schedule C to the Financial Administration Act, or on federal lands; and

(b) waste handling and accepted disposal practices for departments, boards, agencies and corporations referred to in paragraph (a), federal works or undertakings or on federal lands.'

He said: In essence, Motion No. 15 endeavours to delete the mandatory consultation for the federal Minister of the Environment with a committee that would be essentially a committee of a federal-provincial nature. This would slow down a process of environmental protection, which would not be beneficial to the whole thrust of this Bill. Motion No. 16 is a specific motion to delete the purpose of having this equivalency policy which was introduced by the Government in February, and I will come back to that in a moment. Finally, Motion No. 19 is a motion which, if adopted, will not require the concurrency of a federal Minister if his or her department are polluting and the Minister of the Environment wants to proceed and lay charges against that specific department or agency coming under the jurisdiction of another Minister of the Crown.

• (1530)

I will recite briefly a chronology of Motion No. 15. In June 1987, when the Bill was introduced, the Minister introduced it in a form that did not have this equivalency provision. It is important to remember the date because it was in the same month that the Meech Lake Accord was cooked up within 24 hours behind closed doors across the street from Parliament Hill. The Minister at that time was very keen on pointing to the fact that he wanted to avoid compulsory consultation with the provinces. That was almost a year ago.

This notion of freedom from consultation was defended right up to the last appearance of the Minister before our committee in February of this year. In March of this year, all of a sudden, out of the blue, we have this concept of compulsory consultation introduced. This is a subject we investigated in depth in committee and with officials as well. There was no technical reason for it. It was evident and quite clear a political decision emanating from what I would call the Meech Lake virus that had penetrated the body politics of this Government.

What we are doing with Motion No. 15 is giving the Minister back what he wanted to have until March 1988, namely, the ability to make federal regulations without compulsory consultations.

With respect to the constitutionality of the federal Government to regulate in the area of environmental protection—because this is what we are talking about, in essence—it is worth putting on record an excerpt from a letter written by Mr. Ian Blue, a lawyer in Toronto, who wrote to the committee following his appearance before us in January. He said: "It is a well known principle that where Parliament can legislate over a topic under Section 91 for one aspect and the provinces can legislate over the same topic on another aspect, that both pieces of legislation are valid. If, however, the two pieces of legislation have an operational conflict and create autonomy, then the provincial legislation is rendered inoperative and the federal legislation must prevail. If, therefore, Bill C-74 conflicts with existing provincial legislation, it is my opinion that existing provincial legislation must be inoperative to the extent of the conflict and Bill C-74 must prevail. I hasten to add that this is a legal opinion and not a political opinion, which I leave to the members of the committee and your colleagues in Parliament".

A similar observation on a different line of thought was made by Alistair Lucas, a constitutional expert from Calgary. He said in essence that the constitutional issue in this connection, which has been raised by some people, is that since the federal Government cannot effectively delegate its exclusive legislative powers to provinces, an acceptable definition of equivalency, however, he feels, may prove elusive, in any event. The conclusion of Alistair Lucas is that this was not a

constitutionally based decision, that of having the equivalency provision, but a decision that relates to a political initiative.

The concept of an equivalency provision is a consequence of the Meech Lake Accord. It must be criticized on the floor of this House because it is an abrogation of federal powers to protect the environment and because it could in some cases lead to the creation of pollution havens and most definitely to a patchwork of environmental protection standards, if any, across Canada.

A number of comments have been made on this matter, and in the limited time available I can only quote what was said by Toby Vigod, a lawyer with the Canadian Environmental Law Association. She said: With this law the federal Government is essentially abdicating its responsibility to take a strong role in protecting the environment. We think the feds do have the constitutional authority to set minimum national standards.

It is here where Ms. Vigod indicates that the equivalency provision in this Bill could lead to pollution havens created by inconsistencies in province to province standards. This is very important and it is very unfortunate, as you are aware, Madam Speaker, that the grouping of these three issues into one permits only an intervention of 10 minutes. The equivalency provisions, in other words, may probably be a great victory for the provinces but are certainly not one for Canada.

Coming now to Motion No. 19, which is the third and last motion, I would say that after a strong lobbying by environmental groups to our committee, and the efforts made by opposition Members—and I must also pay due recognition to the Hon. Member for York East (Mr. Redway), the Government relented and brought in amendments to regulate federal polluters. However, unfortunately the Government refused to remove a clause which requires the concurrence of the Minister responsible for a case of pollution. It could be the Minister of Transport (Mr. Bouchard) or the Minister of Energy, Mines and Resources (Mr. Masse), you name it.

The requirement of the concurrence of another Minister, the Minister responsible for the pollution, is tantamount to leaving the fox in charge of the chickens. So we are attempting with this motion simply to remove the concurrence of a Minister other than the Minister of the Environment (Mr. McMillan). If this is not accepted, we can still have pollution in the Ottawa River by the Bank of Canada. We can still see in years to come the National Research Council dumping all sorts of substances, including chemical substances, as has happened, I am told, into the Ottawa River. No one would be able to take action against Via Rail for not bringing polluting diesel engines up to standards.

I see my time is up so I will conclude by saying that I hope that at least one, if not more of these measures, will be favourably received by our most generous Parliamentary Secretary.

• (1540)

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, I am pleased to speak in support of the three motions of my colleague, the Hon. Member for Davenport (Mr. Caccia). I will begin my remarks on the last motion, Motion No. 19, which is a very important one.

The federal Government is itself a polluter, as we all know, and we hang our heads in shame. This motion is in aid of reducing that pollution and in bringing about some accountability. What it would do is to strengthen the ability of the Minister of the Environment (Mr. McMillan) to stop other federal agencies from polluting.

We know that the Minister of the Environment sometimes has a great deal of trouble in Cabinet with his colleagues. We seem to have one Minister in charge of getting rid of pollution and other Ministers in charge of increasing it, subsidizing it and letting people get away with contributing to it. In the Bill we have provisions that are supposed to be directed to reducing pollution, particularly of toxic chemicals, but the Minister can only make regulations for federal agencies with the concurrence of the Minister of the Crown who has the administration and control of duties or functions in relation to these works. In effect, other Ministers have veto power over this type of enforcement.

If the Minister of the Environment wanted CN to change the type of pesticide it uses along railroad tracks or, indeed, to get rid of the use of chemical pesticides, or to stop any other Crown agency from polluting, he could only do so if the Minister of Transport (Mr. Bouchard) approved. If the Department of National Defence wanted to put more PCBs in northern lands, the Minister could do nothing without the agreement of the Minister of National Defence (Mr. Beatty).

Very simply, the Minister of the Environment is restricted what he can do, which is the reason for having this amendment. It will give more teeth to do something that surely as parliamentarians we all agree needs to be done. We want this to be a tough piece of legislation. We need it to be tough to do the job that it should do.

With respect to the very complex matter of the equivalency proposals, here we have a situation wherein the Minister in bringing in legislation said that this will be tough federal legislation. There was no equivalency at that time. Months after the committee started its review of the legislation there was no equivalency, and then suddenly it was brought in. The Hon. Member for Davenport calls this the Meech Lake virus. I do not want to call it that since I am a supporter of Meech Lake and a supporter of consultation. I think that consultation with the provinces on environmental matters, including toxic chemicals, is important. I think that it is quite proper. However, we do not want the type of consultation that will be mandatory at particular stages to slow up the process. We want on-going consultation and, yes, we have various provisions for it.

We have First Ministers' meetings with the provinces. There are working groups of officials that get together. There are all kinds of opportunities for the sort of consultation that is perfectly proper. Here we have a situation to get toxic chemicals on to the list, and it is very time consuming. Environmentalists tell us that it has been far too time consuming and that the delays have been enormous. It took a period of 10 years to have five toxic chemicals banned in Canada. This is an incredibly slow record. To add another stage of consultation here in order to work out these equivalency rules seems to me to be quite wrong. We need to have tough minimum national standards. Provinces can certainly have higher standards if they wish. That is quite proper and everyone agrees with that. However, in order to have measures that would hold things up seems to me to be looking the wrong way.

I might add that industry does not like this idea either. It would rather know where it stands. It would rather have national standards than different standards in different provinces. Industry has some reservations.

Environmentalists have certainly spoken most eloquently about the need to have tough national minimum standards. They are worried about what will happen with equivalency. I would like to refer to some of the reservations.

An additional concern is the impact of the process for development of equivalency agreements on the public consultation process. Environmentalists point out that these federal-provincial consultations can be held entirely in secret. A motion I moved to see that these were brought out of secret process was defeated. This refers to the *in camera* consultations. The public would not have access to this information. We could even have sell-outs and the public would not know about it. Experts working for environmental groups, voluntary organizations and in the ecology field would not know about it. A noteworthy diversion from the process has been *in camera* federal-provincial negotiations and amendments, and they sure do not like it.

As Clause 37 currently stands, it provides for no public scrutiny in the process of determining equivalency. Limited access to agreements after the fact forces the public into the old reactive mode. Members of the public get to complain after the decision has been made in secret. That is contrary to what we are trying to achieve with this Bill, to recognize that environmentalists are important resources with knowledge and expertise that should be used in the process.

I strongly urge acceptance of these motions by the Hon. Member for Davenport. They are good and sensible. They have enormous support from one end of the country to the other, from experts and from environmentalists. I hope that the Government will accept these amendments.

Mr. Alan Redway (York East): Mr. Speaker, I am pleased to have this opportunity to say a brief word with respect to Motion No. 19 standing in the name of the Hon. Member for Davenport (Mr. Caccia). I think it is an important and significant motion.

As you are probably aware, Madam Speaker, I had the honour and privilege to serve as a member of the legislative committee, along with the Parliamentary Secretary, the Hon. Member for Davenport, the Hon. Member for Broadview—Greenwood (Ms. McDonald), the Hon. Member for Vancouver—Kingsway (Mr. Waddell), the Hon. Member for Mississauga North (Mr. Horner), and a number of other Members who are in the House at the present time. It was a very special committee in my view because, as many people have said, a true spirit of co-operation existed. An enormous amount of the credit for that is due to the Parliamentary Secretary. I congratulate her for the outstanding job that she did on the legislative committee. A great deal of the credit also belongs to the Minister. Without his over-all guidance and co-operation, obviously, nothing could have been achieved.

Having said that, as you may know, Madam Speaker, I put forward a number of amendments myself to this Bill. In all I think the Bill had some 300 different amendments proposed to it. There were a number moved by members of the Liberal Party, by members of the New Democratic Party, a number which emanated from the Library of Parliament, and the Government of course had numerous amendments. I myself put forward a number of amendments, one of which was in this area which is dealt with in Motion No. 19.

I raised that matter in the House on January 21. On that day I put a question to the Minister, which I will quote to refresh your memory, Madam Speaker. It was:

> Mr. Speaker, my question is for the Minister of the Environment. He has indicated that he believes all federal Departments and agencies should be subject to environmental law, but recently the Minister of Justice and the Department of Justice have defended federal polluters on the grounds of federal immunity from provincial legislation.
>
> Will the Minister agree to amend immediately Bill C-74, which is presently in committee, to make absolutely certain that federal polluters are subject to all environmental laws? Will he ask his colleague, the Minister of Justice, to ensure that in future the defence of federal immunity will not be used in cases of this sort?

The Minister's response to my question was as follows:

> Mr. Speaker, I believe strongly—and I know that my view is shared widely in the House—that the federal Government is not above the law. That principle applies as much to the environmental field as it does to any other.
>
> When a federal Department or agency breaks the law and violates pollution controls, then the book should be thrown at it. That texture is woven into the very fabric of the Canadian Environmental Act now before committee.

He went on to say:

> If the Hon. Member, and the Hon. Member for Davenport who is heckling me now, both of whom are members of that committee, believe that the law as it is proposed falls short of the principle that the Hon. Member for York East has now articulated in his question, I invite them to propose an amendment, and it will be viewed with great sympathy by me and by the Government.

• (1550)

In response to that invitation by the Minister, I did put amendments to this clause. I think that the clause has been

strengthened. I certainly do not suggest for a minute that there has not been a response to that. But I do think that the clause still leaves something to be desired, and it could be strengthened further. As it presently stands, it indicates that "the Governor in Council may, on the recommendation of the Minister and with the concurrence of the Minister of the Crown who has the administration and control of or duties and functions in relation to those works, undertakings or lands, make regulations . . . "

It could very well be said that if the words "with the concurrence of the Minister of the Crown who has the administration and control of or duties and functions in relation to those works" were removed from that section, there would be no effect whatsoever. In fact, the Governor in Council has some option or flexibility to make or not to make regulations which would restrict federal polluters. If the words "with the concurrence of" some other Minister were removed, it could very well be said that it would not mean anything whatsoever in the clause. The same flexibility would be there for the Governor in Council to function with.

Frankly, it is my view that those words are superfluous to the whole point of the clause. By taking them out, Motion No. 19 would leave us with the discretion once more in the hands of the Cabinet, the Governor in Council, to make regulations to restrict federal polluters.

Leaving them in leads to another problem for the people who will be trying to prosecute under this legislation. The problem is, will a court say that not only has there to be a regulation in place, but that somehow or another the Crown Attorney prosecuting this case will have to prove to the satisfaction of the judge hearing the case that there was concurrence of the other Minister of the Crown in this whole process? If that is the case, and if it is interpreted in that manner, and frankly I would be surprised if it were not, I think that there would be some problems for a Crown Attorney in prosecuting a federal polluter and getting a conviction of the federal polluter, which is the intention under this legislation not only of the House but of the Parliamentary Secretary, the Minister, and I hope of the Government. By taking those words out, Motion No. 19 would strengthen the whole effect of the Bill and make it easier to get a conviction where it was warranted. It would also not fetter the hands of the Governor in Council in making a decision as to whether to restrict a federal polluter.

Personally, I would like to see the whole thing go much further than this. I would like a clear statement in this Bill, a clause that made it quite clear that all federal polluters, whether it is a government department, agency, board, or commission, were bound by this Bill quite clearly as far as the federal jurisdiction was concerned. That would be the ideal situation and that would make it as clear as it possibly could be. If that is not the case, there will be future occasions when the Government will be embarrassed by its own legislation.

There is still an opportunity for the Government to move or to bring forward an amendment which would make it clear that federal polluters are absolutely subject to being required to obey federal environmental law. I hope that the Government will see fit to bring in an amendment of that sort before third reading of this Bill is finally attained.

Mr. Ian Waddell (Vancouver—Kingsway): Madam Speaker, I would like to say a few words on the amendment and on the debate. I was a member of the legislative committee for a short period of two weeks. As the Hon. Member for York East (Mr. Redway) has stated, something in the order of 300 amendments were proposed.

Many people who follow the proceedings of the House of Commons on television or in the gallery only see Members in the Chamber itself, and many of the people watch the theatrical antics of Question Period, not that I have anything against the theatre.

What I am attempting to say is that many people do not realize that many things go on behind the scenes in Parliament, for example, in the legislative committees. When a Bill receives second reading in the House of Commons it goes to the legislative committee. This was an incredible committee. I only saw a small part of it, but there were 300 amendments, before it which is a lot of work. I note some of the members of the committee are present in the House today, for example, the Hon. Member for York East, the Parliamentary Secretary, the Hon. Member for Scarborough Centre (Mrs. Browes), the Hon. Member for Mississauga North (Mr. Horner), the Hon. Member for Broadview—Greenwood (Ms. McDonald), the Hon. Member for Davenport (Mr. Caccia), and the Hon. Member for Niagara Falls (Mr. Nicholson). They are here today. I was very impressed at the work done in committee, so we can collectively pat ourselves on the back.

Having said that, perhaps sometimes the public does not understand what equivalency is. Let me back-track a little and attempt to define the problem as I see it. In 1867, when Canada came together in Confederation, there were many things left out of the Constitution, because we were just not there at that point in history. For example, nuclear energy and telecommunications are not there, although there was the telegraph, which is in the British North America Act. But the environment and environmental concerns were not included. We had a much purer environment then, and did not have the economic growth that has led to the downside of economic growth, which is pollution of the environment. Now we have a country where Canadians are environmentalists and well aware of how we must preserve one of the greatest environments in the world. Canada is the second largest country in the world, and we are very keen on preserving its environment. That was not included in the Constitution to deal with.

What happened in this Bill, as I understand it, is that the Minister came forward and said that the federal Government is going to act in the following manner. Committee hearings were held on that basis. Then there was panic among the

provinces, which is typically Canadian, because the provinces stated that they had provincial Ministers of the Environment and they want to be consulted.

I am trying to remember the old joke where university students from different countries were writing an essay on how to define the elephant. The English student wrote about the elephant in colonial history. The American student wrote how to make bigger and better elephants. What did the Canadian student write? He wrote about the role of the elephant in federal-provincial relations. It is very typical of Canadians to get bogged down in federal-provincial relations.

What happened here is that the provincial Governments put pressure on the federal Government. I do not know whether it was a coincidence that it was at the time of Meech Lake. The Hon. Member for Broadview—Greenwood has stated that she is for Meech Lake, and she does not think that that mattered. I am against Meech Lake, and I am not sure that that really mattered at the time. What mattered was that the federal Minister backed up and stated that we are not going to take action through the Government of Canada without consulting the provinces, or having equivalent measures in place in the provinces. If the provinces have equivalent measures, then there is no need for the federal Government to take any action. I think that we have a fundamental difference between the Governments. I know that the Member for Davenport and I disagree with the Government here, because we need tough federal minimum standards that apply to the whole country. At some point the provincial Premiers will have to deal with the role of the environment in the Constitution, and the courts will also have to deal with that in a little more detail. That came up in this particular Bill.

I am sorry that the Minister backed away from his original position, as I understood it, and has watered down the role of the federal Government. I think that we will live to regret it, and that it makes for a weaker Bill. I wish the Minister had toughed it out and stuck with tough minimum national standards, and forgot about the equivalency rules. I think that is a defeat for this Minister who has been, in my view, a fairly good Minister. I would give this Bill a C if I had to grade it.

• (1600)

Look at the difference between what California is doing and what Canada is doing. California is bringing in a citizen's bill of rights on energy where a citizen can go to court and sue one of these polluters. Look at what we are doing in Canada. No way do we give the average citizen that right. We do not even give the federal Government that right. The federal Minister has to spend his or her time debating with the provinces. What we are going to do, which is a typical Canadian solution, instead of going to the people and having an environmental bill of rights, we are going to the bureaucrats to have the federal bureaucrats fighting with the provincial bureaucrats behind closed doors. Isn't that too bad? Isn't that the sort of old Canada of the past? I would like to see a different kind of Canada that is more open and has—

[*Translation*]

. . . for the people, for people's environmental rights.

[*English*]

That is what is wrong with this particular section of the Bill. I could not agree more with the courageous stand taken by the Hon. Member for York East the stand on the amendments taken by the Hon. Member for Davenport and by my own Party's critic, the Hon. Member for Broadview—Greenwood.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Madam Speaker, I am pleased to join in the discussion of these particular motions. I have listened intently to the speakers who have preceded me. Having listened yesterday and today, I feel it is time for me to respond to the confusion expressed by a number of Members opposite on the issue of national standards.

Contrary to what has been stated in this House, this Bill does provide for national standards, national environmental control standards, and I emphasize the adjective "control". This is what is important. This is where prevention of environmental pollution will be fought.

This is the point where laws can be enforced and transgressers of the law dealt with by the innovative as well as the tough penalties provided for in this Bill. These control standards provided for in Sections 33 and 53 will apply nationally, national controls on toxic substances, at any point in their life-cycle, and we will be able to do so efficiently and effectively because of the provisions in this Bill.

These provisions will not only provide national control standards but will provide for national consultations in their making, just as this Bill was made. Provisions that recognize both levels of Government can, should, in fact, contain environmental control standards which will protect this fragile planet that we share. The equivalency provisions will forge the kind of national protection framework demanded of governments by the multistakeholder consultative group which provided the report *From Cradle to Grave: A Management Approach to Chemicals* in the fall of 1986, which provided the basis on which much of the conceptual framework of this Bill was drawn. I applaud those persons who worked on that committee.

That consultative group, on which there was participation from environmental groups, both the Conservation Council of New Brunswick and Friends of the Earth, consumer groups, Miss Pat Brock of Redwater, Alberta, organized labour, the legislature and health co-ordinator of the Energy and Chemical Worker's Union on behalf of the Labour of Congress, industry and both levels of Government, reached consensus on a framework for managing chemicals and within it called on Governments to be innovative in sorting out the jurisdictional confusion that exists in Canada. They called for harmonization and co-operation. I want to quote from that very important consultative group report: It reads:

This report is the result of that shared vision. The cradle-to-grave approach to managing chemicals detailed in the report was developed through consultation, through a recognition that cooperation and coordination rather than conflict is the only response to a growing societal realization: that the current haphazard management of man-made chemicals threatens not only health and the environment but the economy as well; that all stakeholders—from industry and labour to government, the environmental movement and society in general—continue to lose if the status quo is maintained; that a chemical crisis or disaster should not have to occur in this country before attention is drawn to the need for practical, preventive measures.

Then the report goes on to politics and government. It states:

In fairness to Governments, they are often confronted with conflicting demands. They are also working from a jumble of laws and standards which fail to adequately manage chemicals from their inception to their disposal. What is needed is a fundamental re-evaluation of governmental approaches to environmental issues. Politicians and governmental officials must assume leadership for establishing co-ordination and consistency in the management of chemicals. They must develop, through consultation with the appropriate stakeholders, measures to erase gaps in decision-making, legislation and enforcement.

Let me go to another section, Madam Speaker, having to do with achieving jurisdictional harmony. When the first Prime Minister of Canada, in drafting the Constitution, did not include in that Constitution, the British North America Act, the idea of environment, achieving jurisdictional harmony when it comes to the environment became a challenge for all of us. This consultative report states:

A management approach cannot be effective without jurisdictional consistency and co-ordination . . . It will require the co-operation of federal and provincial Governments . . .

At the moment, laws, programs and guidelines are frequently overlapping, inadequate or incoherent, while priorities are often conflicting. Disputes between Governments, or even between departments and agencies within the same level of Government, are at the root of some problems.

—a comprehensive review of existing powers, laws, regulations and programs at the various levels of government is an essential first step not only to ensuring jurisdictional co-ordination but to improving the over-all management system. The review should lead to simplification, co-ordination and consistency in regulatory and program approaches.

Jurisdictional rationalization is a big job.

We have tackled that, Madam Speaker:

It will require effective leadership—

And we have that from the Minister of the Environment (Mr. McMillan) and from the Prime Minister of Canada (Mr. Mulroney):

—and commitment to the management approach, as well as comprehensive legislation and enforcement mechanisms.

The Bill incorporates some new and innovative ideas, and equivalency provisions are part of that approach, an approach that properly respects, indeed, strives for partnership with all Canadians and particularly reorganizes the need for effective partnerships with the provinces, real co-operative federalism in the spirit of national reconciliation which was begun by our Government and is the cornerstone of everything that we do. Equivalency agreements will ensure efficient, effective application of environmental control standards across this country, thus affording Canadians an equal level of protection. They will be based on tough national environmental control standards, not on the lowest common denominator, as stated by some Members opposite yesterday.

• (1610)

Canadians are demanding nothing less. This Government, through this Bill, aims to provide a national level of protection, and equivalency agreements will do this without duplication and against strict criteria, national criteria, which will ensure that each and every Canadian is afforded equal protection and a high level of protection under the law.

I note that you are indicating that my time is up, Madam Speaker. I just want to say that this Bill does not cop out on national standards, as some Hon. Members opposite say they believe it does. It provides for effective—

Mr. Caccia: Madam Speaker, I rise on a point of order. I do not think it is within the rules at this stage of debate to permit a statement on the entire Bill and its thrust. We are debating a specific motion. Apart from the fact that the content is misleading, the Parliamentary Secretary is making a statement that she should make at third reading stage and not at this point in debate. I would ask you to intervene and to rule on this because I do not think it is within the rules of debate.

The Acting Speaker (Mrs. Champagne): The time available to the Hon. Parliamentary Secretary has expired.

[*Translation*]

Mr. Gilles Grondin (Saint-Maurice): Madam Speaker, I am pleased to take part this afternoon in this debate to support the amendments presented by my colleague the Hon. Member for Davenport (Mr. Caccia) and also because as a former mayor of a Quebec municipality, I have trouble seeing how one can seek to decrease or even remove the ability of the Minister of the Environment to make the necessary decisions, especially in emergencies.

I experienced such situations when I was mayor of a municipality and the regulations in place, whether federal or provincial, resulted in tremendous enforcement problems and also problems for a municipality to obtain proper information to make the required decisions in a situation where toxic substances had to be stored and therefore transported within the municipal boundaries. Around 1980-81, a company had obtained permission to store in our municipality extremely dangerous toxic wastes commonly known as PCBs and more scientifically, perhaps, as polychlorinated biphenyls. These are carcinogenic materials found particularly in Hydro-Quebec's transformers and generators and this carcinogenic oil must absolutely be disposed of under very special conditions. And to this very day, although the problem has existed in the municipality, where I was mayor until 1985, for seven or eight years, no adequate support has been forthcoming from the federal or provincial governments so that we could completely eliminate both the storage and transport of these toxic products within the municipality. Although representations were made to various senior officials in the Department of the Environment

and even to the provincial and federal Ministers, the answers we received were always more or less the same: "We are faced with a problem that is not exclusive to your area, and you will just have to deal with it as best you can until we have found a definitive solution".

Unfortunately, Madam Speaker, in a municipality like the one where I was mayor, with a population of about 12,000, there was not enough staff, especially qualified staff, to be able to examine all the risks involved in storing certain toxic products within a municipality.

We therefore decided, before issuing a permit to the company, to consult the provincial and federal Department of the Environment to find out whether departmental experts felt that the storage or transport of these toxic materials constituted a genuine hazard to public health.

We received the astonishing reply that there was no problem and the company had been given a storage permit, since it needed a permit to store toxic products considered to be extremely hazardous.

The fact is we were told there was no problem at all and that this substance could be stored within the limits of the municipality. However, shortly after the company had stored the 5,000 gallons of PCB oil, a reporter heard about the decision by federal and provincial authorities to allow the company to store this substance in our municipality, and it then became public knowledge that hazardous products were being stored in the municipality of Shawinigan South.

It took several meetings with employees at the Department of the Environment, at various levels, to find out that there was a real hazard but that municipal authorities had never been informed of the fact.

Madam Speaker, I wonder, for instance, when we have to transport toxic products in a municipality and the Minister of the Environment is supposed to consult with his colleague at the Department of Transport . . . I have the impression there will be some reluctance to take the responsibility, and that in emergencies often no decision will be made because we will lack the requisite consultation mechanisms to ensure that both the quality of the environment and our quality of life are protected.

I also presented a motion in the House not so long ago to the effect that the Government should consider the advisability of implementing a national toxic waste disposal program in cooperation with the provinces, counties and municipalities for the very purpose of avoiding a recurrence of what happened. I would then hope that the prerogatives and powers of the Minister of the Environment, far from being dispersed and shared with other colleagues, would be broadened and that he would really be given the ability to take all required action and make all necessary decisions and sometimes even be forced to have his departmental officials truly give all the required scope and attention to the problems raised, whether by municipalities, interest groups or Hon. Members in the amendments that they wish to make to the Bill.

So, Madam Speaker, I think the problem that we encountered in our municipality is not peculiar to Shawinigan South, but it helped me realize that the presently existing provincial and federal rules were not sufficient to ensure the quality of life for all our fellow citizens. So I would like to ask this Government in a very special way to accept the amendments presented in this House and to pay very particular attention to the transportation and storage of toxic substances, which are indeed a danger to the public.

• (1620)

[*English*]

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on Motion No. 15 standing in the name of the Hon. Member for Davenport (Mr. Caccia). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 16 standing in the name of the Hon. Member for Davenport (Mr. Caccia). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The question is on Motion No. 19 standing in the name of the Hon. Member for Davenport (Mr. Caccia). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Ms. Lynn McDonald (Broadview—Greenwood) moved:

Motion No. 17

That Bill C-74 be amended by adding immediately after line 9 at page 29 the following:

"35. Where

(a) a substance

(i) is not specified on the List of Toxic Substances in Schedule I and the Ministers have reason to believe it is toxic, or

(ii) if the substance is specified on that List, the Ministers have reason to believe it is not adequately regulated, and

(b) the Minister has made no interim order in respect of the substance,

Her Majesty in Right of Canada may be held liable for all injury and damage resulting from the use of that substance in any period after the Ministers have reason to believe it is toxic or not adequately regulated."

She said: Madam Speaker, Motion No. 17 is an amendment which will add to the accountability of the Government through this Bill. The purpose of this motion is this. We are going to have a list of toxic substances and there is a process for placing substances on the list. However, what happens if substances simply remain on the list and there is no regulation, no action and no protection for the public or the environment, all the investigations are done and the conclusion is reached that the substance is toxic, but inadequate regulation is the result? One of the major flaws of the Bill is that the Minister is given enormous discretion as to when to assess a substance and how to regulate it. It seems to me only reasonable, if you are going to permit that enormous range of discretion, that there be some method of accountability if the Minister does not take action. He has to be liable.

Even if a substance is known to be toxic under any definition the Government is under no compulsion to regulate its use.

We tried to get requirements built into the legislation to say that once it has been established that a substance is toxic, then the Minister is required within a certain period of time to respond with some kind of regulation. It seems very reasonable that when something has been determined to be toxic, we ought to have some plans for regulation promptly put in place. That would have been by far the more desirable course of events, but we did not succeed. Since that was not accepted by the Government and the discretion has been left with the Minister, this at least gives some incentive to the Minister to ensure action.

How will this work? There is Access to Information. People can find out what these studies are. We can find out that a substance was determined to be toxic and the Minister sat back and bowed to pressure. This, of course, is what will happen. Some people are going to say the substance is toxic and ought not to be used or ought to be regulated in a certain way, and there are going to be industrial interests on the other side who say that maybe it is not as bad as all that, it will be expensive to replace it, and we would rather go ahead.

We know the Government is under pressure all the time to permit dangerous chemicals to be used because they have at least some short-term economic advantage. Short-term economic advantages are long-term economic disadvantages. We know that if they are destroying the environment, they are destroying productivity and livelihoods in the future. However, too many people are prepared to look at the short term and say, "It is economically beneficial to use this toxic substance, we do not want to replace it or do the research to find a different way". If there is some liability then there is an incentive to take this seriously.

The motion says that Her Majesty in right of Canada may be held liable for all injury and damage resulting from the use of the substance in that period after the Minister had reason to believe it is toxic. It allows for an adequate period of time for an investigation and adequate research. Then, if we find that the Minister has determined it is toxic, the liability would occur if he did not act. That seems to me a very reasonable recourse if Government has failed to pay attention to the studies done. People ought to have some kind of recourse in order to collect as a result of the negligence.

Although the Government is not compelled to act under this amendment, it would be held liable for administrative

negligence when it has failed to discharge its responsibilities under the Act. Ideally this would never be used. It is much more likely, if you have this on the books, that Government would decide it does not want to be held liable and therefore would act when the toxic substance has been established as such.

I cannot see any harm in having this legislated or any reason why the Government would not want it, because it has a perfectly adequate time to make the assessment. The liability only occurs after such an assessment has been made. It is very logical for there to be regulations after the assessment has been made, and it seems to me this is a perfectly reasonable and responsible approach, and I hope the Government sees fit to support it.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, the principle that the Hon. Member introduces with this motion is extremely important.

• (1630)

It goes right to the heart of ministerial responsibility. If the Government had the moral fortitude to practice what it preaches, it would adopt this today. If the rhetoric with which we were showered from a prepared statement by the Parliamentary Secretary for 10 minutes half an hour ago on the glorious achievements of this proposed Bill were a reality, she would accept this motion. It falls exactly in the category of amendments from which the Government has retreated since the draft Bill was produced last summer and while it has travelled through various processes in committee until today. The Parliamentary Secretary's reply in a few moments will be the test of the pudding.

Imagine a situation in which the Minister of the Environment of the day knows that a substance is toxic but decides not to regulate it. This motion would address that situation of ministerial negligence. An example from the recent past is PCBs. The Minister has information which shows that PCBs are a threat to health but chooses not to regulate for reasons already given by the Hon. Member for Broadview—Greenwood (Ms. McDonald), because of strong industry lobby, because of pressures, or because of widespread use—you name it.

If a citizen who suffered the consequences of a particular substance, in this case PCBs, can demonstrate that the Minister of the day had the information but failed to act on it, the citizen would be able to take legal action to hold the Minister liable if this motion were passed. That is the substance of this amendment and I commend it for your consideration.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Madam Speaker, I do not intend to make as lengthy a speech on Motion No. 17 as I did on the previous motion. It was very important to make some strong points on that motion.

The Government does not accept Motion No. 17. Canada has always supported the concept that the polluter must pay for damage caused to the environment. The premise of Motion No. 17 that Her Majesty be held liable for activities of others is, therefore, unacceptable.

The Act does protect Canadians and their environment in emergency situations where urgent action is required to deal with danger to the environment, human life, or health. Section 44 is designed to allow action on an urgent basis where the Ministers of the Environment and National Health and Welfare believe that a substance not yet specified on the list of toxic substances is toxic or where the two Ministers believe that a listed substance is not adequately regulated. The Minister of the Environment may then issue an interim order covering any aspect or activity that can be regulated under Section 33 of the Act.

Therefore, Madam Speaker, the Government does not accept this motion.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on Motion No. 17 standing in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the motion stands deferred.

Mrs. Browes: Madam Speaker, continuing with the sequence which we are following, I would expect that you would be calling Motion No. 18. There have been discussions with the critics of the other Parties and I would request that we proceed now to Motions Nos. 29 and 30 in order that persons who must leave the House are able to speak on them before they leave.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent for that?

Some Hon. Members: Agreed.

Hon. Chas. L. Caccia (Davenport) moved:

Motion No. 29

That Bill C-74 be amended in Clause 129 by striking out lines 38 to 43 at page 84 and substituting the following therefor:

"(g) directing the offender to compensate the Minister, in whole or in part, for the cost of

(i) the investigation of the offence and the proceedings under this Act, and

(ii) any remedial or preventive action taken by or caused to be taken on behalf of the Minister as a result of the act or omission that constituted the offence;".

Motion No. 30

That Bill C-74 be amended in Clause 134 by striking out lines 41 to 45 at page 87 and lines 1 to 10 at page 88 and substituting the following therefor:

"134.(1) Where, on the application of any person, it appears to a court of competent jurisdiction that a person has done or is about to do or is likely to do any act or thing constituting or directed toward the commission of an offence under this Act, the court may issue an injunction ordering any person named in the application to refrain from doing any act or thing that it appears to the court may constitute or be directed toward the commission of an offence under this Act."

He said: Madam Speaker, you may recall that when this Bill was adopted in June, 1987, it contained a remarkable and very welcome precedent in terms of penalties to polluters. We on this side of the House were quite glad about that because it also included what could be called a nullitive sentencing and the right of the Minister to collect the costs of investigation from a polluter. The provision was, unfortunately, struck from the Bill during clause-by-clause analysis by a motion of the Member for Niagara Falls (Mr. Nicholson) on the basis that it was unprecedented and caused undue hardship to the polluter.

The effect of our motion today, Madam Speaker, is to put this provision back into the Bill as the Minister himself obviously intended when he tabled the Bill in June, 1987. We are actually reinforcing the will of the Government with this motion. The net effect would be that the cost of investigation of crimes against the environment, which can be very expensive, could be carried by giving the Minister the discretionary power to recover the cost of investigation. This is a very important tool in environmental protection policy.

As I said, this tool would be discretionary to be applied in certain circumstances according to the judgment of the Minister of the day. I hope that the Parliamentary Secretary will put back into the Bill what it contained in the first place.

With regard to Motion No. 30, I would like to refer you to the submission made by the Canadian Bar Association. The CBA urged a measure which would allow a citizen, rather than only the Minister, to seek an injunction. It would be the democratization of pollution control and environmental protection to which the Member for Vancouver—Kingsway (Mr. Waddell) referred earlier this afternoon.

• (1640)

The Canadian Bar Association urged us in committee to change Clause 134 and allow a citizen to seek an injunction to stop pollution that is in violation of this Bill. There is an intimate connection.

As Members who were on the committee will recall, this particular proposal was also supported by the Canadian Environmental Law Association. By allowing a citizen to seek an injunction, it would be at least a small step in the direction of what many have already referred to in the debate yesterday and today, an environmental bill of rights that would allow direct citizen participation. It would be citizen participation in the protection of the environment.

As written now, a citizen who sees a violation of this legislation can report it to the Minister but only hope that the Minister will seek an injunction to stop that particular pollution. This is not only a time consuming and cumbersome way to proceed, in a highly sophisticated and democratic society like ours it seems to remove the right of a citizen to participate in the protection of his or her environment.

In conclusion, it seems to me that the Minister of the Environment should not be the only person in Canada to be able to seek an injunction. The active participation of citizens, even though it will generate a number of injunctions, would still be an important exercise because the courts would be quite capable of screening frivolous injunction requests.

At the same time it would provide an atmosphere in which the courts would require information, be it the Minister making the injunction or an organization like Pollution Probe, Greenpeace, STOP or La Societé pour vaincre la pollution. It could be a lonely citizen on a remote lake in northern British Columbia who feels that his environmental rights have been infringed upon because of an activity that is damaging the enviroment from which he derives a livelihood. I hope we will receive a positive reply from the Parliamentary Secretary.

Mr. Rob Nicholson (Niagara Falls): Madam Speaker, I am pleased to address my comments to Motion No. 29. I appreciate the co-operation in the House in moving this matter forward inasmuch as it arises out of an amendment that I proposed to the Bill at the legislative committee stage.

Motion No. 29 would undo that amendment and it would include among the powers that a judge has in sentencing an individual the right of that judge to impose a penalty that would include whatever investigation costs led up to the conviction. I oppose that for three reasons.

It goes back to my reasons for being a part of the legislative committee. When this Bill was brought before Parliament, I approached the Parliamentary Secretary because I was pleased at the sentencing provisions within the Bill. For the first time, meaningful fines are included in federal legislation for those individuals who would pollute our environment. They are substantial fines, not the mere token fines that I suggest are nothing more than a licence to continue to pollute. In addition,

the prison sentences provided for companies, directors and those individuals who would pollute, are important. That is one reason why I wanted to be part of that legislative committee.

I was also pleased with those sections contained in what is now Clause 129, which gives the power to the judge to impose a sentence that would include the remedial work, money that would compensate for whatever we had to do to repair the environment. However, I do disagree with the investigative costs. The Member for Davenport (Mr. Caccia) is quite correct when he said it was unprecedented. It is unprecedented and I believe it should be rejected.

One of the principles of our criminal law jurisdiction is that an individual, regardless of whatever crime of which he might ultimately be found guilty, is entitled to appear before the court without cost. To my knowledge, it has never been suggested that an individual subsequently found guilty of a Criminal Code offence must pay for part of the police department's budget or pay for the salary of those police officers who investigated his crime. That has never been suggested, to my knowledge. After questioning officials from the Department of Justice, they confirmed that there is no other provision of the Criminal Code in which investigative costs are included as part of the fine. I believe there are some good reasons for that.

Under legislation such as this, it may be concluded after a long investigation that only a minor infraction of the law had occurred. Would it be fair for that person to be saddled with a huge investigative cost, completely outside that person's control?

I also suggest that it would be very difficult to make a proper determination of just what are the investigative costs. Would it be a percentage of the department's budget? Could an unlimited number of lawyers and investigators say that they had something to do with the investigation and their salary should be paid? I suggest it would be difficult, if not impossible, to calculate that.

I disagree with it from the point of view that it takes the punishment outside the jurisdiction of the judge. Certainly, crimes against the environment are as terrible as any we could care to discuss in this Chamber. Everyone agrees upon their seriousness. I want the judge to be able to decide with some precision what is that individual's or company's punishment, be it imprisonment, fine, or money to pay for remedial action. I suggest that it takes the punishment outside the jurisdiction of a judge when the matter could be referred to some other board or agency to determine the investigative costs.

I appreciate having the opportunity to intervene in this debate. I believe this motion should be rejected inasmuch as I believe all Hon. Members should agree that the proper punishment should be decided at the time that an individual is sentenced. If an individual is liable to imprisonment, fine, and money for remedial action, then that is the proper type of punishment that should be contained in a Bill such as this.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Madam Speaker, the Member for Niagara Falls (Mr. Nicholson) spoke eloquently and made a major contribution to the legislative committee. I agree with his comments in relation to Motion No. 29.

I wish to make a few comments on Motion No. 30 which we are also debating. The Constitution of Canada is silent on environmental matters. Both federal and provincial governments have been active in environmental protection. Environmental jurisdiction from the federal perspective is based on criminal law power and on the peace, order and good government provision of the Constitution.

• (1650)

The language in the Canadian Environmental Protection Act reflects the views of the Department of Justice, the legal experts, those who advise us on how best to assert federal environmental authority without tripping up the law when we depart from the essential constitutional base on which the federal Government can act. To the extent that we depart from our criminal law powers, even in the direction of peace, order and good government, we risk having one provision, if not the entire Bill, declared *ultra vires*. I, for one, in this House of Commons, do not intend to see the Environmental Protection Act scrapped by the courts. The Canadian people want this legislation and it is our intent to deliver this legislation to the Canadian people.

The Hon. Member for Davenport (Mr. Caccia) has suggested a word change in Section 134, the replacement of the word "Minister" with that of "person". Section 134 gives the Minister the authority to issue injunctions to halt activities that might constitute an offence under the Act. The Hon. Member would have the Minister's authority eliminated if his amendment were to be approved. I believe, however, the Minister must have these powers.

Section 135 allows persons who suffer or are about to suffer damage to seek an injunction and to halt activity. This is tort law and is in the legislative jurisdiction of the provinces. Based on constitutional advice, we recommend that Motion No. 30 be rejected by this House.

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, I rise to support Motions Nos. 29 and 30. I am quite amazed by the arguments given by the Government, by its caving in on this quite important matter. It is, indeed, going back on previous statements government Members have made, particularly with respect to Motion No. 29.

Motion No. 29 amends Clause 129 by striking out lines 38 to 43 at page 84 and substituting the following:

> "(g) directing the offender to compensate the Minister, in whole or in part, for the cost of
>
> (i) the investigation of the offence and the proceedings under this Act, and
>
> (ii) remedial or preventive action taken by or caused to be taken on behalf of the Minister as a result of the act or omission that constituted the offence;".

That is simply the "polluter pays" principal. It is a very elementary principle which has been agreed upon world wide. Preferably we will not have pollution. This is not an argument for licensing pollution and collecting money for it. This is to forbid pollution, particularly in the case of toxic substances. However, in cases where there are violations, it seems very reasonable that it should be possible at least—and this is discretionary. It does not mean that it would necessarily happen—to direct the offender to compensate for the investigation and for the damage. Why should the taxpayers have to pay for the clean-up of some kind of toxic offence? Why should the taxpayers have to pay for the investigation leading to the determination of whatever it is that would result in the clean-up? Why should it always be the public which has to bear this burden? Surely, the whole thrust of the Brundtland Commission report, the World Commission on Environment and Development, is to get rid of contaminates and pollution and to see there are really strong economic incentives not to pollute. We have to make it cheaper not to pollute than to pollute.

There are penalties in this Bill and, fortunately, they are substantial penalties. It seems very reasonable that costs ought to be included. Why should we just collect penalty money when the investigation itself could be quite costly and when the remedial action or action to prevent some kind of toxic disasters, may be quite high? Why should the public at large pay this? This is like the Eldorado Nuclear privatization scheme. It is the private sector that gets the profits and the public sector pays for the clean-up, all the costs of radioactive wastes disposal management. It is crazy. We should not allow people to pollute at will and then have the taxpayer pay for it. There is no disincentive to pollution, or there is inadequate disincentive to pollution, when that is permitted. It is simply a very reasonable approach to add another element, another piece of ammunition, in the fight to get rid of toxic substances and reduce pollution.

I will just spend a minute on Motion No. 30. It simply says that where, on the application of any person, not just the Minister, it appears to a court of competent jurisdiction that a person has done or is about to do or is likely to do any act directed toward the commission of an offence under this Act, the court may issue an injunction ordering any person named in the application to refrain from doing such act. This is very sensible. It is to prevent pollution crises. It is to prevent disasters. We are talking about toxic substances. We are talking about really serious matters and if it is possible, a court can issue an injunction to prevent these actions. Let us not be concerned merely to clean-up after the fact. Let us see where it is at all possible to use the courts to prevent the action from occurring in the first place. This is another weapon in the arsenal against pollution and against ecological disasters. I think we need all the weapons at our disposal. I think this motion is reasonable and ought to be supported.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Agreed

The Acting Speaker (Mrs. Champagne): The first question is on Motion No. 29. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 30 standing in the name of the Hon. Member for Davenport (Mr. Caccia). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Hon. Chas. L. Caccia (for Mr. Penner) moved:

Motion No. 18

That Bill 74 be amended in Clause 51 by deleting lines 10 and 11 at page 40.

He said: Madam Speaker, the history of this motion is that in its ruling the Chair gave the reasons why Motion No. 20 on the *Order Paper* of Tuesday, April 19 was not acceptable. The

reasons were, of course, understandable and quite clear. Because of that, it becomes desirable to adopt Motion No. 18, and I will explain why.

• (1700)

In committee we did move an amendment which was accepted to include category IA lands, namely, lands covered by the Cree-Naskapi Act. That was done at the request of the Grand Council of the Cree as part of a package of reforms submitted for the consideration of the Government and the committee by the Council.

The key amendment to go with the inclusion of IA lands in Bill C-74 was Motion No. 20 which is now no longer before us, so to speak. Since it has been ruled out of order we find ourselves in a position of limping badly, so to speak, on one leg.

Motion No. 20 states:

That Bill C-74 be amended in Clause 53 by adding immediately after line 39 at page 41 the following:

"(3) Notwithstanding subsection (1), in the case of Category IA lands, The Governor in Council may, on the recommendation of the Minister, and with the concurrence of the responsible Cree Band within the meaning of the Cree-Naskapi (of Quebec) Act, make regulations applicable thereto for the protection of the environment."

Since we no longer can operate with Motion No. 20 it is important I submit to you, Madam Speaker, and to the House that Motion No. 18 be adopted now. Motion No. 20 cannot be put before the House, at the request contained in a letter to the Hon. Member for Cochrane—Superior (Mr. Penner) from the Executive Chief of the Grand Council of the Cree of Québec.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Madam Speaker, this motion that excludes the category IA lands provision of Part IV of Bill C-74 is one on which we had considerable discussion at the legislative committee. As well, we had as witnesses those persons coming from the Cree and Naskapi group that presented their positions very well. Thus what was included in the Bill at committee stage was that category IA lands be included in the new Act. The legislative committee considered carefully this provision. It was added to the Bill. We now have the motion to say that it should be excluded.

The committee recognized that Bill C-74 as it was drafted was intended to apply to reserves, surrendered lands or any other lands vested in Her Majesty and subject to the Indian Act. The committee also recognized that category IA lands as defined in the Cree-Naskapi (of Quebec) Act would be excluded unless this provision now shown in Clause 51(c) were added. We supported this principle in the legislative committee. We still believe that it is important. We would like to retain it in Bill C-74. Therefore this particular motion should not be defeated. We do not support it.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on Motion No. 18 standing in the name of the Hon. Member for Cochrane—Superior (Mr. Penner). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Hon. Chas. L. Caccia (Davenport) moved:

Motion No. 23.

That Bill C-74 be amended in Clause 62

(a) by striking out line 15 at page 47 and substituting the following therefor:

"62. The Gove-"

(b) by striking out lines 31 to 48 at page 47 and lines 1 to 19 at page 48.

He said: Madam Speaker, in this motion we deal with a very important aspect of the Bill which applies to international air pollution. We discovered with dismay in committee that when it comes to international air pollution the Minister through this Bill would apply the concept of equivalency that he applied to toxic chemicals. That, of course, for the reason that I gave earlier when we debated Motion 15 and Motion No. 16, is not a desirable route to take.

The equivalency provisions when they are applied to the international air pollution section are a big step backward, in our view. I would like to put on record comments made to the committee by Pollution Probe. It stated in its brief that the consultation requirements show that the federal Government is retreating from its responsibility to protect the environment and that this represents a step backward from existing federal environmental legislation, such as the Clean Air Act. Presently, the Clean Air Act allows the federal Government to set national air emission standards without consulting the provinces. Yet this power will be repealed if Bill C-74 becomes law.

That is a rather devastating statement on the part of a non-partisan organization which has produced in the course of our clause-by-clause analysis of the Bill a number of extremely

helpful recommendations. Pollution Probe is not alone in this observation. For example, in its brief on national and international air pollution Friends of the Earth made the following observation. It stated that international transboundary pollution is unquestionably the domain of the federal Government.

Friends of the Earth recommends that the clause we are now attempting to amend be reworked to provide the Minister of the Environment with a mandate to take a strong, active and pro-active role in protecting national and international air quality. This is the life and blood of environmental protection that we are discussing right now. Subsequently, Friends of the Earth went on to recommend with the requirement for joint environmental health and welfare action, the requirement of the Minister to endeavour to convince the provinces to regulate the opportunity to grant equivalency exemptions and the need to wait until an international law has been breached, be deleted. This is what we are proposing in this particular motion.

Friends of the Earth also stated in its brief that because of its stated discomfort with the substance-by-substance approach, its preferred approach would be to maintain and incorporate—and I repeat the importance of the word "incorporate" for Members of the House. The incorporation of the Clean Air Act and its powers in this Bill is the solution to this shortcoming and vacuum. There is this type of provision in the existing legislation that will be repealed when Bill C-74 is proclaimed. A piece of legislation will be proclaimed that will not contain what is presently in the Clean Air Act. We are abandoning a very important tool.

• (1710)

This is why Friends of the Earth are urging to maintain and incorporate the Clean Air Act and its powers to pass national emission standards into Bill C-74. That is a very reasonable request. It is to ensure that the new legislation has the powers contained in the legislation that will eventually be repealed. Friends of the Earth urge that we bring the preamble into conformity with Bill C-74 by basing air quality control actions on the need to protect both human and environmental health.

I suppose it would be fair to say that the conceptual flaw begins with the equivalency provisions debated in Motion No. 16. The concept seems to re-emerge in the motion we are presently debating. All of a sudden, as I recited earlier, in February of this year the Minister proposed a set of amendments that required consultation with the provinces in what was purely and traditionally a well established federal domain and jurisdiction.

In this respect, I am afraid to conclude that the Government has made a very serious mistake which will become a political liability at the time of the next election. Certainly, we will not miss the opportunity to raise this particular point with the electors, but I do not think we will be alone. The non-government organizations that have followed the progress of this Bill and that have been extremely helpful with advice will take up this cause. The gap between preaching and the substance is becoming wider as we conclude analysis of this Bill, and as we move from report stage into third reading.

Therefore, it is with a sense of regret that I make this intervention. When the draft Bill was introduced in June, 1987, I thought we had a good solid foundation. It was a draft Bill that expressed a certain political determination. Unfortunately, that political will and determination has been eroded, diminished, fragmented, and dispelled. By the time we started the work in committee we faced a piece of legislation that had been badly weakened and badly rearranged, and as I have stated on a number of occasions, had been badly infected by the Meech Lake virus.

In this particular case, the situation can be corrected and very well defended by the Government, if it were simply to say that what it wanted to do was maintain the provisions in the Clean Air Act in Bill C-74. Nothing would be lost, and everything would be gained. That is the substance and the genesis of this particular motion for your consideration, Madam Speaker.

Ms. Lynn McDonald (Broadview—Greenwood): Madam Speaker, I certainly support the amendment proposed by the Hon. Member for Davenport (Mr. Caccia). It is a very important amendment, and I think the Government would be making a very serious mistake not to accept it. It is sad that the House is contemplating a measure that turns the clock back and reduces protection for the environment. We presently have the measures in the Clean Air Act, and we have a new Bill before us, the environmental protection act, which is supposed to improve protection of the environment. In some respects, it does. But hidden in with positive measures to improve environmental protection is one section that actually reduces it. It is a very sad step.

Environmentalists spoke eloquently of the need to move forward and the need to continue to entrench the progress that has been made so far in the Clean Air Act and control of national standards for emissions, and here we have the equivalency provisions coming in and weakening the Bill. We are talking about air. Air and water do not respect provincial or national boundaries. Clearly there is a need for national standards, indeed international standards. The idea that we should be parochial and move toward provincial standards in this area of dealing with air standards is simply missing the point entirely. It is extremely sad to see that the Government has not seen fit to say that in some areas we will move forward, but in no areas will we move backward, and everything will be a gain from here on in. That is foolish.

In the newspapers today, these are concerns of the public on precisely this point. There is a report contained in *La Presse* which states:

[*Translation*]

"According to a survey, 9 Canadians out of 10 believe that their health has deteriorated because of environmental pollution and 93 per cent fear being poisoned by as yet unidentified toxins."

[*English*]

This is precisely what we are talking about, the unidentified and the need to have emission standards. People are afraid and they want better standards. People want us to go further than we have gone so far.

[*Translation*]

"The survey published on Monday for the joint convention of the Ontario Chapter of the Air Pollution Control Association and the Ontario Pollution Control Association also reveals that 76 per cent of the public is prepared to pay higher taxes to fight pollution."

[*English*]

Here we have public concerns in a major survey. Let me quote one other item where the public is attempting to tell us something.

[*Translation*]

"Furthermore, only 6 per cent of respondents do not believe that environmental pollution is increasing. Despite the efforts of industry and government in the past 10 years, it is clear that a perception of deterioration remains and that the situation will continue to get worse and worse."

[*English*]

People are concerned and they are attempting to give us a message. We see political responses to this among many caucuses that are coming out in favour of the environment. We see that the Conservatives from Quebec have put the environment as number one on their agenda. Instead of talking about it at conventions and passing resolutions, why do the Conservatives not do something about it, respect the concerns out there in the public, and really make this a stronger Bill and accept the measures that we are proposing for amendment. That is what the public is telling us, that is what the experts are telling us, and it seems to me that it is about time the Government listened and made this a Bill where we go forward, where we make improvements, and in no areas accept lower standards than what we had with the existing legislation.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I want to participate for a few moments today on this very important piece of legislation, and of course the amendment before us. It has always bothered me where we have competing jurisdictions both throughout this country and between countries in terms of trying, unfortunately, for the lowest common denominator. In the environment we have seen that happen from time to time. In fact, many of us are quite fearful that, as a result of the trade deal, we will see our environmental rules drawn down to the low denominator in the United States.

• (1720)

We have nothing against consultation. We believe that the Government of Canada has the power under the Constitution to do whatever consultation it feels appropriate. Sometimes, however, we wonder if it has the political will to do it the right way.

The Bill makes it a requirement that before any changes can be made to protect our environment, the Government has to not only consult with but, I gather, get agreement from the provinces. That unnecessarily places in danger the environment, the people and the wildlife of Canada. For that reason, we must support this particular amendment.

This legislation in fact takes a step backward from the existing environmental legislation, including the Clean Air Act which provides for the federal Government to enact national ambient air emissions standards without the necessity of consulting with the provinces. We contend that Clause 37 will ensure what we have been afraid of all along, which is that the federal Government has no intention of regulating toxic chemicals. We feel that the Minister of the Environment (Mr. McMillan) has been getting extremely conservative advice—surprise, surprise—on federal constitutional authority to protect the environment.

We believe that the federal Government should set national standards to ensure that Canada does not create pollution havens. For example, the pulp and paper sector is concentrated in a few provinces. Because of modern technology, we are now able to determine the existence of things we did not know existed before. I am talking particularly of some of the toxic wastes that have been discovered in the effluent of kraft mills in Ontario, Quebec and perhaps British Columbia. A by-product that was not known to exist has been discovered to exist and it is a very lethal one. We cannot fault the pulp and paper companies for this because they did not know that this by-product existed, nor did the federal Ministry of the Environment and the provincial Environment Ministries. However, we now know it exists.

In the past, there have been pressures on provincial Governments not to go forward with very strong environmental protection legislation. I am worried that if we do not change this particular clause in the Bill, those provinces, for economic reasons or whatever, will convince the federal Government of the day not to go forward with such legislation.

Let us remember that we are writing legislation that will apply for quite some time. There may be a change in Environment Ministers, there may be a change in Government. We must have a piece of legislation that will stand the test of time.

I suggest that it is up to the Canadian Government to provide leadership. Sure, the Government should talk to the provinces, but it should not be forced to consult in this particular way. We have a responsibility to protect our environment for our children and our children's children, and leaving the clause as is would be a step backward.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Madam Speaker, in the last few moments, I have been hearing some comments to which I need to respond. The Canadian people are very proud of this legislation. The witnesses who came before the legislative committee each started off by saying that the Government should be applauded for this legislation, for bringing in an environmental protection Act, the first piece of environmental legislation brought before the House of Commons or the Canadian people in 11 years.

This Government has had the political will to tackle the very sensitive, complex issues of environmental protection and the control of toxic wastes. We have come up with a piece of legislation that has probably involved more consultation with the people of Canada than any piece of legislation that has come before the House of Commons.

Motion No. 23 would give the Minister the exclusive jurisdiction to control domestic air pollution that has an international transboundary impact. I was very surprised to hear the two critics for the opposition Parties speak on this point in the way they did today. Let us take a case in point, Canada's acid rain abatement program.

Canada's acid rain abatement program is an excellent example of the spirit of co-operation that exists between the federal Government and the provinces when dealing with international air pollution. We were able, with the co-operation of the federal Government and seven provinces, to get an abatement program that would allow us to put our own house in order as we start and continue negotiations with our neighbours to the south. Agreements have been signed with all provinces in eastern Canada to reduce acid-rain-causing emissions by 50 per cent by 1994. There is no need for the federal Government to have exclusive jurisdiction in such matters when the provinces clearly have the authority, jurisdiction and obligation to act.

This clause is consistent with other parts of the legislation which recognize and respect provincial authorities in regard to environmental protection and provide the opportunity to consult and enter into agreements to afford the maximum level of protection to Canada's environment in a cost effective and non-duplicative manner. I recommend that the House reject Motion No. 23.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on Motion No. 23 standing in the name of the Hon. Member for Davenport (Mr. Caccia).

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour please yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), a recorded division on the proposed motion stands deferred.

The next question is on Motion No. 24.

Ms. Lynn McDonald (Broadview—Greenwood) moved:

Motion No. 24.

That Bill C-74 be amended in Clause 65 by striking out lines 35 to 38 at page 49.

She said: Madam Speaker, I rise to support Motion No. 24 which deals with what I think is a very serious anomaly in the Bill. Here we are supposed to be dealing with ocean dumping. In the Ocean Dumping Control Act, regulations can be made and penalties imposed for dumping. However, there is a loophole in this legislation and I think it is a very serious one. My motion is directed at plugging that serious loophole, the exclusion from the present provisions of any discharge that is incidental to or derived from the exploration for, exploitation of and associated offshore processing of seabed mineral resources.

In ordinary, every-day English, that means that any oil spill or pollution, whether deliberate or accidental, put into the sea by the oil industry or by other mineral resource industries in Canadian waters is not addressed by the Act. That is a very serious omission. Exploration is now going on and we can expect that there will be further exploration and development of oil and other mineral resources. To exclude them from the Environmental Protection Act is very, very misguided.

Unfortunately, ocean dumping exists. It exists all over the world. It is getting worse. It is convenient to dump and it is cheap. However, it is the public at large that inherits the health problems, the contamination problems and the problems associated with the pollution of fish and animals that live in the sea. We need very stringent laws against this. We already have some such laws and here we have an ideal opportunity to add to them under the Environmental Protection Act. Why should we pass that Act with a serious omission?

• (1730)

It is a simple question. Do we want to be consistent? Do we want tough legislation? Or, do we want a loophole which permits this kind of pollution of an extremely important

resource? The oceans are part of what the Brundtland Commission calls the global commons. It is part of our responsibility to the planet to ensure that safe and proper standards are respected. We as Canadians are responsible for three oceans so it is extremely important that we have adequate laws in this respect. I hope all Hon. Members will ensure that we have a decent Act, close this loophole, and obtain adequate protection.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, there is no doubt that the Hon. Member has put forward a very important thought here. She caught the passage in the Bill which had escaped unnoticed by many of us. She has an excellent point.

The thrust of the motion is to include the discharges from activities related to exploration or processing of offshore sea bed mineral resources and have them come under the definition of dumping and therefore be subject to Part VI of this Bill. Those discharges would be excluded if the Hon. Member had not moved this amendment.

It is desirable that the Bill covers all kinds of dumping from offshore mineral exploration so that we provide protection for the marine and coastal environment. Anyone who knows the fragility of that environment in the Arctic Ocean in particular knows the importance of protecting that environment. Exploration in the Arctic has been quite frequent in the past and that frequency may increase in the decades ahead as we run out of non-renewable resources.

The amendment has a particular significance. We support it, of course, and hope that the Parliamentary Secretary will be in a position to give us a favourable reply.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Madam Speaker, this motion would delete one of the exclusions to the definition of dumping in legislation on offshore exploration and development, specifically the Canada Oil and Gas Act. We do not agree with the motion that the Hon. Member has put forward. CEPA is designed to complement and not duplicate other federal legislation so we will not support this motion.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, as my caucus' spokesperson on marine matters, I felt it was appropriate for me to participate in the debate on this amendment. I regret that the Government has decided that double coverage is not important. I accept the Parliamentary Secretary's statement that this is covered in another Bill, but that does not necessarily mean it should not be reinforced in a Bill which deals with the protection of the environment. This should be the predominant Bill regardless of a Bill dealing with oil and gas exploration, or shipping, as does the Canada Shipping Act, where other aspects of the environment are dealt with. The Environmental Protection Act should be supreme.

As my colleague pointed out in her comments, dumping as described in the Bill does not include any discharge incidental to or derived from the exploration for, exploitation of, and associated offshore processing of sea bed mineral resources. What that means is that a lawyer could argue that because this is a later Act, they would be able to use a tram scoop or continuing conveyor belt of some kind which would have lots of overflow deposited in the ocean, creating havoc with aquaculture, disrupting fishing patterns, the ability of the fish to survive, and depending on the type of mineral, perhaps even creating a contaminant that will follow through the food chain.

An example would be asbestos if a way was found to extract asbestos from the ocean floor. There was a severe problem on Lake Superior because of a discharge of not asbestos but taconite tailings that got into the drinking water as well as the food chain because of a mining operation. That could conceivably happen again and we need to have sufficiently strong enough laws to protect our environment from that.

Once again, I regret the decision of the Government to err on the side of comfortability as opposed to caution. I would rather see this amendment accepted by the Government and reinforce what the Parliamentary Secretary says exists in other legislation, just to make sure there is no question whatsoever that some smart lawyer could use its absence in this legislation to suggest that Parliament was not interested in preventing such pollution from occurring.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on Motion No. 24 standing in the name of the Hon. Member for Broadview—Greenwood (Ms. McDonald). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Ms. Lynn McDonald (Broadview—Greenwood) moved:

Motion No. 26

That Bill C-74 be amended in Clause 110 by striking out line 37 at page 77 and substituting the following therefor:

"for a term not exceeding one year, or to".

Motion No. 27

That Bill C-74 be amended in Clause 111 by striking out line 7 at page 78 and substituting the following therefor:

"for a term not exceeding one year or to".

Motion No. 28

That Bill C-74 be amended in Clause 115 by striking out line 4 at page 80 and substituting the following therefor:

"for a term not exceeding one year, or to".

She said: Madam Speaker, these last three motions we have before us deal with the available penalties. The Environmental Protection Act does specify penalties, albeit not very hefty ones. They presently go up to six months. Let us be clear about the penalties in the three different sections.

• (1740)

Clause 110 under "Offences and Punishment" reads:

Every person who

(a) fails to give an inspector all reasonable assistance or to provide the inspector with information as required under section 101, or

(b) contravenes section 102 is guilty of an offence and is liable on summary conviction to a fine not exceeding two hundred thousand dollars or to imprisonment for a term not exceeding six months, or to both.

The notion of using prison sentences as penalties is, of course, controversial. We have traditionally had prison sentences available for nonpayment of fines in commercial areas, but have tended to use prison sentences as penalties only for Criminal Code offences or offences very similar to Criminal Code offences. In the past there has been a notion that perhaps there ought to be financial penalties for commercial activities, that we would not want to have commercial criminals or white collar criminals go to jail, that that is for unsavoury characters, for real crooks, not for people who pollute the environment or fail to assist in regulations in order to protect the environment.

That has been the procedure and the mentality of the past. However, in the last 10 years we have seen a significant change in public opinion. Parliamentarians are expected to reflect that. In some cases we should lead but in this matter the public is well ahead of us. The public is demanding criminal penalties for offences against the environment. People have a notion that the environment is very important and deserves the best protection. Sending someone to prison is the highest symbolic condemnation, criticism, opposition to behaviour that we have in our country. When we say that you are liable to a prison sentence, we are saying that we profoundly disapprove of what you are doing and that only measures of that sort are suitable to deal with the offence that you have committed. Canadians have increasingly begun to put offences against the environment into precisely that category and that is a good thing.

I normally argue against prison sentences. I think we overuse our prisons substantially. We have too many prisons and too many people in them by and large. However, in this area the threat of a prison sentence might actually be a very good deterrent because this is deliberate behaviour. These are not irrational people who are acting out against society. These are not juvenile delinquents. These are people in responsible positions who, frankly, make money by polluting, by covering up the pollution, by preventing the pollution from being uncovered, and by not helping inspectors do their job.

The fine provided for is $200,000, which is a hefty fine. The amendment is simply to make the prison penalty a little tougher, to communicate to potential polluters that they can suffer for this, that we are going to condemn them. We want them to know that it is not only their pocketbook which will be hurt but that they risk going to jail, being treated like a common criminal, being embarrassed.

Mr. Angus: They are common criminals.

Ms. McDonald: My hon. colleague says that they are common criminals and that is increasingly how the Canadian public views this. Knocking someone on the head is assault, but you can kill people, maim them, cut their lives short, or wreck the quality of their lives with pollution. This is an important matter.

We are now saying that these assaults on the environment and health which affect us and future generations are serious matters which deserve serious penalties, not only commercial penalties but the unpleasantness of a prison term. Prisons are unpleasant places, they smell, they are crowded, and they do not very often have the nicest of clientele. The company may not be the most desirable. There are other clubs which have more desirable people. Some people in prisons may be very fine, but by and large prisons are places in which people do not want to be. People are uncomfortable there.

Therefore, when we impose the risk of a prison sentence for these offences, we are saying something very important with which Canadians agree. Canadians have switched their mentality. They no longer treat this as something for which you impose a fine and a slap on the wrist. Canadians are now taking this very seriously.

The next amendment relates to Clause 111 which reads:

Every person who

(a) fails to provide the Minister with information as required under section 15 . . .

(b) fails to notify the Minister as required under paragraph 17(1)(a) . . .

(c) fails to conduct the tests referred to in paragraph 17(1)(c), or

(d) contravenes subsection 49(1) is guilty of an offence and is liable on summary conviction to a fine not exceeding two hundred thousand dollars or to imprisonment for a term not exceeding six months or to both.

My amendment would hike that term of imprisonment up to one year as well. One of the offences included in this clause is failing to provide the Minister with information needed. Of

course, there is an incentive to fail to provide the Minister with information needed for an investigation which can lead to regulation and an order to stop, et cetera. Another offence included is failing to conduct the tests referred to. Tests will have to be provided for. We now have a process which requires that that be the case, and we need a penalty to ensure that that is so in order to give adequate protection to the public. This is simply another statement by society that these are serious provisions. The Act will not have teeth without them and we want bigger, tougher teeth in the Bill than the original wording provided for.

The third motion would amend Clause 115 which reads:

> Every person who contravenes any provision of this Act, other than a provision referred to in sections 110 to 114, or of any regulation made under this Act is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding two hundred thousand dollars or to imprisonment for a term not exceeding six months, or to both.

Again, my proposal is to increase that from six months to year. The same rationale applies. We agree with the $200,000 fine and simply want to increase the term of imprisonment to a year. It is still not a penitentiary term or the worst we can impose. I suspect that as time goes on the Canadian public will want to throw them in the clink for longer. That is the direction in which people are going.

However, this is a start. It is not an enormous change from what we have, but it is progress toward being tougher, which is what we want. That is what the Canadian public is demanding. Environmentalists are saying that we must take this seriously, that we must not let people get away with this. Financial penalties are simply a licence to pollute, people can just pay their way. They cannot pay their way out of a prison sentence. They will be embarrassed, their fingerprints will go to the RCMP and Interpol. They will go to prison where they will not like it very much.

That will be a real deterrent for these rational people who weigh the pros and cons. Let us give them more cons to weigh. Let us give them some threats such as this and we will perhaps achieve environmental protection which will be tougher and better. That is what Canadians send us here to Parliament to do.

Hon. Chas. L. Caccia (Davenport): Madam Speaker, the Minister wanted a strong Bill. He proclaimed on a number of occasions that this would be a strong Bill. These three motions offer the Government, the Minister, and the Parliamentary Secretary an opportunity to have a strong Bill.

• (1750)

Most likely, we will again see a backtracking on the part of the Government, saying that these measures are too strong. It is another example of the Government preaching in one direction but retreating into a cloud of contradictions when it comes to the crunch. It is retreating from an opportunity to do exactly what was originally intended with this Bill, to give Canadians strong protection for the environment.

We are gradually learning that activities against the environment eventually damage human health, and, in the long term, environmental pollution damages the water. It contaminates surface and ground water in particular and we are learning that the cost of rehabilitation from the damage against the environment is phenomenal.

They are staggering as an economic burden that is sometimes shifted from our generation to the next. This is evident in the case of Lake Ontario, with the leaching from toxic dump sites along the Niagara River into Lake Ontario, affecting the quality of water for municipalities along Lake Ontario. The world is full of examples of this kind.

What is the intent of these three motions? They are to provide a deterrent. This would set a ceiling so that society would be in a position to take action for up to one year. It will not necessarily be implemented because it will be a decision for the judge responsible for rendering the sentence.

The Minister wanted a strong Bill. Once again, this afternoon the Opposition is giving him an opportunity to adopt a measure that will give some teeth to the Bill. The matter will rest with the answer by the Parliamentary Secretary.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Madam Speaker, we are debating the last three motions concerning the Environmental Protection Act. There has been a good debate and I appreciate the co-operation of the other Parties in getting to the points of the issue. Since we are getting close to the adjournment hour, I move:

> That this House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of report stage of Bill C-74, an Act respecting the protection of the environment and of human life and health.

The Acting Speaker (Mrs. Champagne): The House has heard the terms of the motion moved by the Hon. Parliamentary Secretary. Is it the pleasure of the House to adopt the motion?

And fewer than 15 members having risen:

The Acting Speaker (Mrs. Champagne): There not being 15 Members rising in objection to the motion, the motion is deemed to be carried.

Continuing debate.

Mr. Iain Angus (Thunder Bay—Atikokan): Madam Speaker, I was simply going to speak for a few moments to conclude the debate on behalf of my Party and perhaps be the sole Opposition Member who was going to speak on these motions. The reality is that the Government, in its typical clumsy way, has probably ensured that certain matters they wished to complete tonight as they hoped may not happen. I will not predict what will happen after I sit down and the bells starting ringing, but I think it is safe to say that there may be some surprises in store.

I am pleased to support my colleague's three motions. It is important that we send a signal to the corporate sector of this country that it cannot get away with evading the law of the land. Let me give an example. Dow Chemical used to operate a plant in Thunder Bay, adjacent to Great Lakes Forest Products Limited. It polluted the Kaminisqua River with mercury for quite some time but was not greatly punished. However, those other industries that are involved in using that waterway must pay to have their silt stored in a special facility. While the company that caused the pollution gets off scot-free, others have to pay the price.

Furthermore, the clauses referred to provide for a monetary fine. Yet if one looks at the profits being made and the values of the companies involved, a simple fine of even $1 million is a drop in the bucket. However, if we send the chief executive officer to a correctional institution for being found guilty of polluting the environment, it will send a clear message to all corporate individuals.

Last summer in Toronto an operator of a factory in Toronto who had been consistently polluting was found guilty under a provincial law and put in jail. That sent two kinds of shock waves throughout Ontario. It meant to consumers and environmentalists that finally the Government had become as harsh with polluters as housebreakers. The other shock wave went to executives of companies in the Province of Ontario. Suddenly they realized that rather than the company paying for this violation, they would be thrown in jail. What would this mean to their children and spouses, when they are thrown in jail for permitting the environment to be destroyed?

I know that you do not wish to sit here all evening to hear debate. I see that it is six o'clock, the normal time of adjournment. I am going to complete my remarks by thanking the Government once again for its bungling, and I look forward to the results of the vote.

• (1800)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, it is really very helpful when we respect freedom of speech and there is a little co-operation in trying to work things out. This is a very important Bill to Canadians. I doubt in the history of the country there has been a Bill which received such thorough examination and so many amendments at committee stage. Because of the persuasive arguments and common sense of the motions produced by the Opposition in this report stage, many have been accepted. Some, indeed, have been rejected on voice votes by the Government.

It is our intention, Madam Speaker, when you call Motions Nos. 26, 27 and 28 not to support them for several, I think, pretty solid reasons. Clause 110, 111 and 115 already provide for what we think are adequate penalties on summary convictions. That is the section of the Bill we are dealing with. Those adequate penalties are six months, which can be coupled with fines of $200,000. Six months imprisonment and $200,000 for a summary conviction offence, I think is adequate. If we were to adopt the amendments proposed by the Opposition, we would be creating a one year imprisonment term, but that would take us out of the normal course of events for the Criminal Code when it comes to summary convictions and might indeed provide a legal argument to get somebody off. That is not what government Members want, and it would be a penalty too severe for the offence.

The six months prison term for the offence of failure to render assistance to and the offence of obstruction of an inspector in the exercise of his or her duties in Clause 110 of the Act is identical to similar provisions in other federal Statutes such as the Food and Drug Act, the Post Office Corporation Act, and so on. Consistently in legislation is an important kind of principle if members of this House want to be fair to all parties in all circumstances. We also think it is sufficient punishment and sufficient deterrent for conviction offences in Clauses 110, 111 and 115.

In closing, if there had been a will to co-operate and if there had been clear-cut signals from Members opposite, we could indeed have ended this debate without having to run past six o'clock, or we could have had unanimous consent to have a few last remarks and go a few minutes after six o'clock. Those are fairly normal provisions. What is abnormal is the tendency on the part of Members of the Opposition to filibuster even on things that they basically believe in. It is part of a clear-cut long-term strategy by the Opposition to try to jam up the public calendar. We suspect that the strategy exists because the Government is anxious to complete its agenda and go to the people and give Canadians a chance to choose their next Government. The Opposition will say they would like an election but its behaviour is to consistently jam a situation so that an election becomes more and more difficult to call.

We think it is time for Canadians to be able to reach a judgment on what we believe is our superb record of three and a half, close to four years. If we continue to allow the Opposition to filibuster and delay, we will not get there. Hopefully, a few more minutes of debate, delaying people five or ten minutes, will enable us to have a vote this evening.

If the Opposition chooses to delay it, we can have a vote tomorrow. We would then be in a position for third reading and sending the Bill to the Senate. Everyone in this Chamber knows the Senate is composed primarily of members of the former Government and that they are delaying all kinds of legislation for the same reason, we think the fear of an election. We would like to facilitate the passage of public business. We intend to do that within the rules of the House as much as we can.

If the Opposition would like to facilitate the passage of important legislation like this, we would be glad to hear about it. However, the signal the Opposition sends is that it wants this Bill to carry over to tomorrow even after it has been so thoroughly debated and the spirit has been so good. We have to ask ourselves why the Opposition would want to delay it

until tomorrow. We do not believe there is a good reason and that is why we have moved the motion.

• (1810)

Mr. Angus: Madam Speaker, I just wish to point out to the Hon. Member that the House has made considerable progress today. I gather 12 amendments have been dealt with. Neither of the Opposition Parties has put up an extraordinary number of speakers. In fact, in the last hour or so we have had only two speakers from my Party for each amendment. I think that is going overboard in terms of trying to facilitate the House. I want to remind the Government once again that every time it takes these kinds of steps, we remember, and it lowers the level of co-operation.

I sat in on the House Leaders' meeting yesterday as we tried to work out the business of this House for the next week or so. It was very clear that yesterday and today would be devoted to this Bill. Sometimes we do not get the timing exactly right and, in this case, it might spill over until tomorrow morning, but that is all. I do not think it is fair for the Government to suggest that we are filibustering on such a very important piece of legislation. The important changes my colleague and the Hon. Member for the Liberal Party put forward, I think, deserve consideration by this House.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The first question is on Motion No. 26. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The next question is on Motion No. 27. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The last question is on Motion No. 28. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion, the nays have it.

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

The House will now proceed to the taking of the deferred division of the report stage of the Bill now before the House. Call in the Members.

And the division bells having rung:

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 13(4)(a) I have been requested by the Chief Government Whip to defer the division until a later time. Accordingly, pursuant to Standing Order 13(5) the division on the question now before the House stands deferred until tomorrow at six o'clock at which time the bells to call in the Members will be sounded for not more than 15 minutes.

[*Translation*]

It being 6.20 p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.20 p.m.

HOUSE OF COMMONS

Thursday, April 21, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

STRIKING COMMITTEE

PRESENTATION OF FIFTY-NINTH REPORT OF STANDING COMMITTEE

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour of tabling the Fifty-ninth Report of the Striking Committee.

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

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[*English*]

BRETTON WOODS AND RELATED AGREEMENTS ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of State for Finance) moved for leave to introduce Bill C-126, an Act to amend the Bretton Woods and Related Agreements Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

[*Translation*]

PETITIONS

THE HOMELESS—REQUEST FOR GOVERNMENT ACTION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, the petitions I am tabling today concern housing and are signed by residents of Laval, Montreal, Saint-Hilaire, Deux-Montagnes, Saint-Eustache, Longueuil, Quebec City, Winnipeg and Fredericton, New Brunswick.

The undersigned deplore the fact that over 100,000 people were homeless in Canada last year, that many young people, women and entire families lack adequate shelter, that the number of affordable housing units is dwindling steadily and that the Government has done nothing so far to deal with this problem.

Wherefore your petitioners humbly pray Parliament to take immediate action to provide suitable accommodation for all Canadians and to set up social reintegration programs so that needy Canadians can get back into the mainstream of Canadian society.

• (1110)

[*English*]

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, it is with great pride and honour that I am presenting a petition which includes the astronomical figure of 10,000 signatures of very concerned Canadians from all across the country who are deeply devoted and concerned for the rights of unborn children. These 10,000 signatures are only the forerunners of thousands upon thousands of additional signatures that will be forthcoming as time goes on.

With prayers and hope, the petitioners request the Government to enact legislation immediately which will protect the lives of our unborn children and our future generation.

ALLEGED WITHHOLDING OF FOOD BY ISRAEL TO CONTROL RIOTS

Mr. Peter Peterson (Hamilton West): Mr. Speaker, I have two petitions to present today, both of which have been signed by constituents of my riding of Hamilton West and the surrounding area.

The signatories of the first petition are primarily from the Hamilton Jewish Federation who take issue with the remarks made by the Secretary of State for External Affairs (Mr. Clark) on March 10 at a Canada Israel Committee function.

These petitioners humbly pray and call upon Parliament to ask the Department of External Affairs to provide the Canadian people with the evidence to support the charges made by that Minister.

Order Paper Questions

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Peter Peterson (Hamilton West): Mr. Speaker, the second petition is related to the illness of schizophrenia. The petitioners would like to point out that it is a major illness in Canada, affecting about 1 per cent of the population, which causes severe mental anguish and suffering to the patients and their relatives and costs Canadian society more than $3 billion annually in direct health care and other support costs. The petitioners humbly pray and call upon Parliament to ensure that research efforts are increased in Canada.

EQUALITY OF CHOICE IN CHILD CARE

Mr. Paul Gagnon (Calgary North): Madam Speaker, I have both the duty and honour to present a petition signed by 25 people and addressed to the Parliament of Canada which states that a number of Canadians believe that the state and our tax dollars have no place in the area of child care, which is a parental responsibility, except in cases of demonstrated financial need.

The petitioners call upon Parliament to restore the system of fairness and justice by opposing any form of national child care policy that does not provide equality of choice, thereby leaving the child care decision-making process with the parents where it belongs.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, question nº. 285 will be answered today.

[*Text*]

RESEARCH INTO DEVELOPMENT OF NITROGEN FIXING WHEAT

Question No. 285—**Mr. Althouse:**

1. In the past ten fiscal years, has the Department of Agriculture conducted research with a view to the development of a nitrogen-fixing wheat and, if so (*a*) along what lines (*b*) involving which research stations?

2. In each of the past ten fiscal years, at each station involved (*a*) how many staff members (*b*) what financial resources have been dedicated to this research?

3. For 1988-89 (*a*) what are the (*i*) staff (*ii*) financial commitments to this project (*b*) which research stations will be involved in this research?

Hon. John Wise (Minister of Agriculture): 1. (a) Yes, the Lethbridge Research Station carried out original work which showed that certain soil bacteria appeared to cause wheat plants to fix nitrogen in much the same way as legumes fix atmospheric nitrogen. Subsequent studies at Lethbridge and in other countries demonstrated that the process was not the same, but rather that bacteria, capable of fixing nitrogen, lived in the rhizosphere (a unique zone near the roots that support the growth of specific micro-organisms) and functioned in association with specific wheat lines to promote growth.

Recent studies conducted by industry have focused on the genetic engineering of wheat plants to transfer genetic coding for nitrogen fixation (ability of bacteria to infect wheat roots, to grow in nodules on the root and to actively fix nitrogen). This is a very complex, high-risk area and progress has been slow.

(b) The Lethbridge Research Station only has been involved.

2. (a) and (b) The Lethbridge Research Station has dedicated the following ressources over the past ten fiscal years to this research:

3. (a) (i) and (ii) The Lethbridge Research Station has committed the following resources to this research for 1988-89:

(b) The Lethbridge Station only is maintaining a small program with the associative bacteria concept concentrating on the theory that these bacteria are releasing growth promoting substances which are stimulating root development, thereby making the plant more capable of obtaining nutrients. Since not all varieties react in the same way, this process is also complex. A decision will be made in 1988-89 whether the cost/benefit justifies further work.

[*Translation*]

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

The Acting Speaker (Mrs. Champagne): The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

• (1120)

GOVERNMENT ORDERS

[*Translation*]

CANADIAN INTERNATIONAL TRADE TRIBUNAL ACT

MEASURE TO ENACT

Hon. Doug Lewis (for the Minister of State (Finance)) moved that Bill C-110, an Act to establish the Canadian International Trade Tribunal and to amend or repeal other Acts in consequence thereof, be read the second time and referred to a legislative committee.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): Debate.

Mr. Pierre H. Vincent (Parliamentary Secretary to the Minister of Finance): He said: Madam Speaker, I am pleased to rise on second reading of Bill C-110, which will create the Canadian International Trade Tribunal and consequently amend and repeal a number of other Acts. The Canadien International Trade Tribunal will replace and take over the functions of the three institutions: the Canadian Import Tribunal, the Textile and Clothing Board and the Tariff Board. The legislation creating these latter institutions will be repealed and they will disappear. The Bill also contains amendments to other Acts. These amendments are consequential to the Bill and technical in nature. The Bill also includes provisions to ensure an orderly transition to the new tribunal.

The decision in principle to amalgamate the three import institutions was first announced in the May 1985 budget. This is part of the Government's efforts to rationalize and streamline federal institutions and practices. By bringing the functions of these institutions under one roof, expertise and knowledge regarding trade matters will be more efficiently focused. The treatment of import and other international trade issues will be harmonized. The new tribunal will provide a central and common focus for examining the trade-related concerns of Canadians. The Government will have a sound and consistent base on which to make decisions.

The easiest way to explain the main purpose of Bill C-110 is to first look at the responsibilities of the existing three institutions. The Tariff Board's functions are threefold. First, they undertake inquiries into any issue relating to trade and commerce when asked by the Government. Second, the Tariff Board advises the Minister of Finance (Mr. Wilson) on tariff-related issues the Minister may refer to it such as the valuation of goods and the implications of adopting the harmonized system of tariff classification. Under a standing reference by the Minister of Finance, it inquires into complaints by Canadian industry as to whether imports at preferential tariffs granted to developing countries are causing injury.

Finally, the Tariff Board acts as an appeal tribunal primarily in customs and excise disputes. Most of the Tariff Board members' time is spent on the appeal function.

Madam Speaker, my colleague from Roberval (Mr. Bouchard) told me earlier this morning that he fully supports this Bill.

The main role of the Canadian Import Tribunal is to undertake material injury inquiries as part of anti-dumping and countervailing duty investigations. I know that this is important to the riding of Roberval, Madam Speaker.

The Canadian Import Tribunal also undertakes general injury inquiries when requested by the Government.

Finally, Madam Speaker, the Textile and Clothing Board is primarily an advisory body. The Government can ask the board to give advice on any matter affecting the textile and clothing industry. Either the government or the textile and clothing industry can request the board to undertake an injury inquiry.

The TCB also monitors developments in the Canadian textile and clothing industry.

Madam Speaker, I would note that under the new Bill the Government will continue to be able to seek advice from the new tribunal on textile and clothing issues that may arise as it will be the case for any other sector. The government, through its relevant departments will continue to monitor development in that industry as it currently does for several other sectors.

Madam Speaker, this brief description highlights the degree of duplication and overlap that now exists and that a particular issue may be treated differently depending on the agency dealing with it.

If I may I will now turn to the powers and functions of the new tribunal which constitute the substantive provisions of the bill. The new Canadian International Trade Tribunal will take over the main functions of the three import institutions as well as being given an important new function. As such the Canadian International Trade Tribunal will be responsible for undertaking a wide variety of inquiries such as general economic inquiries, injury inquiries and tariff-related inquiries. In addition, it will take over responsibility for hearing appeals of customs and excise decisions that are currently heard by the Tariff Board.

Finally, the new tribunal will be given an important new inquiry function: hearing complaints by Canadian producers in any industry that increased imports are causing or threatening serious injury.

General Economic Inquiries. The legislation contains general inquiry provisions whereby the government can ask the tribunal to inquire into matters relating to the economic, commercial and trade interests of Canada. Such fact-finding inquiries could be made regarding goods or services. Their purpose is to give the Government an independent assessment as a basis for developing policies. Any Government reference to the tribunal under these provisions will specify the issues to be examined. An example of the kind of inquiry the new tribunal could be asked to undertake is the recent study by the Tariff Board regarding the economic prospects of the Canadian natural sweetener industry.

Tariff-Related Inquiries. The tribunal will also undertake tariff-related inquiries when requested by the Minister of Finance. These inquiries are helpful in relation to the Minister's responsabilities for tariff policy.

A recent inquiry undertaken by the Tariff Board in this area was an analysis of the conversion of Canada's tariff to the harmonized commodity description and coding system. You will recall that legislation implementing the harmonized system was passed by this parliament late last year.

Another example of a tariff-related inquiry is the reference to the Tariff Board by the Minister of Finance to undertake inquiries at the request of Canadian producers as to whether general preferential tariff concessions unilateraly granted to developing countries are injurious to Canadian producers. The procedures associated with these inquiries are intended to be retained by the new tribunal.

Injury Inquiries. The new tribunal will have general responsibilities for all injury inquiries. However, the current "fast-track" procedures whereby producers of horticultural products can seek emergency safeguard action without reference to an independent tribunal will continue to be available. The most common of injury inquiries are those associated with anti-dumping and countervail cases initiated under the Special Import Measures Act. In addition, the Government will continue to be able to direct the tribunal to conduct general inquiries into the injurious impact of imports of goods or services. The specific authority to request such inquiries is now set out in the special import measures Act and, in the case of textile and clothing products, under the textile and clothing Board Act. Direct Access Injury Inquiries. The existing rights of the textile and clothing industry to directly petition an independent body for an injury inquiry will be extended to all industries. In such inquiries the tribunal will examine whether increased imports are a principal cause of serious injury to domestic producers of like goods. Until now, except for the textile and clothing industry, such inquiries could only be undertaken at the request of the government. It is important to note that the tribunal will only consider complaints under the direct access provisions where the cause of the alleged injury is increased imports of fairly traded goods. Complaints regarding injurious dumping or subsidization will continue to be dealt with under the anti-dumping or countervail provisions of the Special Import Measures Act.

The right of direct access is being extended to all producers to make the procedures of dealing with injury complaints by Canadian producers more equitable and open. The new system will be more transparent and clear for Canadian producers. There will no longer be any doubt in Canadian producer's minds concerning the procedures to be followed when they feel that increased imports are causing them serious injury.

In extending the direct access to all industries the Government was mindful to ensure that frivolous, ill-founded, trade harassing complaints would not stand before the new tribunal. In this connection, it is worth recalling that the purpose of safeguard actions is to help an industry adjust to legitimate import competition. Such actions are therefore meant to be temporary and designed in such a way as to encourage such adjustment.

As you can see, Madam Speaker, there is widespread support for Bill C-110!

For a safeguard injury inquiry to be initiated by the new tribunal, certain conditions will therefore need to be met. For example, the petition must be made by firms producing the majority of the Canadian production of the goods to be investigated. Furthermore, producers will have to provide adequate evidence that increased imports are causing the alleged injury. These conditions should ensure that only legitimate complaints will be accepted by the tribunal.

The legislation contains provisions whereby the Government can ask the tribunal to investigate and report on related issues, at any time during or after a direct access inquiry. These issues could include such public interest matters as competition policy, competitiveness, prices and/or the availability of imports. They could also include the desirability of following various courses of action to deal with serious injury that may be caused by increased imports.

These provisions will allow the Government to have the public interest considered in the context of a direct access inquiry and when choosing to do so to tailor its intervention to the particularities of the case.

The decision regarding the taking of border action or any other appropriate measures pursuant to a serious injury report, resulting either from a government reference or a direct access petition, will continue to rest with the government. In making a decision on border action the Government will, among other things, take into account trade relations considerations, particularly since affected parties generally have rights under the GATT to compensation or to take equivalent action in retaliation when safeguard actions are taken.

Appeals. The new tribunal will take over the existing appeal function of the Tariff Board. This essentially involves the hearing of appeals of Revenue Canada decisions regarding customs and excise duties. The current attractive attributes of the Tariff Board process—ease of access, speediness, ability to represent self, informality, low costs—will be retained in the new tribunal. And I know, Madam speaker, that some people in the riding of Roberval have benefitted from this.

Madam Speaker, the other provisions of the bill deal essentially with the establishment of the new tribunal, organizational and procedural matters. Most of these provisions originate in the statutes of the existing tribunals, particularly the Canadian Import Tribunal which was established at the end of 1984.

The new tribunal will be composed of nine members appointed by Governor in Council. This is a significant reduction from the existing 15 members of the three agencies being replaced. This is made possible by the rationalization resulting from amalgamation. In order to deal with situations of heavy work-load, the law contains provisions for the appointment of temporary members. The chairman will be the Chief Executive Officer of the tribunal.

In developing this bill the government was concerned about maintaining the current "easy access" attributes of the existing institutions. The bill contains provisions which will ensure that this objective is met. For example, parties will continue to be able to appear in person before the tribunal and a provision specifically states that hearings must be conducted as informally as possible.

The bill contains several provisions which will ensure transparency. For example, public notice of reports and decisions of the new tribunal will be made. In the same vein, the bill provides for the making by the new tribunal of rules of procedures for the conduct of its proceedings and for the submission of an annual report on its activities as is currently the case for the Canadian Import Tribunal.

Finally, the bill contains detailed disclosure of information provisions which will ensure access by interested parties to information before the tribunal in the course of proceedings while at the same time protect information which must legitimately remain confidential.

Madam Speaker, I believe this bill will significantly modernize, rationalize and streamline Canadian import institutions. It puts an end to the duplication and overlap that now exists as well as to the confusion this may create. It will ensure that the government gets sound and consistent advice on trade-related matters. This is particularly important for a country like Canada where a major proportion of its wealth depends on trade. It will give to all Canadian producers an important new right to have their legitimate trade concerns heard by an independent tribunal. Since the Bill was first introduced in the House, we have not received any representations against the purpose of this Bill and I hope the House will give it speedy approval.

• (1130)

[*English*]

Miss Aideen Nicholson (Trinity): Madam Speaker, the Bill before us today, as the Parliamentary Secretary has said, creates a new agency, the Canadian International Trade Tribunal, by amalgamating three existing agencies, the Canadian Import Tribunal, the Tariff Board and the Textile and Clothing Board. The aim is to remove whatever duplication and overlap currently exists. Presumably, the new agency will provide for greater harmonization and standardization in the way import issues are treated.

At present the Canadian Import Tribunal conducts inquiries into anti-dumping and countervail cases. It also has the responsibility for undertaking general injury inquiries when requested to do so by the Government.

The Tariff Board advises the Minister of Finance (Mr. Wilson) on matters of trade and economic issues and particularly tariff-related measures. It also acts as an appeal tribunal for disputes between importers and Revenue Canada regarding decisions made on excise tariff and other administrative matters. I will return to this appeal tribunal function later.

The Textile and Clothing Board, the third agency, gives advice on trade matters that affect the Canadian textile and clothing industries. The newest tribunal will be responsible for undertaking a wide variety of inquiries; general economic inquiries, injury inquiries and tariff-related inquiries. The Government will be able to ask the tribunal to inquire into matters relating to the trade interests of Canada under the rubric of the general economic inquiries. Examples of injury inquiries are anti-dumping and countervail cases. However, the current fast-track procedures whereby producers of horticultural products can seek emergency safeguard action without reference to an independent tribunal will continue to be available.

The direct access injury inquiries, such as the existing rights of the textile and clothing industry to petition directly the Textile and Clothing Board for an injury inquiry, will be extended to all industries. At present only the Government can initiate such an inquiry for other industries. In the case of the tariff-related inquiries, the tribunal would conduct these when requested to do so by the Minister of Finance. Therefore, the Government is still maintaining a fair amount of control over the access to this independent tribunal.

The new tribunal takes over the appeal function of the Tariff Board involving appeals of Revenue Canada decisions regarding customs and excise duties. The new tribunal will be composed of nine instead of the present fifteen members. Therefore, essentially, the present members will be competing for their jobs since the tribunal is not yet established.

We may very well find ourselves faced with a similar situation as that of the Immigration Appeal Board. Recently the Federal Court of Canada ruled that the Government's refugee Bill, Bill C-55, created "a reasonable apprehension of bias" on the part of the Immigration Appeal Board because the Government proposes to fire all its members and rehire only some of them. Therefore, according to the court, the board could appear to lean in favour of the Government's position in immigration cases where the situation arose where the board members were in effect competing for their jobs. That specific ruling, which was rendered in March, was that the present Immigration Appeal Board was prohibited from determining the refugee status of one applicant "for as long as a reasonable apprehension of bias exists", and immigration lawyers have said that that ruling affects every refugee claimant in Canada.

If the same principle is applied to this Bill before us, if someone chooses to challenge that, we may find that the situation of fifteen members of the three amalgamated tribunals competing for nine jobs may create "a reasonable apprehension of bias" that toward the Government's position and industry may find itself without the access to appeals which the Bill promises until the matter is cleared up by the courts.

I also want to speak particularly about the apparel trade. In Canada, unlike the United States, we find a certain rift, or at least there are different interests presented by the Apparel Manufacturers Institute and the textile trade. In the United States the two work together and form a very effective and, unfortunately, very protectionist lobby. Recently, the Minister of Finance told members of the Canadian Apparel Manufacturers Institute that the Government was determined to give clothing manufacturers a fighting chance to compete in their own market against the Americans, and that the high tariffs on foreign textiles, which run on average about twice as high as comparable U.S. external tariffs, would be reduced to at least U.S. levels over the the 1990s.

This will not guarantee survival under free trade for Canadian apparel manufacturers but it will help lower their input costs since they now import about 60 per cent of their fabrics from third countries. I am not talking about low cost, low quality goods, but rather about many of the high quality fabrics and textiles which are used for Canada's most stylish clothing products. However, the trouble is that most of the tariff relief is in the future and will be shaped by this new government regulatory body, the Canadian International Trade Tribunal, which may very well find itself limited in what it can do. Although the tribunal is theoretically independent, it will of course hear not only from manufacturers but from the textile makers, who have a totally different set of priorities and interests and whose lobbying was responsible for the erecting of these high tariff walls, in the first place.

• (1140)

Some time ago the Government announced and began to shape a massive duty remission package which would have cost $2 billion in lost revenues over 10 years. This was designed to assist the apparel manufacturers. However, when word of the package reached the United States and its powerful protectionist textile industry, the reaction was fierce and fast.

The Minister backed off and the duty remission portion of the policy was scaled down, with the major part of the tariff relief policy being pushed into the future and extended to cover both textile and apparel industries. To make it additionally palatable, Canada gave the U.S. a partial or total preference on several immediate tariff reductions for specialty fabrics or yarns not made in Canada.

This will present the Canadian apparel manufacturers with a number of difficulties both because of the preference and also because of the rules of origin. Canadian manufacturers will be driven to find American rather than third country sources of fabrics wherever possible in order to qualify for duty-free access to the United States market beyond a stipulated quota.

The North American market is very difficult. Some Canadian clothing manufacturers will survive. They will perhaps find themselves specialty niches such as winter clothing. Some may be able to maintain their markets because of being so near, if they are able to provide very quick and effective supply. However, increasingly, the industry will be facing a great deal of restructuring.

Canadian manufacturers are saying that it is no longer enough to manufacture a few good items of clothing, that the industry trend is to product lines manufactured, assembled and marketed to retail chains. That takes size and export and marketing skills. There is really no guarantee of success even in the domestic market after putting out all these additional moneys.

Thus Canadian suppliers are facing a difficult time. It will not be a smooth restructuring. The situation is complicated because the industry is divided. The situation in the United States, where textiles and clothing manufacturers work together as a very large and very effective lobby, leaves our Canadian manufacturers and our Canadian textile industry much more vulnerable. I am not sure that the creation of this additional international trade tribunal, which simply delays the process of finding solutions, is the way to go at this particular time.

There is one significant exclusion upon which I wish to comment before giving the floor to some of the other Members who I know wish to speak on this matter. It is that the international import tribunal is not empowered to inquire into or otherwise administer complaints that involve dumping or subsidization of imported goods. Such questions in the future are to be referred to the Minister of National Revenue (Mr. MacKay) to be dealt with under the Special Import Measures Act.

That does not inspire confidence, not with a Government like this, which has shown such a singular lack of backbone in standing up to American pressures. We have to be very uneasy with the present Government about any move that increases ministerial discretion and takes matters of trade dispute away from an independent tribunal with public hearings where Canadians can be fully informed.

Mr. Steven W. Langdon (Essex—Windsor): Madam Speaker, first I would like to suggest that this is a Bill which is actually more controversial than the Government suggested in its opening comments. Certainly, in our discussions with a number of groups throughout the country, in particular groups which were previously subject to the Textile and Clothing Board, which had certain powers and certain capacities to act which this particular new international trade tribunal will not have, they have expressed to us their serious concerns about what the Government is doing in this case.

I must say that we have also had from a number of importers and import competing institutions a sense that this Bill is really far too weak when compared to what they had hoped to see come forward from the Government, given the much more difficult international situation which our traders face throughout the world. Frankly, it is for that reason that it is somewhat disappointing that the Minister is not here to carry forward this debate today.

I must also make the point that there are a great many parts of the Bill which we find to be half-hearted, timid, timorous and which give one a sense of taking steps backward at a time when we should be taking steps forward to try to establish a more dynamic institution which could act more effectively on behalf of Canadian businesses and Canadian workers.

Despite these basic concerns which we intend to raise in the form of amendments at the legislative committee stage we still as a Party support the basic principle of the Bill. That principle is to streamline, rationalize and obtain a more effective single institution which can serve the important needs of Canadian business at the present time with the great escalation of what has to be considered unfair competition internationally. The situation must certainly be considered much more competitive and threatening to exports from this country than has been true in the past, exports to other markets which we have considered to rest with us in the past.

• (1150)

This sense of trying to pull together the three institutions which have dealt with trade policy restrictions in the past is something which we think makes sense. The reduction of a number of agencies operating in this field, we also think is important. It seems to us that it is not sensible to have three separate bodies dealing very much with the same type of concerns in relation to trade, all of them building up sources of expertise and manpower to support them. That type of proliferation of government agencies seems to us both unnecessary and wasteful, as far as the public is concerned.

But if we are aiming to pull together these three institutions into one effective and dynamic institution, I believe it is necessary that we do it very differently from what this Bill has set out to do with respect to a number of the key details of the Bill itself. Some of those details will be debated at much greater length in the legislative committee. But I do not think that the Government should simply assume that it has an uncontroversial Bill before the House which will simply sail through without a lot of questions being raised by the opposition Parties. These questions have certainly been raised with us by the people who will be affected by this change in institutions.

There is a certain irony that while we are taking backward steps with respect to what some of our institutions have been able to do, especially the Textile and Clothing Board, this very day the United States is voting on an omnibus Trade Bill which will not reduce the powers of its International Trade Commission, but, rather, will increase them very considerably. It will also increase the powers of the United States trade representative very considerably. It will provide a greater arm's length relationship between the Government and the various institutions regulating international trade in the United States.

In short, if the omnibus Trade Bill passes today, as everybody predicts, the United States will be setting up a system which will establish weapons which it has developed for the increasingly tough international trade wars that are taking place which are very much more powerful, quicker in their capacity to respond, and more independent and therefore responsive to business' and workers' concerns within the United States.

While the United States is doing that, we have before us a Bill which, in a number of very important respects, weakens the capacity of Canadian business and the capacity of Canadian workers to take the tough steps that are often needed to deal with unfair trade activities occurring within the international economy.

If I may point out some of those concerns in particular, they start with the speed with which this tribunal will be able to move. In Canada, that has certainly been a problem in the past. For instance, it is not uncommon for the Tariff Board to take a year to hear appeals on tariff classifications or valuation issues which come before the Tariff Board. In fact, the average length of time taken is one year. That is clearly not fast enough to respond to the concerns of Canadians workers and business people who want to get a decision from the Tariff Board.

I have great deal of concern looking at this so-called rationalization that by reducing the number of people who will be involved in this process, potentially we will make it an even lengthier and more difficult process for Canadian workers and business people to get decisions from this institution. Therefore, speed is the first concern. Is this in fact an effective institution that will be created that will be able to respond rapidly to problems of unfair trade, as is often crucial in the international economy these days? I have a serious doubt in my mind with respect to the question of speed.

Second, the Textile and Clothing Board, the TCB, has had within its powers one important function, and that has been the independent capacity to initiate inquiries with respect to dangers to the industry, with respect to questions of adjustment and restructuring within the industry, and with respect to questions which involve the future of workers within that industry.

• (1200)

That is not a power that has been associated with the International Trade Tribunal. It is not a power that has been associated the Tariff Board. However, in attempting to put these three bodies together, the sensible thing to do would surely be to recognize that the power which existed with the TCB has been a useful, effective and responsive power which has made it possible for the Textile and Clothing Board to move quickly to initiate inquiries when it was crucial. In attempting to rationalize all three of these institutions, surely the sensible and efficient thing to do would be to give the producers the capacity to look for assistance when unfair trading is taking place. Surely the sensible thing to do would be to give to this new tribunal the power which the Textile and Clothing Board had. However, that is not what has been done.

Instead, the power which existed with the TCB has been stripped away. The new tribunal will not have the power to take independent initiatives on problems which may occur in the future. That seems to me to be a serious mistake and a question with which we will attempt to deal in committee.

Third, besides conducting inquiries, it has been possible in the past for a board such as the Textile and Clothing Board to actually make recommendations to the Government. If the board discovers, for instance, that there is import action which is seriously hurting a sector of the Canadian industry, it has been possible for the TCB to recommend to the Government specifically what it feels should be done. That has been a key part of this institution's activities. Yet this Bill strips that power away from the TCB. The Bill sets up a tribunal which itself is much less powerful, precisely because it cannot do what its equivalent in the United States will be able to do, which is to make direct recommendations about what should be done to counter an import threat of some kind which is hurting Canadian producers.

Again, I have a sense of irony, almost a sense of unreality, about the Government's weakness as it sets up a new institution here in Canada after looking at the one in the United States. The International Trade Commission in the United States has complete authority to make recommendations. No one there would think of establishing an institution which did not have that authority, and in fact, the omnibus Trade Bill which is being voted on today increases the capacity of the United States ITC to make such recommendations in the future. That increases the necessity of institutions elsewhere in the United States trade mix to respond to those recommendations from the ITC. Yet here in Canada, we are taking a backward step by providing that in the future, the International Trade Tribunal will not have the capacity to make recommendations to the Government with respect to any trade problem it has discovered.

It is not simply weak of the Government to be doing this, it is also stupid. The Government is creating a collection of expertise, and that expertise should surely be employed not just to assess import problems or trade threats but also to make recommendations, based on that expertise, as to how the Government should respond to that difficulty.

Fourth, I must deal with the question of direct access. Almost three years ago now, a special committee was established to look at international relations, a joint Senate and House committee. That committee recommended that we should have a much stronger and more flexible single international trade tribunal and that it should be possible for Canadian businesses to access that trade tribunal directly.

In this Bill, the Government pretends that it has established that direct access. In fact, however, the details of the Bill show that the principle of direct access is trumpeted but the reality of direct access is prevented. Let me point out two specific ways in which this is true.

First, it is not possible for companies to have direct access with respect to countervail actions. Countervail actions have become the heart of the international trade conflict which is taking place in the world today. Yet this Bill suggests that companies will not have direct access with respect to this absolutely crucial part of trading activities and policies. They will have direct access to everything else, but they will not have direct access to what really counts. Surely that too is a weak and foolish step to take.

I must also say that it is a very curious principle that this direct access to the new institution will only be possible if companies from an industry can prove that they are speaking on behalf of a majority of that industry. What does that mean? For example, textile companies based in the Atlantic provinces feel they are being attacked by unfair trade practices on the part of another country. It is not possible for them to take their case to this new import tribunal. The case has to be taken there by a majority of the industry across the country. It might be that the industry in Quebec and Ontario, which would make up the majority, would be quite pleased to see their competitors in Atlantic Canada go down the drain and would not support their Atlantic counterparts in taking their case to the tribunal. That would stop the Atlantic producers from having an inquiry take place.

• (1210)

Exactly the same is true of western producers of, let us say, steel. For example, both Saskatchewan and British Columbia produce small but important amounts of steel. They might want to take a case to this new tribunal saying that they are being damaged by imports. Yet they are not permitted to do so because the rest of the industry concentrated in central Canada refuses to go along with their concern. This could be because the industry in central Canada wishes to see the industry in western Canada wiped out as a future competitor.

Again, this seems to me to be a ridiculous, weak and misguided attempt to set the parameters for this institution. In short, we are likely to find ourselves in a situation where it is not possible for certain parts of the country affected by import pressure to take their case to this tribunal unless they have a majority of the entire industry across the country with them. Even if they do that, they cannot do it with respect to unfair trade in the way of countervailing duties.

There is a fifth point, the last key weakness in this Bill. If we want to put together a body of serious expertise able to operate effectively in this tough international environment, why do we not give that institution much more freedom than is established by this Bill? As I have noted, it is not possible for countervailing duty issues to be considered by the tribunal unless there is a reference from the Governor in Council, in fact the whole Cabinet. Why do we want to control this institution so closely? What is it about the Textile and Clothing Board which has been so ineffective in the past? In fact, that board, with its sense of greater freedom, has been able to be quite effective and efficient with respect to many of the inquiries it has initiated and its analysis of issues with respect to countervailing duties. Yet the Government is preventing this new institution, which it says is supposed to be more effective and efficient, from operating on its own. I just do not understand the logic. It seems it can only be justified by a sense of wanting to create some kind of institution dealing with trade without actually establishing a serious and substantive institution.

It is for that reason that the fight which will take place in committee to try to establish a serious international trade tribunal will be extremely long and hard. It will be necessary to call as many witnesses as we need to convince the Government that it is establishing a hollow shell instead of a tough and efficient institution which can act on behalf of Canadian producers in the future. That is what the Government has brought on itself by not consulting with as wide a sector of the industry as it should have. It did not consult with workers and their institutions. It certainly did not consult with the opposition Parties. It is certainly not attempting to open up to broader public discussion the question of what kind of institution we need. That is a recipe for serious problems in getting the Bill through the House in the short time available before the summer recess and a possible election.

Frankly, I am quite sad that the Government chose this approach. It has taken a good and sensible idea and put it together in such a way as to vitiate the idea. It has weakened it and, as I said, created the form but not the substance of what producers in the international economy will need in the very difficult days in the future.

• (1220)

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Madam Speaker, last night I was driven to amusement by the appearance of the Prime Minister (Mr. Mulroney) on national television protesting his innocence on matters of patronage. I knew that pending on the legislative timetable was Bill C-110, one of the most blatant and egregious examples of the Government's horrendous appetite for finding places for its favourite colleagues. More important, this Bill has created a serious level of confusion in the procedures of trade remedy law in the country.

On March 15 the case of Maltby versus the Minister of National Revenue before the Tariff Board was referred to the Federal Court because of the clear apprehension of bias which was created as a result of the Bill which we are debating at second reading today. This Bill contains clauses which permit the extermination of the existing members of all tariff boards and agencies in Canada without any form of severance or allowance for services.

The precedent was set with the Immigration Appeal Board when the Government undertook the ridiculous initiative of firing all the people on the board without any of the due processes which are generally allowed for under our Labour Code. The incredible confusion in the immigration system has now been compounded by the fact that the Immigration Appeal Board cannot work. We now have a similar circumstance with the tariff boards.

The Prime Minister of Canada is saying, "My hands are clean, my conscience is clear, we do things totally in the public interest without any advantage being sought". Yet, we have two Bills still before Parliament, one on immigration and one on tariffs, in which the Government is executing the most severe and blatant example of trying to eliminate people in quasi-judicial positions whose independence is absolutely sacrosanct, thereby creating a clear apprehension of bias to the point where the courts of the country have now endorsed that position. The Federal Court has always said, in the case of the Immigration Appeal Board, that there is an apprehension of bias, and that particular regulatory agency has now ground to a halt.

I think it would be very important, perhaps for the Clerks or the Speaker's office, to determine whether this legislation in fact contravenes some of the basic rules. If you are creating that apprehension and bias you are running into clear legal jurisdictional problems. This certainly gives full lie to the speech made by the Prime Minister yesterday and will be one of the clear exhibits which the people of Canada will have in front of them of the appetite the Government has shown. It is not satisfied simply to replace people as their terms come to an end, but most commit a form of guillotine on sitting Members in order to get their own partisans on these boards and agencies. The Government is thereby clearly guilty of interfering in the quasi-judicial regulatory structure of the country.

I do not think that any other Government in the history of this country has ever undertaken that kind of action. That is why this Bill, with some laudable purposes in terms of trying to reform the trade mechanism, because of that voracious appetite for patronage has turned into a very ugly piece of legislation which has very serious overtones which go beyond simply matters of trade.

That is why we find this piece of legislation as repugnant as we did Bill C-55, which was repugnant for a number of reasons dealing with human rights and individual liberties. However, the fact that this Bill has built into it a clear and unmistakable whiff of patronage of the most evident and manifest kind will result in other Canadians finding it equally repugnant. That is unfortunate because reform is required in our trade administration. There must be better rationalization for determining trade remedy laws.

I do not understand why the Government does things like this. I do not understand why it takes something which could have been useful, could have been purposeful, could have been positive, and perverts it so badly. It was unnecessary. There is attrition. People resign their offices. They do not have to be kicked out summarily by a piece of legislation, thereby destroying the whole system. That was not necessary. It is not contingent to the effective utilization of this Bill. The Government is blinded by the thought that it may not be here much longer and wants to get its friends into cushy jobs for the next 10 years. This kind of philosophy has biased a good piece of legislation. As I said, it is just not necessary to do those kinds of things and establish such a precedent.

I fully expect that the Federal Court will rule on this legislation in the same way as it did on Bill C-55. I expect that it will rule that it is the cause of a clear apprehension of bias in the present operations of our regulatory system. Therefore, all the cases presently before the import tribunals will not be able to be considered until we expunge this particular set of clauses from the Bill. Members opposite should be duly warned that that is going to have to happen, that they cannot contravene basic principles of regulatory law, which is what they are doing with this legislation. It will be our responsibility to ensure that we cleanse it of this particular obvious and evident maladministration of our trade law.

Speaking of that, Madam Speaker, my Party has put forward a number of proposals over the last two years on how we should rationalize and reorganize the trade administration system in Canada in keeping with the new international trade atmosphere which we face. As a piece of legislation this is simply tinkering, it is not doing what we would have liked, that is, rewriting the trade law itself to ensure that Canadian producers facing competition, facing the requirement to offset unfair trade practices of other countries, will be able to receive fair and adequate protection. We can say quite honestly that our trade law is not adequate for the task, nor is our trade machinery.

Let me give one very clear example of where a serious omission has been made, and that is in the area of adjustment. We have done an awful lot of experimentation in the last 10 years to try to find ways to assist industry in dealing with the dislocations that are caused by international competition, by trade competition. As tariffs have come down as a consequence of various GATT rounds, we have attempted, through such things as the Canadian Industrial Renewal Board to help industry meet that kind of competition. The Canadian Industrial Renewal Board was a separate agency administered by a board composed of people from the private sector. It was meant to provide both labour adjustment and capital adjustment to the footwear and textile industries to help them meet that kind of competition and allow them to modernize.

• (1230)

Similarly, our administration brought in the Industrial Labour Adjustment Program which was designed to help individual industries like the automobile sector which was facing a downturn in 1980, or the textile and other sectors to provide assistance to workers for retraining or pre-retirement benefits, as well as to give industrial assistance to firms or communities.

Those programs were wiped out by the Government. In some cases, it allowed them to lapse, such as with the retirement benefits for older workers. The Canadian Industrial Renewal Board was allowed to lapse, but nothing was put in its place.

I am not saying that those instruments were perfect. They were experiments in recognition that something had to be done to deal with the major problem of industrial adjustment in this country. However, if it was the judgment of the Government in 1984 that these programs were not good enough, it should have introduced something better. Instead, it created a vacuum, and there is no adequate means of enabling industries to respond to dislocation, to help workers affected by competition or to give some security for our workforce in light of the new trade conditions.

Approximately one month ago, the Economic Council published a report entitled "Managing Adjustment: Policies for Trade Sensitive Industries". The Council made a very clear set of recommendations that the new Canadian import tribunal should have the ability to provide for adjustments or forms of protection for industries affected by international competition. The Economic Council indicated that in order to make it work effectively a broad-based set of instruments had to be available. I do not believe anyone on the government side is suspicious of the Economic Council, which tends to endorse all of the Government's initiatives.

The question is why the Government did not respond at least to these set of recommendations and say that one of the powers of the new tribunal would be to ensure that the tribunal would be able to make a judgment, whether it be in the form of temporary quotas or direct assistance to the workers in the particular industry. Part of its responsibility should be to make such a judgment, for example, in the case of a town affected by the closure of its textile plant because of a new high technology area or a trade arrangement. In my opinion, Bill C-110 contains no such powers.

For example, the Employment Support Act, passed in 1972, is still on the statute books of Canada. It was brought in by a previous Liberal administration when the United States introduced its 10 per cent surtax under the Nixon administration. That Employment Support Act enabled Canadian industry to stay in business while we reconciled that particular conflict. Those industries did not have to shut down because they were able to get assistance to fight those particular incursions. As a result, some 5,000 Canadian businesses kept their doors open during that period.

The Employment Support Act has been put in abeyance. It could be brought off the shelf and reactivated with the new Canadian International Trade Tribunal as the agency to make the judgment as to when and how support for workers could be provided as a result of international trade competition.

The Government is contemplating signing an agreement with the United States which will require massive adjustments in this country. The Bank of Nova Scotia, an agency to which I presume the Government would listen, has listed some 17 to 20 different industries that will face massive relocation. The only response we have received so far from the Minister of Finance (Mr. Wilson) and others is that they will use existing programs to provide that adjustment. However, existing programs have been cut back by 30 per cent. The labour adjustment and training programs have been cut back by 30 percent. How will it be possible to deal with this new adjustment when the funds are being severely cut? It does not make sense. Furthermore, the existing programs are not trade sensitive.

We are still waiting with great anticipation for some kind of older worker adjustment program, the people affected most directly when an industry must shut down or change its technology as a consequence of trade or other matters.

The promise was made over a year ago and we are near the end of the legislative agenda, but nothing has happened. Simple amendments to this legislation would enable us to provide for labour adjustment for older workers affected by trade dislocation. I believe it is a prime opportunity for the Government to fulfil a promise that it made over a year ago because it could easily be done in this legislation.

The Economic Council study described in principle how it could be implemented. The fact that this legislation has those omissions only indicates to me that the Government has no intention of bringing in adjustment programs. It made a false promise to older workers and has no interest in providing any kind of federal government support.

This does not mean there will be no adjustment assistance, it will simply have to be picked up by the provinces or the private sector, adding costs to their budgets which have not been in any way provided for. The Minister of Finance may be able to keep his own financial books in order, but when we look at the national accounts of Canada we see that someone will have to pay for thousands of workers who will be affected.

It will certainly be our intention in dealing with this legislation to make the tribunal a far more contemporary instrument of dealing with trade sensitive adjustment programs than anything that is presently provided for by the Government. If the Government will not do it, someone will have to, and I only hope that members of the government caucus would be aware of their obligation in this respect and support those kinds of amendments that will have to be introduced.

Finally, let me point out that I also believe the trade law itself needs to be reformed. The reorganization of the tribunal is not good enough. The tribunal is only as good as the law it must implement and, as we have seen in the recent Hyundai case, our present anti-dumping rules are not sufficient to encompass the kind of new conditions we face whereby corporations are making different products in different countries with a market system that requires a different test for countervail or dumping. Again, it would seem to me that a corollary piece of legislation, if not included in this, must be a very major overhaul in rewriting of our trade law generally to catch up with modern contemporary circumstances.

• (1240)

Those are only some of the reasons that I think this is a deeply flawed piece of legislation. The Government has taken what should have been a good idea and failed very badly in its execution both because of what it omits and because of the very severe perversion of the Act in terms of trying to exterminate existing members of the tribunals we now have in a way that can only be interpreted as an appetite for the patronage machine of the Conservative Party.

Mr. Langdon: Madam Speaker, I have just one question that I would like to raise with my colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). I would like to refer specifically to the Textile and Clothing Board and the particular powers it has had in the past, powers which have given the board the capacity to initiate inquiries of its own which, in turn, gave the board the possibility, indeed, the duty, of making recommendations to go with its findings from inquiries.

I know the Member is a fellow member of several committees looking at trade matters, and of course a fellow member of the Standing Committee on External Affairs and International Trade. I would be interested in his explanation or analysis of why he feels the Government, in amalgamating the three institutions, has cut out those key functions which the Textile and Clothing Board in the past was quite successfully able to fulfil. What explanation would the Hon. Member offer of that, to me, very strange and very foolish move?

Mr. Axworthy: Madam Speaker, I did not address that specific part of the legislation, first, because I thought the Hon. Member himself had dealt with it so adequately and, second, because time was a constraint. However, I would want to offer my own sense of puzzlement as to why what was a useful and effective power is being stripped. I can only suggest two things; first, there is an increasing tendency on the part of the Government to strip down the arm's length relationship between itself and a number of agencies, to politicize, in effect, the kind of quasi-judicial system which has been used in this country for a long time.

As the Hon. Member knows, I spoke on the one area where it is stripping the members out, and I think it is again an attempt to try to control decisions, especially because of the Canada-U.S. Free Trade Agreement. I think the Government recognizes there are going to be a number of new areas of sensitivity growing up. It does not want someone else out there examining them in an independent way and reaching conclusions the Government may not like. I think it is quite a deliberate attempt to squelch and restrict the orbit of independent inquiry, examination or initiative because of the potential embarrassment of the Canada-U.S. Free Trade Agreement. I really believe that is reason number one.

Second, I also believe we are again seeing a tendency, one that disturbs me, to have our trade matters basically decided in the Department of External Affairs itself. I think my own Government takes some responsibility for this when it amalgamated the Department of Trade, the Department of External Affairs and others and made trade a kind of handmaiden to foreign policy, as opposed to trade as a direct outcome of domestic needs and the requirement of our own producers to go out and get markets. I think we have reversed the onus as to what our trade policy should be. As a result, we do not want these agencies doing things the Department of External Affairs does not want them to do. It is just part and parcel of the same area. Again, it may result in different sensitivities. We know there is an incredibly difficult balancing act going on in the textile area between the importation of low-cost products from Third World countries and the protection of our own domestic industry. I think that is an area that we as a country must come to grips with in a more effective way than we have.

Unfortunately, the way in which it could have been done more effectively, through the Textile and Clothing Board, will no longer be allowed. It will now be in the hands of a Minister to determine whether and how they are going to do it. So I think that restriction on those freedoms is really a consequence of a kind of political and bureaucratic agenda on how to deal with trade policy.

Mr. Jim Fulton (Skeena): Madam Speaker, I am pleased to participate in the debate today on Bill C-110, an Act to establish the Canadian International Trade Tribunal. We have heard some interesting and useful remarks this morning, as is often the case, only from the opposition Parties. It seems to me that even with the largest majority in Canadian history, government Members cannot seem to pull themselves together to speak on any legislation.

There are some fundamental questions one has to ask oneself when looking at a Bill such as this Act to establish the Canadian International Trade Tribunal and to amend or repeal other Acts in consequence thereof. I think we have to ask ourselves if it does cut red tape. How accessible will it be to those who would want to use it? Is it at arm's length? Is it likely to be independent? And does it have real power?

The question of the arm's length relationship is perhaps one on which we should focus first. The new tribunal will not have the power to initiate inquiries, nor can it make recommendations for remedial action. I think that is a fundamental test that any piece of legislation should be put to. Is it going to be at arm's length and can it do what the Government is trying to sell it as being able to do?

We can look under the clauses related to powers, duties and functions and find quite quickly that this has been designed in a certain way by the Government and by those who drafted this Bill. Clause 16 states that the duties and functions of the tribunal are to conduct inquiries, consider complaints, to hear, determine and deal with all appeals and exercise and perform such other duties or functions. One quickly sees that the Governor in Council, the Cabinet and the Minister have maintained control over the processes which might be launched under the new tribunal thoroughly and totally.

I think the points made by my friends, the Hon. Member for Essex Windsor (Mr. Langdon) and the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), make clear the question: if we are going to have a body, if we are going to amalgamate a number of other tribunals, reduce the number of members of that tribunal, obviously increase the work-load of a smaller number of individuals, are we actually providing powers? Are we actually making it independent so that a producer from wherever in Canada, whether from British Columbia, Prince Edward Island or Yellowknife, actually has access to a tribunal that is truly independent and can look at the real ramifications and causes of the complaint?

If we look at the first section under inquiries, inquiries into economic trade or commercial matters, we see it is strictly for the Governor in Council, so it is a political matter the Minister might bring to Cabinet, saying: "Here is something we should inquire into". Inquiries into tariff-related matters and inquiries into injuries are all very well laid out in terms of reference, tabling of reports, and so on. That is the political area. If there is some political heat coming from a collection of producers or from a number of regions or a number of provinces, the Minister in Cabinet can make a decision to send it on to the tribunal.

• (1250)

When we come to the clause on complaints by domestic producers, there is certainly a great deal of verbiage. There is Clause 22, Clause 23, and on and on it goes for pages about what a domestic producer would have to go through. There are 21-day time limits, 30-day time limits, reporting periods of 180 days and so on. When one moves on to Clauses 25, 26 and so on, one sees that they all lead once again right back to the Minister and the Cabinet.

A domestic producer might say, "Is that a little unusual in a piece of legislation?" It certainly is, if the Government is trying to sell this as cutting red tape, getting rid of three boards and making it one. It sounds great. It sounds like streamlining, government efficiency and cutting down on government debt, wastage and bureaucrats and so on. However, I have not even heard members of the Government trying to sell it as that.

When one looks at what type of real access domestic producers would have, one finds that it is likely to be stifled and snuffed out if any political waves might be made. Members who have already spoken have pointed out that in sensitive areas of obvious deficiency such as in the Mulroney-Reagan deal, areas in which our domestic producers will likely be harmed by certain things that will now be allowed under that agreement, should it be promulgated, they will not have the type of opportunity to be heard by an independent process. This is something that is fundamentally important and is provided by many other legislatures and parliaments around the world. In this way there is a truly independent arm's length operation.

All of the drafting of the Bill leads it back into the situation wherein it can be manipulated politically either by the Minister or by the Cabinet. In some cases it can be diverted off to the Deputy Minister of National Revenue for consideration under another Act, the Special Import Measures Act.

On the test of its independence it fails. On the test of its relevance, its accessibility and its timeliness for domestic producers, it fails, and it fails miserably.

I was always interested in listening to Conservative Members in opposition berate the Liberals when I was elected here in my second term in 1980 to 1984. They berated Liberals for bringing forward legislation without the accompanying regulations. They were always saying, "We are always expected to buy a pig in a poke". Now that the Conservatives are in government, they are even worse than the Liberals were in continually promulgating legislation before the House. The Government has been in office for four years. Surely, the regulations associated with this particular Bill could have been provided to Members of the House so that we could make a realistic evaluation of the legislation.

Let us look at Clause 40 of the Bill, which is now becoming standard Tory fare. They print a few pages with a few general themes but they never put the regulations in place. For example, even on definitions with respect to what is a domestic producer the Governor in Council has yet to make a regulation. This clause is worth reading into the record because it reveals that the Conservatives are once again bringing in a true pig in the poke before the House and asking it to be passed in its entirety. It states:

> The Governor in Council may make regulations.
>
> (a) respecting the matters to be addressed or examined by the Tribunal in an inquiry—

That means that we do not even know what matters may be addressed or examined by the tribunal. We have a general idea. It will be almost impossible for a domestic producer to get anywhere unless the Minister is on side and the Cabinet is on side. If there are any political problems associated with having evidence heard before the tribunal then it will be squashed by the Minister or by Cabinet before the producer even has a hearing. We now find that the definitions are not even provided to us. We read:

> (b) defining the expressions "domestic producer", "domestic production" and "like or directly competitive goods" for the purposes of this Act—

Those definitions are yet to be made by the Governor in Council. They will be promulgated after the Act is dealt with by Parliament. Once again, this is a truly undemocratic way of dealing with legislation. It reads:

> (c) defining the expression "other interested party" for the purposes of section 25, 26, 28, 29 or 30—

This is where domestic producers are in the midst of their process of identifying the problem that they have and trying to get themselves before the tribunal. We find that even in terms of defining other interested parties it has not been defined. For example, let us say that there is a domestic producer of a commodity in British Columbia who feels that there are other interested parties, perhaps someone who produces part of that commodity from, say, Calgary, Regina, Montreal or St. John's, Newfoundland, and wants to bring them in as an interested party because of the impact that certain imports might have on them. That is not being made available to them. I see the Minister of Transport (Mr. Bouchard) nodding in agreement. Once again, we have a pig in a poke before the House.

One could drive a Kenworth truck through Clause 40 as a result of this type of loophole. It reads:

> (d) prescribing any matter or thing that under this Act may or is to be prescribed—

The real *coup de grâce* of the Bill, a test that any Member of Parliament must put a piece of legislation to, is the following which states:

> (e) generally, for carrying out the purposes and provisions of this Act.

There is the big Kenworth. It allows the Government to turn this Bill, this paper tiger as it is presently written, into anything the Government should so desire.

Let us take a look at what the Government claims Bill C-110 does. It claims that it amalgamates three existing agencies: the Canadian Import Tribunal, known as CIT; the Tariff Board, known as TB; and the Textile and Clothing Board, the TCB. There is no doubt that it does that. It wipes out their legislative foundation and will turn them all into the Canadian International Trade Tribunal.

The duties and functions of the new tribunal are to inquire and report on economic trade or commercial matters as requested by the Government. Let us make sure that everyone in the country understands. This is not an independent tribunal where domestic producers, friends of the Minister of Transport, might have an opportunity to come to have a hearing before the board.

Mr. Bouchard: You are not very convincing.

Mr. Fulton: The Minister of Transport says that I am very convincing. I am sure he will go back to Cabinet and make sure that this Bill is rewritten.

The Bill is to require a report to the Minister of Finance (Mr. Wilson) and, as I referred to earlier, to refer some matters to National Revenue, including Canada's international rights and obligations. The terms and reference for both are then set by the Government.

In addition to its research functions, and this is where there is a problem, the tribunal cannot independently initiate its own inquiries into matters. They can only really come from the Minister or Cabinet. It is true that domestic producers can try to wind their way through, but before they ever actually complete the process it has to have the stamp of approval of the Minister or Cabinet. So how likely is it that that will happen in the case of a sensitive trade matter when we find out that the Minister for International Trade and Mr. Reisman bungled? Let us say that they forgot something and there is a little area there. The Government can say that this is embarrassing and that people will know there are a great many termite holes in this agreement. It will keep it to the side, whether it is a horticultural matter, a domestically produced commodity or whatever.

That reminds me, back in 1975 the then Liberal Government lifted the tariff and non-tariff barriers on Canadian household appliances. I refer to pop-up toasters, fridges, stoves, dishwashers and all that kind of thing. At that time we produced 90 per cent of our home appliances. They were purchased in Canada and made in Canada in Vancouver, Edmonton and various other centres across the country such as Toronto, Montreal and so on. After 10 years of having that tariff and non-tariff barrier removed, which was about a 4 per cent barrier to incoming products, there has been a complete reversal. Some 90 per cent of home appliances purchased in Canada are made in the United States.

We must ask ourselves this. Would this legislation meet the test of Canadian home appliance producers if we found ourselves in the situation of 1975 today in terms of that level of production? Would they be able to wind their way through, if they were having unfair dumping and unfair practices from another country, the United States or anywhere else? Would this type of tribunal provide timely, easily accessible and independent hearings and inquiries? The answer is no. I say that because it has been clutched so tightly politically to the body politic in this case to the Conservative Government, that it fails on all those really key tests. It is unlikely to be either accessible or useful to domestic producers.

I see that it is one o'clock. I will resume my comments later in the day.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order. It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

THE ECONOMY

SITUATION OF PERSONS LIVING BELOW POVERTY LINE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, in spite of the economic recovery in our country, Statistics Canada confirms that the percentage of Canadians living below the poverty line has increased.

These statistics are upsetting and support our statements to the effect that only couples where both spouses work outside the home have been able to maintain their standard of living, compared to couples living on one salary, who have seen their income drop by 4 per cent.

The situation of young couples has deteriorated to such an extent that their children—our children, Mr. Speaker—are living in poverty. One out of five children in Canada is poor.

[*English*]

Young people, women, and children are living in poverty, and the Prime Minister (Mr. Mulroney) has missed many opportunities to ensure a guaranteed annual income by reforming the welfare system. Nor has child care been discussed in the broader context of the poverty of Canada's young families.

These women and children wonder, in view of the fact that the poor of our country are unlikely to be adequately heard, insofar as welfare and child care are concerned what reforms does the Government have to offer which will be specifically targeted to the young people and the women and children of our society?

[*Translation*]

What has the Conservative Government done and what does it plan to do to change this unfair situation and to give families and children in this country the right to live in equality and justice?

[*English*]

THE CONSTITUTION

INCLUSION OF PROPERTY RIGHTS URGED

Mr. Gordon Taylor (Bow River): Mr. Speaker, the right to own property, singly, jointly, or in a group, is one of the strengths of democracy. This right distinguishes a democratic country from all brands of totalitarianism and socialism that believe in the state owning all land.

Thousands of Canadians who came from other countries came to Canada because of their desire to own land, their own home, their own farm. The right to own property is part of the Canadian heritage. Why is this fundamental right not included in the Canadian Charter of Rights?

In 1981, because of the efforts of the PC Members, it was in the Charter for 48 hours, but during the weekend the Liberals caved in to the demands of the NDP and took it out, to their everlasting shame.

The Canadian Real Estate Association, the Canadian Bar, and the Canadian Chamber of Commerce all, along with most Canadians, want the right to own property enshrined in the Constitution. So let's put it in!

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HISTORIC EVENTS

ISRAEL—ANNIVERSARY OF STATEHOOD

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, today is the fortieth anniversary of the creation of the State of Israel, a nation based on religion and democracy. Created out of the chaos of World War II, it was a deliberate attempt by the United Nations to a find a homeland for a displaced people. Then, as now, the desire for peace and security from violence demanded tolerance, understanding, and good will.

We offer our congratulations today to Israel, believing that Israel and its neighbours will some day find that elusive solution to their problems by applying their genius, tolerance, and imagination. Then all peoples of the area will be able to celebrate peace.

It is all too easy for Canadians with our vast, thinly populated spaces to have difficulty understanding the problems of a part of the world heavily populated with many nationalities. However, today Canadians wish to congratulate Israel and offer our best wishes for peace and happiness.

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[*Translation*]

THE LATE JEAN GASCON

Hon. Andrée Champagne (Saint-Hyacinthe—Bagot): Mr. Speaker, I first wish to thank you and Hon. Members from all three parties who defied custom and let me speak.

Today, the arts community is in mourning. Canada has lost a man of the theatre whose talent, versatility, devotion and leadership marked an era and will continue to have an impact on the whole Canadian arts community.

[*English*]

As Jean Gascon was preparing yet another production at the Stratford Festival, sadly the curtain fell and Canada's artistic community is in mourning.

[*Translation*]

From the *Compagnons de Saint-Laurent* to the *Théâtre du Nouveau-Monde*, from the National Arts Centre to the Stratford Festival and the National Theatre School, artists and craftspeople have been enriched by their contacts with Jean Gascon.

To his wife, children and whole family, we extend our deepest sympathy.

Companions in good times and bad, disciples, students, patrons, and all of us in the general public will never let the flame he passed on to us die. Jean Gascon was a great artist and like all great artists, by making us laugh or cry, he made us better.

Thank you, Jean!

* * *

[*English*]

GOVERNMENT APPOINTMENTS

PRIME MINISTER'S ADDRESS TO NEWSPAPER PUBLISHERS' ASSOCIATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the crown prince of Canadian comedy appeared yesterday as the invited guest of the Canadian newspaper publishers. "I don't get no respect" said the Prime Minister (Mr. Mulroney). The media ignore the great appointments the Prime Minister has made. Let us review some of those great appointments.

For instance, we could talk about Jean Sirois. We could talk about the kissing cousins of Pierre Hardy and the Hon. Member for Joliette (Mr. La Salle). We could talk about Gayle Christie, the Duchess of York. We could talk about Peter Clark. We could talk about Marcia Clark, the wife of Peter Clark. We could talk about the Minister of International Trade's (Mr. Crosbie) two sons. Remember them? They used to do some legal work. We could talk about Lawrence Hannigan, defeated Conservative candidate in the riding of Laval-des-Rapides. How about Jocelyne Ouellette? How about the present Secretary of State?

If you allowed me two hours, Mr. Speaker, I could continue giving you a full list of all those very good and excellent patronage appointments that the Prime Minister talked about. In my opinion the Prime Minister's appointments were a fraud, a deceit, and a sham. He had the option to say no to those old Tory ways, but he did not.

• (1405)

As the Prime Minister put it, "There will be jobs for Liberals and NDPs too once I have been Prime Minister for 15 years and I cannot find a living, breathing Tory left in the country". He also said, "I was talking to Tories then and that is what they wanted to hear. Talking to Canadians at election time is something else". Those are all quotes that he will remember.

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[*Translation*]

VOLUNTARY ORGANIZATIONS

NATIONAL VOLUNTEER WEEK

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, during National Volunteer Week, I would like to pay tribute to all those Canadians who give so generously of their time for the benefit of their fellow citizens and their country. Across Canada this week, people are praising the invaluable contribution made by volunteers to the quality of our lives here in Canada. Their unselfishness has made us more compassionate and has made our cities and towns a good place to live.

Volunteer work is done in practically every sector of our society, including health care and social services, recreation, the arts, the environment and community development. Many volunteers are active in social work, making Canadians aware of the injustice and disparities present in our society.

Volunteer work is so much a part of our lives in this country that we often take it for granted. However, it deserves to be mentioned as one of the social forces that sustain our communities and as a source of national pride. Only through public recognition of the essential role played by volunteers in Canada can volunteer work continue to expand. Without their efforts, Mr. Speaker, the country would lose one of its fundamental characteristics: the spirit of solidarity and mutual assistance.

[*English*]

FISHERIES

NECHAKO HYDRO AGREEMENT—ALCAN'S REFUSAL TO APPEAR BEFORE PARLIAMENTARY COMMITTEE

Mr. Jim Fulton (Skeena): Mr. Speaker, Alcan refused to appear before the Standing Committee on Fisheries and Oceans this week to answer questions about the Nechako hydro agreement signed last fall and has now been ordered to do so by all Parties represented on the committee. The agreement puts at risk 53 per cent of the sockeye habitat of the entire Fraser River system, will lower the natural flows of the Nechako to as little as 6 per cent of its volume, and will lower the Fraser River itself by three feet at some times of the year.

Alcan has been placed above the law and above Parliament through this agreement with the Minister of Fisheries (Mr. Siddon), insulated from public inquiry and scrutiny. It is unprecedented in Canada for a Cabinet or a Parliament to concede such constitutional powers to a private corporation. Rather than defend the rights of Parliament to set water flows necessary to protect fish, the Minister chose to impose an adverse water flow regime upon a common property resource for the private benefit of Alcan, not the public.

In British Columbia a province-wide coalition has taken this matter to the Federal Court, having filed just last week, and plans to fight all the way to the Supreme Court of Canada for justice and for Canada.

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PROVINCIAL AFFAIRS

ONTARIO BUDGET

Mr. Bob Pennock (Etobicoke North):

Fear not, children of Canada, for Robin Hood is still alive and well.

He wears not a cloak of green but a tie of red.

He lives not in Sherwood Forest, but at Queen's Park.

He leads not merry men, but a pack of thieves.

They rob, not from the rich but from everyone in Ontario.

They give not to the poor, but squander, squander, squander.

His name is not Robin, but Peterson, and his band calls itself Liberals.

Yesterday the people of Ontario again saw the effects of electing a Liberal Government which is irresponsible in its fiscal outlook and learned everything it knows from its federal Liberal cousins.

A Conservative Government in Ottawa is now attempting to correct the Grit years of mismanagement of Canada. The people of Ontario will not soon forget how they were hoodwinked by Peterson and his band of merry spenders.

HISTORIC EVENTS

ISRAEL—ANNIVERSARY OF STATEHOOD

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I rise on behalf of many other Members of the House to pay tribute, on the 40th anniversary of the creation of the State of Israel, to a remarkable country and a remarkable group of people who, over that 40 years, made great achievements in establishing a democratic system of government in the Middle East and in undertaking a number of important initiatives in science, technology, education, culture, and economics.

I think that Canadians have always felt a strong affinity for Israel, and throughout the years have clearly established our support for the existence of the State of Israel and its future. We all recognize that Israel is now going through a serious time of trouble and turbulence. I think all Members of the House reach out to that country and its neighbours in the hope their future will be far less troublesome than it is at present.

• (1410)

On behalf of my caucus and, I hope, other Members, I say congratulations to Israel on its 40th anniversary, and we look forward to another 40 years and more. To quote the *Talmud*, which I think represents the spirit of Israel,"if we can save one life, we save the whole world". I think that should be the standard we apply to the State of Israel and the situation it is now facing in its time of trouble.

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HISTORIC EVENTS

ISRAEL—ANNIVERSARY OF STATEHOOD

Hon. John W. Bosley (Don Valley West): Mr. Speaker, most of us have experienced a 40th birthday. We know, Sir, that whether that event is traumatic or positive, it is a time when one takes stock of what one has achieved and what one hopes to achieve. Today is of course a very special birthday, for today Israel is indeed 40 years old, only 40 years old.

Whatever one thinks of Israel's policies, and one does not have to agree with all of them, no one can visit Israel without being utterly staggered by what she has achieved in such a short time. From desert to orange groves, her industrial, cultural, social and economic achievements have been miraculous. No other country in the world has achieved so much in 40 years. To have done all that in what has been far too often a war zone is only that much more impressive.

Israel is younger than most of us. Her people deserve even more our congratulations and the sure knowledge that we continue to support their right to exist within secure borders. Perhaps we could paraphrase an old saying which is appropriate to this day and say let us pray, Sir, that "peace begins at 40".

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NATIONAL DEFENCE

NUCLEAR POWERED SUBMARINES—COSTS OF ACQUISITION

Mr. Derek Blackburn (Brant): Mr. Speaker, the Government's expensive scheme to buy nuclear submarines is dying the death of a thousand cuts. Expert after expert around the world is questioning the cost and the very reason for this program.

Jane's, perhaps the most respected voice on defence matters in the world, has just published the latest condemnation in a book by Anthony Cordesman who says "the true cost would be at least twelve billion." He warns that the horrendous cost of nuclear submarines "would mortgage Canadian defence investment funds for a generation." Mr. Cordesman is not alone.

Last week, Frank Gaffney from the Hudson Institute pointed out that the Government has not told Canadians about the total cost of operating and maintaining nuclear submarines. In fact, he even called them "obsolete death traps".

The chorus of experts condemning the nuclear submarine program is getting louder and louder. The question is: will the cold warriors in the Government listen?

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FORESTRY

CANFOR CORPORATION—DISCOVERY OF COMPOUND TO REPLACE CHEMICAL SPRAYS

Mrs. Mary Collins (Capilano): Mr. Speaker, it is always a pleasure to bring to the attention of the House news of important discoveries made in British Columbia. Recently, Canfor Corporation of Vancouver announced a major breakthrough in the search for an environmentally safe spray to protect lumber from mold and fungi during shipment and storage. After two years of research and testing, Canfor has perfected an inorganic compound which is both safe and effective, so that potential harmful chemical sprays will no longer have to be used.

It is expected that lumber producers from around the world will want to use this product for the safety of their employees and customers.

In these days of increased focus on environmental and health issues, I am sure all Members of the House will want to join me in congratulating Dr. Suezone Chow, the creator of this important new product. Discoveries like this prove that British Columbia is a world leader when it comes to innovation and producing firsts in the forest industry.

* * *

[*Translation*]

BRIDGES

OPPORTUNITY TO END TOLLS ON CHAMPLAIN BRIDGE

Hon. Jean Lapierre (Shefford): Mr. Speaker, since 1984, I have taken every opportunity to mention the dissatisfaction of 40 million drivers who cross the Champlain Bridge each year with a situation that also discriminates against residents of the South Shore.

Mr. Speaker, in August 1984, the Conservative Party promised to abolish the toll on the Champlain Bridge. Many ministers later, ministers of state (Transport) as well as senior ministers, this problem has yet to be solved. Now that the present Minister, formerly Minister of State, has the portfolio and, I hope, the power, we will finally be able to deal with the case of the toll on the Champlain Bridge that wastes hundreds of hours of work and hundreds of dollars worth of energy, and in the final instance yields very little to the Government of Canada.

Mr. Speaker, I know the Government of Canada will have no choice but to end this discrimination. Why not do it now, because the people of the Eastern Townships and the South Shore should be able to go where they want without paying more than anyone else, and especially without wasting the amount of time they do now on the Champlain Bridge. Once again, I would urge the Government to meet the commitment it made in 1984, while there is still time!

* * *

POLITICAL PARTIES

THEME FOR NEXT FEDERAL ELECTION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the next election will be like the fable of the ant and the cricket. On one side we have the crickets who dance and sing and have fun in other people's gardens, who borrow and spend other people's money, like the Socialists and their allies in the next election, the Liberals.

On the other side, we have the ants who are industrious, thrifty and concerned about the present and the future, and they are the Conservatives.

The Socialist Party has already persuaded the unions to raise their dues to pay for the election campaign. Just think what it would cost the individual Canadian if a Liberal-Socialist coalition came to power!

* * *

• (1415)

[*English*]

GOVERNMENT APPOINTMENTS

PRIME MINISTER'S ADDRESS TO NEWSPAPER PUBLISHERS' ASSOCIATION

Mr. John Nunziata (York South—Weston): Mr. Speaker, of all the nerve. Yesterday the Prime Minister (Mr. Mulroney) tried to defend the indefensible. The king of patronage was trying to defend the Conservative record of patronage.

In the last election campaign, in his thirst for power, the Prime Minister was prepared to make any promise in order to secure political power. He promised the people of Canada that he would change the patronage system in Canada. Yesterday the Prime Minister said:

> Patronage appointments have been part of the Canadian political system since Confederation.

That is not what he told the people of Canada three and a half years ago. He hoodwinked the people of Canada. He tricked the people of Canada into believing that he would change things.

Once he came to power he proceeded to appoint every Tory hack, flack, and bagperson from one end of the country to the other. If you went to school with the Prime Minister, whether high school or university, you would get a political appointment.

The Prime Minister ought to be ashamed for hoodwinking the people of Canada three and a half years ago. They were fooled once, but they will not be fooled again.

ORAL QUESTION PERIOD

[*English*]

FISHERIES

CANADA-FRANCE DISPUTE—STATE OF RELATIONS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to ask a question of the Secretary of State for External Affairs. We understand that he has been doing his best to downplay as much as possible the diplomatic storm between Canada and France.

Last Monday, in answer to a question in this House he went as far as to say, and I want to quote him precisely, that the negotiations on fisheries "have been continuing in an atmosphere of quite remarkable calm".

Since then I have been wondering where the Minister has been and who gave him the advice to stick his head in the sand.

Why have the Secretary of State for External Affairs and the Government allowed our relationship with France to deteriorate to such a level that France has withdrawn her Ambassador, and our own outgoing Ambassador and yet unelected Secretary of State had this to say:

> It is serious. If we don't take care it could be very serious.
>
> It is not a sport. We cannot go on like this—escalation must stop somewhere.

Perhaps the Secretary of State for External Affairs can try to square that with what he calls "calm negotiations".

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I was not sure that that question would end in time to allow me to answer in this Question Period.

I am happy to report to the House that the two negotiators in the fishery dispute, which is at the base of all of this, have been meeting today in Paris. They have had a very constructive and cordial meeting. They will be meeting again tonight and, if necessary, again tomorrow. As we have throughout the piece, if there are matters to report to the House, we will report them.

[*Translation*]

RELATIONS BETWEEN FRANCE AND CANADA—MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the negotiators are meeting, but the atmosphere must be a stormy one.

Tuesday evening we were able to measure the extent to which relations between our two countries had cooled off when ex-Ambassador Bouchard gave a reception and none of the French ministers showed up. Canadians must have concluded that their ex-Ambassador's last tango in Paris was a solo affair.

I want to ask the Secretary of State for External Affairs what he intends to do to improve or rather to salvage relations between France and Canada before they deteriorate even further.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can only repeat what I said in English: The two negotiators have been meeting in a cordial atmosphere. It was a positive meeting. There will be another meeting this evening, and I intend to inform the House of any new developments with respect to meetings between my colleague, the Secretary of State, and the French Minister of Foreign Affairs and the French President this week, as the Hon. Member knows perfectly well.

• (1420)

UNFOLDING OF CRISIS—QUERY CONCERNING NEGOTIATIONS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the unelected Secretary of State seems to know no more about negotiations between the French and Canadian negotiators than the Secretary of State for External Affaires. He was quoted as saying: "Our two countries have certain plans and they will try to carry out those plans and explore what might be a new avenue for negotiations".

I would like to ask the Minister what this new avenue is. What is its central theme? And when can Canadians expect to see this crisis resolved?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I notice the Hon. Member referred to an unelected Minister. If I am not mistaken, he himself had a Leader, a Prime Minister who was not elected . . .

I want to make it clear to the Hon. Member that we had discussions today in Paris through our two negotiators. As we indicated in the House, discussions centred on finding a way to deal with the basic issue through negotiation.

* * *

THE CABINET

ETHICS

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Prime Minister and in fact concerns the unelected Secretary of State.

Since the Prime Minister said in front of Rideau Hall that the Secretary of State would be responsible for ethics, how can the Prime Minister justify the fact that in order to find a riding for the Minister, the Prime Minister's Office offered the Hon. Member for Chicoutimi a job with an annual salary of $75,000 for ten years, in other words three-quarters of a million dollars to buy the Minister a riding; that, according to rumours, a judgeship is being offered to the Hon. Member for Verchères; and that the Hon. Member for Langelier has put his seat on the auction block to get the Prime Minister's attention and maybe get a job as well? Is this the new ethics the Secretary of State wants to bring to Canada: Get in throught the backdoor of patronage?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, at the beginning of his question, the Hon. Member mentioned that the Prime Minister announced in front of Rideau Hall that the Secretary of State would be responsible for ethics. That is the first falsehood in his statement.

He starts his statement with a falsehood and finishes it with a falsehood. This has become his trade mark in this House. As a lawyer who is supposed to believe in the presumption of innocence, he is not enhancing his image. His behaviour has consistently been unworthy of this House and he is becoming a disgrace to the Parliament of Canada.

Oral Questions

PRIME MINISTER'S POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, I have the feeling that I have hit on a sore subject with the Prime Minister.

[*English*]

Yesterday the Prime Minister was trying to say that there was no problem with his patronage appointments while at the same time his office is conducting a sleaze-bag operation to find a seat for the future Secretary of State.

Some Hon. Members: Order.

Mr. Speaker: I would ask the Hon. Member to restrain his language. I point out that historically this is not the first time that this particular way of bringing someone into the House of Commons has taken place. It has happened with both of the principal Parties in the history of our country.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I ask the Prime Minister: Is this the new morality, using the taxpayers' money to find a seat for his friend from Paris?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if I am not mistaken, he himself was co-chairman of the election campaign for someone who was not elected, Mr. Turner, who did not seek to become just a Member of Parliament or a Minister, but Prime Minister. You supported Mr. Turner's election as Prime Minister while he was still unelected. Prime Minister of Canada! he sat as Prime Minister without being elected. He was even Prime Minister and director of some Canadian corporations.

Now he is getting offended—you yourself had an unelected leader who, while he was Prime Minister of Canada, sat on the boards of the largest Canadian corporations. You are joking. You are misleading the House and that is why you are not taken seriously in Quebec.

* * *

• (1425)

[*English*]

SPACE DEVELOPMENT

CANADIAN PARTICIPATION IN SPACE PLATFORM PROJECT

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, my question is directed to the Prime Minister in lieu of the Minister of State for Science and Technology who was here a moment ago. It concerns the announcement to be made today that Canada has agreed to participate with the United States and others in the space platform. The Prime Minister will know that the cost has escalated from $800 million to $1.2 billion and there is quite a bit of concern that this increase in cost will be at the expense of other scientific endeavours in the country. I have two preliminary questions.

Some Hon. Members: Oh, Oh!

Mr. Crosbie: Get to the point.

Mr. McCurdy: First, is there any provision in connection with this agreement to ensure that the cost will not go beyond $1.2 billion now estimated? And where will the extra $400 million over and above the original estimate come from?

Mr. Crosbie: From space.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, both the Minister of Industry, Science and Technology and the Minister of State for Science and Technology are in the process of making this announcement. I think it is an announcement that all Canadians will welcome very much. It is a very positive announcement that will provide leading research and technical capability in the field of space for Canadians for future generations. I would hope the Hon. Member would applaud this initiative.

COST OF SPACE PROGRAM

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, there is going to be an awful lot of Canadian money in orbit and Canadians want to know where that money is going to come from. It was a Cabinet decision to participate. My question is directed to the Prime Minister who promised there would be an additional $1.3 billion spent for fundamental research principally in the universities. I would like the Prime Minister's assurance now that the additional money for the space program will not come from that $1.3 billion, and some indication of where in fact the additional money for the space program is going to come from.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker—

Mr. Blackburn (Brant): Nuclear subs.

Mr. de Jong: Are they going to send them into space, too?

An Hon. Member: They are already in a black hole over there.

Mr. Blackburn (Brant): Will you go?

Mr. Hnatyshyn: A bunch of Gary Doers over there.

Mr. Mulroney: Well, there is the answer.

Mr. McCurdy: Well, it is clear, Mr. Speaker, that space has caused the entire caucus opposite to become spaced out, including the Prime Minister. We are not getting anything near a considered answer.

RESEARCH UNDERTAKEN IN UNIVERSITIES

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I will repeat my question for the Prime Minister who made the promise. Is this to be another broken promise? Is the Prime Minister going to provide the $1.3 billion for the purposes for which he promised, or are we going to sneak some money away from the universities again for a project that, while everyone agrees is necessary, is in danger of affecting the entire Canadian scientific program?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I tried to answer my hon. friend a few seconds ago but I was prevented from doing so. I am happy to try again. We made the commitment in January at the National Conference on Science, Technology and Innovation in Toronto. Since that time I have had meetings with the Association of Canadian University Presidents. On Monday I chaired again a meeting of the National Advisory Board on Science and Technology.

This large increase of investment in science and technology will go the education route, in substantial measure. It will, with the blessing of the universities, go for the Canada Science Scholarships, which are a unique and important improvement in this area. There is a series of initiatives.

I should tell my hon. friend because this will please him, I think, that I met last Thursday at the University of Saskatchewan with leaders of the university research communities, the small and medium businessmen who interlock in the research and development field, all of whom expressed great satisfaction with the major commitment of the Government in the area of science and technology, plus the fact that much of this money is going to increase research at the universities. I know my hon. friend will want to applaud that initiative.

* * *

• (1430)

UNEMPLOYMENT INSURANCE

LAY-OFFS AT MANITOBA CANADA PACKERS PLANT—NON-PAYMENT OF BENEFITS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, in the absence of the Minister of Employment and Immigration I address my question to the Prime Minister.

On March 28 I addressed a very serious problem to the then Minister of Employment and Immigration concerning the lay-off of 350 workers at the Canada Packers plant, and the fact that unemployment insurance was given to the salaried workers but denied to the workers who were being paid on an hourly basis or who belonged to the union. At that time the Minister said that the Government would take immediate action. It is now close to four weeks ago and absolutely no action has been taken.

Will the Prime Minister instruct his new Minister of Employment and Immigration to address immediately the serious inequity faced by those laid off workers at the Canada Packers plant, and ask for immediate redress so that they receive the same treatment as those who received salaries?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend raises a very important problem in regard to the employees at Canada Packers. I regret the absence of the Minister of Employment and Immigration from the House today. I will be in touch with her immediately to go through the matter raised by my hon. friend. I will report back to the House just as quickly as possible.

SITUATION OF OLDER WORKERS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I appreciate the Prime Minister's response. We will look forward within the next 24 to 36 hours for the action that he promises.

Along with the workers who are facing that inequity there are a number of older workers who are not being given any form of retirement benefits, even though the Government promised a similar type of program over a year ago. Has the Government now decided on a program for older workers? In particular, will that program be retroactive so that workers such as those at the Canada Packers plant who need early retirement benefits will be able to receive them because of the vacuum caused by the lack of government action in this very crucial area?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, I would like to inform my hon. colleague that, assuming that the old program which was instituted by the former Government was still in place, those workers would not be indemnified by that particular program since it dealt with only four particular sectors, not including Canada Packers.

As announced in the 1986 Budget the POWA initiative is being negotiated now. As a matter of fact, there are negotiations ongoing right now with the Province of Manitoba.

Some Hon. Members: Hear, hear!

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—FINANCIAL INSTITUTION'S REFUSAL TO RENEW LOANS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is for the Right Hon. Prime Minister who will be sad to learn that the first victim of the trade deal has been identified. It is the Somer family of Kelowna, British Columbia, who a few days ago received from the financial institution with which they have been doing business for many, many years a letter that includes the following quote:

> If the Free Trade Agreement with the USA is implemented the grape industry in the Okanagan will be devastated. This is particularly unfortunate for your family—we have a responsibility to minimize risk in all loans we make.
>
> With this in mind, we are unable to renew your loans—

That letter is signed by the Branch Manager of one of the financial institutions in the Okanagan Valley.

Mr. Hnatyshyn: Name the institution.

Mr. Riis: Since the Prime Minister identified that there would be compensation packages for those who are hurt by the deal, and considering that this family will now be wiped out before the deal is actually in place, will the Prime Minister explain just what the compensation package will be and when the actual details will be made known?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's question. I have some fair and considerable degree of understanding and sympathy for the particular individual. The Hon. Member should take satisfaction in the fact that I convened a meeting with provincial representatives and a cross-section of the total industry, including producers, the wineries and so on, as early as December 4. Task forces both in B.C. and Ontario have held meetings at least every other week. They have presented me with their reports. We are having a detailed look at them. We should be in a position very shortly to make some recommendations to the Government.

REQUEST FOR COMPENSATION PACKAGE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the Prime Minister visited the interior of British Columbia last week. He will be interested to know that the individual involved in this case has indicated in a letter that his parents and himself will be losing their homes. His parents will be losing their retirement funds, and he will lose his job. He will lose his business, as well as his property. The employees that he employs will be laid off. In other words, he is going to lose everything that he and his family have worked for over many, many years in building up their vineyard in the Okanagan Valley.

I appreciate the Minister of Agriculture indicated that he is studying the matter and that he has received reports. This person's life is now about to come to an end in terms of providing for his family.

Can the Prime Minister be specific and indicate precisely when families such as the Somer family in the Okanagan Valley—and I am sure there are many others in the Okanagan Valley and other parts of Canada—will receive a specific compensation package as the Prime Minister promised?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is quite right. I had the pleasure of spending time in British Columbia on Friday. In fact, I was in Kamloops where I passed on his warm regards to the voters.

Mr. Hnatyshyn: They never see him there.

Mr. Mulroney: They do not see him very often, Mr. Speaker.

My hon. friend raises a very serious matter. Unemployment is high in Kamloops, unacceptably high. When this Party was sworn in as a Government, unemployment in British Columbia was 15 per cent. We brought it down to 10 per cent province-wide, a decrease of one-third in three years. I think that is pretty good going. However, unemployment remains unacceptably high in Kamloops itself.

I had some excellent meetings with the Mayor of Kamloops and with other individuals. We agreed to examine proposals put forward to increase employment in Kamloops.

Mr. Riis: This guy wants to keep his farm. He does not want a job, he has a job.

Mr. Mulroney: My hon. friend raises the loss and the sadness in a given family, and I regret that a great deal. I will examine carefully the point that he raised.

I am really quite astonished by the letter from that financial institution. I would like to take a good look at it.

With regard to the dislocation, there is a committee established under the leadership of Jean de Grandpré which will be advising Parliament in regard to all new measures that should be taken. I ask my hon. friend to remember this. If there is dislocation in this particular family, and I regret it, he should also know that the Economic Council of Canada last week released a report which predicted 250,000 new jobs in Canada—

Some Hon. Members: Hear, hear!

Mr. Riis: This guy has lost his farm as of today.

* * *

HOUSE OF COMMONS

PRESENCE IN THE GALLERY OF UNITED STATES SECRETARY OF THE TREASURY

Mr. Speaker: I wish to draw to the attention of Hon. Members the presence in the gallery of the Hon. James A. Baker, United States Secretary of the Treasury.

Some Hon. Members: Hear, hear!

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—SITUATION OF OKANAGAN FAMILY

Hon. Herb Gray (Windsor West): Mr. Speaker, the Government announced its trade deal with the United States last October.

Some Hon. Members: Hear, hear!

Mr. Gray (Windsor West): Why after so many months is the Prime Minister unable to say in this House today exactly what it is going to do for the Somer family which will clearly lose its farm, its livelihood, and its well-being because of the Government's trade deal? After all the time he has had why can the Prime Minister not give a clear, definite, helpful, and meaningful answer today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend knows full well that with respect to an individual case having been raised I am incapable of responding directly to how that might take place in six months or a year. It is an individual case, and I will work with the Hon. Member for Kamloops—Shuswap in regard to that individual case.

If the Hon. Member wants to deal with substantial issues, he should look at the one million new jobs that have been created and the 250,000 new ones that will be created under the free trade deal, including the 30,000 new jobs that will be created in British Columbia alone over and above the important job-creation statistics that are ongoing in Canada. He should be pleased and celebrating that great fact here in Canada.

• (1440)

ECONOMIC COUNCIL'S REPORT

Hon. Herb Gray (Windsor West): Mr. Speaker, the Economic Council Report that he cited in his earlier response suggested that there would be far fewer jobs than the number he suggested, and I suggest that will continue.

That same report said that there had to be an adjustment program now to help those it admitted would be hurt by the Government's free trade deal.

Why has the Government failed to act on the advice of the very body it cites in support of its program? What is the use of talking about new jobs when it cannot point to the new jobs that it is going to give to even one family that will be hurt by the Government's trade deal?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the very report that the hon. gentleman refers to was very positive and very supportive of the free trade agreement.

I am sure all Members in the House will be delighted today to see that Ontario Hydro in its assessment of the deal states: "free trade will be a boon to at least the six largest electricity consuming industries in the province", and "the proposed pact will add a further 3 per cent to gross provincial product" in Ontario "over the next decade".

That is a very positive assessment by Ontario Hydro right in the central province of Canada. Why does the hon. gentleman not open his eyes, and not just concentrate on the negative? The positives far outweigh the negative effects of this arrangement.

* * *

TAX REFORM

ONTARIO BUDGET—TAX INCREASES

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is addressed to the Minister of Finance. I am sure the Minister is aware that yesterday the Government of Ontario raised provincial sales and personal income taxes. This follows a disturbing trend set by Saskatchewan, New Brunswick, and Prince Edward Island. All of these provincial Governments have, in the last few months, increased the sales and personal taxes of Canadians. Obviously, the Minister has failed to obtain consensus and co-operation from the provinces in regard to tax reform.

My question to the Minister is the following. Why did the Minister fail to anticipate this provincial tax grab, and why did he not secure provincial co-operation when he introduced tax reform?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not think it will come as any surprise to the Hon. Member if I say that I am quite disappointed in the actions of the Ontario Government in its Budget yesterday. I think that this goes contrary to the direction that we have set out in tax reform where we are trying to get tax rates down for Canadians right across the board. This runs counter to that.

Mr. Blackburn (Brant): That's why it's not going to work.

Mr. Wilson (Etobicoke Centre): If the Hon. Member wishes to look behind the reasons for this, he will find that the reason for the tax increase is the very high level of government spending in the Province of Ontario. It has been running at 9.5 per cent for four years now.

I should remind the Hon. Member that if Governments would follow the same course of action that his Party recommends of increasing spending successively year in and year out, that is the sort of response that we are going to see.

EFFECT OF PROVINCIAL ACTIONS

Mr. Simon de Jong (Regina East): Mr. Speaker, my supplementary question is directed to the Minister of Finance. Hopefully, the Minister of Finance will also be in touch with Gary Lane, his colleague and friend in the Province of Saskatchewan. Because of his tax reform and what the Minister of Finance in Saskatchewan has done, the people of Saskatchewan are paying $22 million more in personal taxes. Obviously, Ontario residents face a net loss of some $286 million in tax savings.

Will the Minister not admit today that he has failed in providing Canadians with fair tax reform? Will the Minister tell the House if he has been in contact with provincial Finance Ministers? If not, will he do so immediately and use his influence to find a solution to this disastrous situation? Canadian taxpayers are paying more and more every day.

Mr. Crosbie: Take it up with the provinces.

Mr. Blackburn (Brant): That's why your tax policy is not going to work. We have provinces.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do not know what more I can add to the question that the Hon. Member has put to me. The Hon. Member should look at the province next door to him which has been labouring under the burden of an NDP Government for a number of years. Last year there was a tax hit comparable to what we saw yesterday in the Province of Ontario, a tax hit that was unprecedented.

The type of thing that we have to be cautious about in government is to control government spending; keep the rate of growth of government spending under reasonable control, as we have in the federal Government where government spending has grown at a rate of approximately 4 per cent per annum for the period of time that we have been in office. It is that type of spending discipline which is the answer to the questions that the Hon. Member is posing. That is how we can get taxes down.

* * *

[*Translation*]

FINANCE

FLOW-THROUGH SHARES—IMPORTANCE OF MAINTAINING INTEGRITY OF REGIME

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my question is for the Minister of Finance and concerns flow-through shares, which are such an important issue for the Abitibi-Témiscamingue region. After his tax reform was tabled, the Minister of Finance said many times that he would monitor developments in the mining exploration industry very closely and that he would make the necessary changes as required.

Given the poor prospects for mineral exploration, the many consultations that the Department of Finance has had with the industry and various socio-economic interest groups and the many contradictory rumours going around the country, can the Minister tell the House today whether the consultations are over and whether he is considering the possibility of maintaining the present flow-through share regime at 133 1/3 per cent after June 30, 1988; does he intend to make an announcement in the coming days?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would first of all like to say that we have had many meetings with members of the industry and also members of Parliament for northern Canada and Quebec, my friend, the Hon. Member for Témiscamingue, and also others in the Province of Ontario. We had meetings to discuss the situation in the industry now, the situation after the stock market crash, after October 19, 1987, and I wish to say today that it will be possible in a few weeks to have a decision to rectify the situation. I realize that the situation is very important for my friend, the Hon. Member for Témiscamingue.

* * *

[*English*]

GOVERNMENT APPOINTMENTS

PRIME MINISTER'S ADDRESS TO NEWSPAPER PUBLISHERS' ASSOCIATION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the king of patronage, the Prime Minister—

Some Hon. Members: Order.

Mr. Speaker: The Hon. Member will put his question.

Mr. Boudria: Yesterday, in making his "I don't get no respect" statement, the Prime Minister complained that the media pay too much attention to the wrong appointments, and that people forgot too quickly that the Prime Minister had appointed an Acadian and a francophone woman.

Does this mean that the Prime Minister now approves and still approves of the appointment of Jean Sirois, that he still likes Pierre Hardy's nomination, that he likes Gayle Christie's nomination to the board of directors of Air Canada, and that he likes the appointment of the two sons of the Minister for International Trade? Does he not at least repent for the appointment of Dalton Camp?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would hope that my hon. friend would take the time to read the entire remarks yesterday, because I think that he might be interested in some of the facts. For example, when we became a Government, and I think that my hon. friend would applaud this, 15 per cent of the appointments of the Government of Canada to agencies, boards, and commissions were women. We have increased that in three years to 30.9 per cent, a 100 per cent increase.

Mr. Nunziata: What about all your university buddies? What about all your friends?

Mr. Mulroney: We have increased the number of women to federal court positions by 59 per cent in three years, including the Supreme Court of Canada.

Mr. Nunziata: You are full of it.

Mr. Mulroney: When I became Prime Minister there were two women ambassadors in the federal Public Service.

Mr. Nunziata: You hoodwinked the people of Canada. You lied to them. You are lying.

Mr. Mulroney: There are now—

• (1450)

Mr. Speaker: The Hon. Member will please withdraw the comment that I just heard.

Mr. Nunziata: I so do, Mr. Speaker.

Mr. Speaker: I thank the Hon. Member.

Mr. Mulroney: Because my hon. friend raises an important question, the use of the appointment power to deal with minorities and to improve affirmative action for women, for example, which I have tried to do, my hon. friend will be happy to know that, when I became Prime Minister, I believe there were two or perhaps three women at the Deputy Minister rank; there are now 12 or 13, so there have been very important increases.

For example, I had the honour of appointing most recently a black as the first Public Service Commissioner in Ottawa, preceded by the appointment of a black as the Lieutenant-Governor of Ontario for the first time in history. This is very important for the nation. It is very important that these ladies and gentlemen of distinction across Canada be honoured, and this is one appropriate and, I think, effective use of the appointment procedures we have followed since we formed the Government. I know that my hon. friend would want to comment on that favourably.

LUCIEN BOUCHARD

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to remind the Prime Minister of what he said on May 24, 1983: "There will be jobs for Liberals and NDPs too after I have been in power for 15 years and I can't find a living, breathing Tory left to appoint". Those are the facts that I want to bring to the attention of the Prime Minister.

[*Translation*]

I would like to ask the Prime Minister how dare he take the information media to task while at the same time resorting to every known patronage scheme to find a seat for his friend Lucien Bouchard?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed my hon. friend will allow me to make a few comments in French concerning this opportunity for appointments. In certain cases the federal Government has the power to make appointments. Within three years we doubled the number of women appointed to federal commissions and agencies, and I should think that is significant progress for the House and Canada as a whole. We appointed women to the Supreme Court. Listen, when I was sworn in as Prime Minister there were, if I am not mistaken, two women in ambassadorial posts here in Canada, and there are now 12 or 13. There were two or three deputy ministers, now there are 12 or 13. I had the honour to appoint a woman to the Supreme Court of Canada, and a black as Lieutenant-Governor of Ontario. Those were important appointments for the country which I think the Hon. Member ought to praise rather than criticize.

* * *

[*English*]

AIR TRANSPORT

TRANSPORTATION OF PLUTONIUM BY AIR ACROSS ARCTIC

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Transport. When Cosmos 954 crashed in northern Canada 10 years ago, only five grams or one-tenth of one per cent of the deadly radioactive U-235 cargo was recovered. Two U.S. military bombers have crashed carrying plutonium, and when plutonium was released in Greenland 20 years ago, the clean-up cost $300 million. When plutonium was similarly released in Palmares, Spain, the clean-up cost $500 million.

What steps has the Minister of Transport taken to evaluate the safety of an emergency landing or the impact of an accident on northern Canada from the plutonium overflights of the Arctic by Japan which can begin next Monday?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is interesting to note that the nature of the Hon. Member's question has been changed and that he is keeping up with the facts. His concern when he first raised this issue in the House was that there would be overflights over Canada. This Government took that concern very seriously, entered into discussions with Japan and the United States, and the agreement now is, as the Hon. Member will know, that if there is to be carriage of plutonium by air, it will not be over Canadian air space. We have secured that protection for Canadians.

The Hon. Member raises another important question that we are continuing to look into and will be discussing with the Governments of Japan and the United States, but I think it is time, for once in this House, that he give this Government credit for acting on an important concern and achieving results.

Oral Questions

PLUTONIUM CONTAINERS

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Minister of the Environment. I have lived on the B.C. coast my whole life and have watched garbage dumped by Japan outside its territorial waters washing on to the coast of British Columbia for the past 20 years.

Since the safety containers for the transport of plutonium have failed the safety tests and no impact assessment has been done or filed, will the Minister of the Environment at least assure Canadians that a complete existing radioactive profile of the North will be conducted so that, should an accident occur, we will at least have a basis on which to perform the clean-up? If there is an accident, it is quite clear that that plutonium can and likely will enter Canadian territory.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I want to say this as gently as I can. The Hon. Member should adopt the practice of telling the whole truth in the House rather than being as selective as he is being. He should also resist the temptation to indulge in Japan bashing or in an attack upon other countries. That is not at all constructive.

I have told the Hon. Member that we are looking at all of the implications of potential flights through space that will not involve Canadian air space. The other point the House should know is that if plutonium is to be moved following current practices, by sea, that plutonium is subject to hijacking, subject to uses that can be extremely dangerous, not only to all Canadians but to—

Mr. Fulton: Planes are never hijacked, eh?

Mr. Clark (Yellowhead): —but to all of mankind. The Hon. Member asks if planes are never hijacked. The incidence of hijacking of cargo planes which are in question here is virtually zero. The Hon. Member knows that. He should stop trying to create false fears among Canadians.

* * *

[*Translation*]

MINORITIES

ASSIMILATION OF FRANSASKOIS—PRIME MINISTER'S POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

According to StatsCan data released yesterday, there has been a net regression in French outside Quebec, and if we read the information carefully, the fast rate of assimilation of a major group in our country makes it an endangered species.

I would like to ask the Prime Minister, considering the promise by the Premier of Saskatchewan to make Saskatchewan fully bilingual in fifteen years, how are we to reconcile the Premier's rather optimistic promise with this threat of assimilation?

How can he endorse and congratulate the Premier of Saskatchewan who is trying to evade the issue by having us believe that in fifteen years, Saskatchewan will be bilingual, although we know perfectly well that once there are no more Francophones in Saskatchewan, there is no way the province could be made bilingual?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member's question concerns two issues. First of all, there is the Supreme Court's decision, and I have made it clear what my position and that of the Government was in this respect. I think it is substantially that taken by the Hon. Member. The first item is the Supreme Court's decision.

The second is the future of the Fransaskois. I think that for the first time, the Government of a Western province has said fairly and squarely that it intends to make a province that is now officially unilingual into a bilingual province sometime in the future, by taking concrete action.

As Prime Minister of Canada, I feel I must congratulate the Leader of this government and be prepared to co-operate with him in order to implement this new initiative intended to help the Fransaskois who, like other language minorities across this country, have been left to their own resources for nearly 90 years. I think we all have work to do at both levels, and perhaps at a third level as well, to help this language minority in Saskatchewan, and to protect its rights and enhance its prospects for the future.

DEMANDS OF FRANSASKOIS—PRIME MINISTER'S POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, the Fransaskois are not asking for the moon. Yesterday, they published their main demands, and I quote:

First, that the main documents of the Legislative Assembly be bilingual; second, that the laws passed in future—and I do mean the future, not old laws—be in both official languages; third, that French can be used in our courts—this seems an essential right to me—and fourth, the creation of an office of francophone affairs.

Is the Prime Minister in favour of, or in principle in agreement with, these very basic, essential demands? Is he prepared to put this into practice and support the Fransaskois in their demands that the province act today, not in 15 years, to show some respect to minority groups?

Right Hon. Brian Mulroney (Prime Minister): But, Mr. Speaker, I find the recommendations published yesterday fitting and appropriate. And I am doing my best with the *Association des fransaskois* and the Saskatchewan government to implement as many of them as possible for this linguistic minority.

The problem arises from the fact that this House has not cooperated on behalf of this minority for decades. There was complete silence from successive governments, leaving this francophone minority . . .

Some Hon. Members: . . . he's a dinosaur!

Mr. Mulroney: . . . speaking of dinosaurs, . . . but it was mostly a Liberal government that was in power here in Ottawa, and unfortunately, as the Hon. Member for Ottawa—Vanier knows, successive governments here . . .

• (1500)

[*English*]

Mr. Speaker: One question, the Hon. Member for Essex—Windsor.

* * *

AUTOMOTIVE INDUSTRY

CLOSURE OF AUTO PARTS PLANT IN WINDSOR

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, Birla auto parts plant in Windsor has just been closed by its creditors, throwing 152 people out of work. A major cause, we have been told by officials of the Federal Business Development Bank, is the 10-cent increase in the value of the dollar over the last year.

Is the Minister of Finance finally prepared to admit that the increase in interest rates has been responsible for that increase in the value of our dollar and has killed this plant and thrown 152 people out of work?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is drawing a very narrow conclusion about the cause of this situation. I have a good deal of sympathy for the people who work at that plant but if I were to be honest with them I would have to say that if that operation cannot make money with the dollar at the current level, there are other things wrong with it.

We have lived for a few years now with a dollar that was somewhat undervalued. That gave a new lease on life for some of those companies that were probably not competitive. However, we believe the level of the Canadian dollar reflects the strength of the Canadian economy and the increased level of activity here.

I should point out to the Hon. Member that in each of the last three or four months our trade surplus has increased so that we are demonstrating in a broad sense an ability to deal quite effectively with the level of the Canadian dollar at the position it is today.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would ask the Deputy Government House Leader to make a statement about the business he intends to call for the coming week. If he is not ready to do that, I will be happy to ask the Deputy Prime Minister to do so on his behalf.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, this afternoon we will continue debate on Bill C-117, amendments to the Excise Tax Act. Tomorrow we expect to resume debate at second reading on Bill C-118 assuming we do not finish Bill C-117 today. Following that will be Bill C-110, the Trade Tribunal Act.

On Monday and through the rest of next week we will be dealing with Bill C-77, the Emergencies Act, C-74, the Environmental Protection Act, and possibly later on in the week, Bill C-103, the Atlantic Opportunities Agency.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT

MEASURE TO AMEND

The House resumed from Tuesday, April 19, consideration of the motion of Mr. Wilson (Etobicoke Centre) that Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Standing Committee on Finance and Economic Affairs.

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I appreciate this opportunity as a western Canadian to say a few words this afternoon about this Bill. While it is an Act to amend the Excise Tax Act and the Excise Act, in short a Bill to impose certain taxes, it is of significant importance to farmers across Canada, particularly many in western Canada.

There are a number of changes in this Bill, among which is an increase in the price of gasoline of 1 cent a litre. As Members will know, that increase took effect on April 1 despite the fact that this Bill had not been passed. However, until the Bill is passed the Government cannot rebate the 1 cent a litre tax on gasoline to prairie farmers.

Obviously a lot of us are very concerned about the small vendors who will sell gasoline products to farmers without charging the tax and then have to apply to Revenue Canada to get the rebate back to the dealer. We are similarly concerned about farmers who buy from very small retail dealers where the farmers apply for the rebate. The Bill is still in the House, it has not been sent to committee, and these small dealers are unable to claim the 1 cent rebate.

In western Canada it is a little drier than it usually is at this time of year and many farmers are making their plans for spring seeding. In fact, in many areas of the prairies, farmers are already actively working the land. This is a time when they consume a great deal of fuel. It is of significant concern to a lot of farmers that they must await passage of this Bill before they can claim their rebate.

I know that while this Bill contains certain tax increases, and no Member of Parliament ever likes to argue in favour of tax increases, we do acknowledge that many of the revenue-raising measures will fund reductions in personal income taxes and the increase in the child care tax credit which is part of tax reform. We see those tax increases as having some social value.

However, that brings us back to the concern I raised. I am very concerned on behalf of prairie farmers that because of the prolonged debate on this Bill their rebates are being delayed. I do not think that is acceptable, and for that reason I move, seconded by the Hon. Member for Edmonton South (Mr. Edwards) that:

The question be now put.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. John Nunziata (York South—Weston): Madam Speaker, needless to say the Official Opposition is somewhat surprised at the move by the Hon. Member. He purports to move the motion because of his concern about the rebate of the excise tax which went into effect on April 1, 1988. Perhaps he has not taken the opportunity to read the legislation, so I will remind him that if you do not increase the tax there is no necessity to give a rebate.

Mr. Gormley: It took effect on April 1.

Mr. Nunziata: You cannot speak out of both sides of your mouth. The Hon. Member says that these tax increases have social value. He went on to say that they have social merit. How strange for him to be making those comments about a Bill amending the Excise Tax Act, especially in view of the comments made by certain members of his Party prior to the last election.

• (1510)

We all remember that during that particular election campaign, the Finance Minister (Mr. Wilson) made certain comments and certain promises. I would like to remind you, Madam Speaker, Hon. Members in the House, and indeed all Canadians, of some of the comments made by the Finance Minister, the Member for Etobicoke Centre, and some comments made by the Prime Minister (Mr. Mulroney) himself.

For example, on March 6, 1984, when he was on this side of the House, the Finance Minister said:

We will reduce spending. We will refrain from increasing taxes, which are already too high.

This was a promise made by the Hon. Member for Etobicoke Centre as a representative of the Conservative Party. He promised the people of Canada that a Conservative Government would not increase taxes because taxes were already too high. What did the Conservative Government do from the moment it took office? Well, time is too short this afternoon to list all the taxes that have been implemented by the Government, but I would like to mention just a few.

In the February 1987 Budget there was a 12 per cent increase on snack foods and ice cream effective July 1, 1987. There was a 4 per cent increase in tax on cigarettes and tobacco effective February 19, 1987. There was a $4 per ticket increase in tax on air transport effective May 1, 1987, and August 1, 1987. There was an increase in sales tax on leaded and unleaded gasoline effective April 1, April Fool's Day, 1987. That was his February Budget, and we all remember that he said, "We will not raise taxes".

Let us look at some other tax measures implemented by the Government through the Minister of Finance, the June and December 1987 tax reforms. What did the Government do in those particular measures? There was a 10 per cent tax imposed on long distance telephone calls. When Canadians are paying their telephone bills and see that there is a 10 per cent tax, they should be reminded that this tax was introduced by the man who told Canadians that they were already paying too much in taxes, the guy who promised that he would not increase taxes.

Not only did he implement that tax in the June and December 1987 tax reform measures, he also increased the tax on paint and wallpaper from 8 per cent to 12 per cent. He increased the tax on alcohol and tobacco from 15 per cent to 18 per cent.

I am not criticizing the fact that Governments must at times raise taxes in order to meet expenditures. That is understandable as long as there is fairness and equity and the burden is equally shared among all segments of society. However, we on this side of the House take great exception to the fact that Members opposite seem to be speaking out of both sides of their mouths. What they say depends on whether they are in Government or in Opposition, whether they are speaking to a group in Ontario or a group in Prince Edward Island, or whether it is during an election campaign or it is said as Minister of Finance.

Let us look at another tax initiative introduced by the Minister of Finance. In the February 1988 Budget, he increased excise tax on motor fuels by 1 cent per litre. The list goes on, Madam Speaker, notwithstanding the Minister's promise not to increase taxes.

That was the Finance Minister. What did the Prime Minister have to say a few short years ago? On November 29, 1984, the Prime Minister said:

Canadians pay a good deal of money for government services and feel that they are already paying quite enough.

That was a fair comment by the Prime Minister three and a half years ago. If he meant what he said on November 29, 1984—although his actions and those of his Government suggest that perhaps he did not really mean what he said—why did he allow his Finance Minister to introduce three or four Budgets resulting in substantial tax increases which hit low and middle-income earners more than higher income earners and corporations?

They made promises and they broke promises. These were not the only promises that the Prime Minister and the Minister of Finance made during that election campaign. We all know of the many promises they made and the many promises they have broken. During the election campaign three and a half years ago they also promised to share the tax burden across the board and reduce personal income tax. Let us examine the record of the Government vis-à-vis its Budgets over the last three and a half years and the increase in taxation.

In terms of budget revenues, from fiscal year 1984-85 to fiscal year 1988-89 personal income taxes were increased by a total of $15.1 billion, a 55 per cent increase. Compare that, if you will, to the increase in the corporate income tax. In fiscal year 1984-85 the increase was $9.4 billion, and in fiscal year 1988-89 it will be $12 billion, an increase of 28 per cent or $2.6 billion. A 28 per cent increase in corporate income taxes and a 55 per cent increase in personal income taxes hardly seems fair, not only because of the promises made by the Government during the election campaign, but also because of comments made by the Government throughout the last three and a half years. One questions the fairness and equity in increasing personal income taxes by 55 per cent and increasing corporate taxes by only 28 per cent. One can see from these figures that the increases have not been fair across the board.

In moving his motion the Member indicated that the excise tax increase on gasoline which went into effect on April 1, 1988, was of social value and social merit. The reason for moving his motion was to allow the rebate to be made to the farmers in western Canada more quickly. However, he does not tell the farmers in western Canada that the rebate is only given because of the tax increase itself. If he was truly concerned about the farmers in western Canada he would not vote for this particular measure which increases the tax not only on gasoline but on a number of other products and goods.

As I indicated, Bill C-117, an Act to amend the Excise Tax Act and the Excise Act is a rather lengthy Bill of 70 or 80 pages which contains a number of measures which would give lawful authority to some of the tax measures which were announced in the 1987 and 1988 Budgets and in the tax reform Ways and Means motions of June and December, 1987. Most of the main revenue- raising items in this piece of legislation have already been implemented, with the exception of one or two items. These revenue-raising items are some of the tools used by the Government to create its smoke and mirrors illusion. We know that during the election campaign the Conservative Party promised the people of Canada that they would reduce the deficit. That is fair enough, but one would have hoped and expected that the Government would have decreased the deficit by honest means.

• (1520)

I submit that it has used the smoke and mirrors illusion to lead the Canadians into believing that the deficit has in fact been decreased. The fact is that it has used certain measures not only at the expense of the average Canadian's wallet, but has used certain accounting techniques to reduce the deficit simply on paper.

I want to talk very briefly about the acceleration of federal excise and tax remittances and the manufacturers' sales tax. The Government has used the acceleration of federal sales tax and excise tax remittances as a method to have people believe that the $29.3 billion deficit the Government has been speaking about is lower than it actually is.

It bears repeating that one of the ways this illusion was created was with the use of accounting tricks such as the acceleration of federal sales and excise tax remittances. Canadian employers, who must deduct income tax, unemployment insurance premiums and Canada Pension Plan contributions from their employees and remit these deductions to the Government, have been required to do this more often since 1987. In effect, rather than remitting the federal income tax, Canada Pension Plan contribution and unemployment insurance contribution once a month, the Government has required the employers in Canada to remit them more often. In effect, it is getting money a little earlier than it otherwise would have received it and thereby affecting the cash flow of a lot of small businesses across the country. It does not represent an actual decrease in the deficit but is a trick to lead Canadians into believing the deficit is that much lower. It is only delaying an increase in the deficit.

In January, 1987, employers were remitting once a month. Now they are remitting twice a month. This gave the Government a one time only increase in revenue of $1.6 billion.

The Government then told employers to remit the deductions weekly, resulting in another increase in revenue for the Government. Due to the fact that the payroll deductions based on the new tax rates will not begin until July this year, the Government gives itself a six-month interest-free loan for this year, amounting to about $1 billion. That is another trick used by the Government to have Canadians believe the deficit is lower than it actually is.

The manufacturers' sales tax was dubbed by the Hon. Member for Etobicoke Centre, the Minister of Finance, as "the silent killer of jobs". Between October 1, 1984, and April 1, 1986, this tax increased from 9 per cent to 12 per cent because of his tax measures, notwithstanding the concerns he expressed when he was a member of the Opposition. This particular tax increase resulted in a $3 billion gain to the Government.

Manufacturers, too, are being required to remit this tax earlier, sometimes even before they have collected the tax from sales.

The Government continues to tinker with this tax, apply it to more goods, broaden the base, and increase the rates. Evidently, this will continue because the national sales tax with which the Government was going to replace it will not be presented before the next election.

The Government said in 1984 that it would not raise taxes, but it has proceeded to do so. Canadians take great exception to the fact that these tax increases have not been fair across the board. We all remember the first Budget that was handed down by the Minister of Finance in the spring of 1985, shortly after the election campaign. That was the Budget in which the Government tried to deindex senior citizens' pensions.

Who will forget the election campaign in the summer of 1984 when the Prime Minister referred to senior citizens' pensions as "a sacred trust"?

Canadians took him at his word, but when he came to office and the Minister of Finance brought down his first Budget, he tried to deindex senior citizens' pensions. The Government tried to reduce the deficit on the backs of senior citizens in Canada, thousands of whom are at or near the poverty line. The House will recall that in the very same Budget the Government gave a $500,000 capital gains exemption to the wealthy in society. In effect, it was a pure out and out gift of $125,000 to the wealthy in society.

Mr. Boudria: To their friends.

Mr. Nunziata: To the Bay Street boys who support the Prime Minister.

I have outlined some of the income tax increases implemented by the Government. It has also used a number of other tricks to try to reduce the deficit. If it were not for the Opposition in the House of Commons and senior citizens from one coast to the other, that measure to deindex senior citizens' pensions would have been implemented. Because of the Opposition, the Minister of Finance and the Government were forced to back down. However, they did not back down from the deindexing of family allowances, personal credits and income tax tables. The Government proceeded with those measures by tricking Canadians. Rather than increasing taxes directly in this regard, it raised $635 million by deindexing some measures that Canadians have had as part of their income tax system for a number of years. These were measures that were meant to protect Canadian taxpayers from the ravages of inflation.

Other measures introduced by the Government include the elimination of the tax abatement, effective January 1, 1986, which was intended to raise $650 million. There was the elimination of the Registered Home Ownership Savings Plan, which was a very successful plan that was implemented by the previous Liberal administration. That plan was used by thousands of Canadians in order to assist them in purchasing their first home. It was obliterated by the Government, effective May 27, 1985. By so doing, it saved $105 million.

The Government also put a temporary surtax on high-income earners of 5 per cent and 10 per cent, effective July 1, 1985, to December 31, 1986. However, it slapped on top of that a permanent 3 per cent surtax on all taxpayers, including low-income earners.

It also implemented changes in the tax treatment of dividend income. Those tax changes were effective January 1, 1986. It also changed spousal exemptions, which took effect January 1, 1986, to save the Government $20 billion.

In closing let me say that the Government has been somewhat less than forthright and honest with the people of Canada. As I indicated, promises were made and promises were broken. We in the Opposition have attempted to remind Canadians of those broken promises by the Prime Minister and the Minister of Finance with regard to taxation. It seems to me it is not too much to ask of politicians to follow through on their promises, although it might be too much to ask of Conservative politicians.

• (1530)

Mr. de Jong: Madam Speaker, it was with interest that I listened to the comments of the Hon. Member for York South—Weston (Mr. Nunziata). Indeed, the Member made some excellent points in this debate, especially in relation to the aggressiveness of the sales tax and how the Conservative Party, since being elected in 1984, has increased the tax burden on average Canadian families, particularly the middle and lower income earners.

I was dismayed, however, with respect to the Budget introduced last night in Queen's Park. I would have thought that the Liberal Party in Ontario would at least sing from the same hymn book as the Liberal Party in the House of Commons. The Liberal Party in Ontario has increased the sales tax by 1 per cent, from 7 per cent to 8 per cent. It also increased income tax by one point with another point increase next year.

The Ontario taxpayer would have been paying $450 million less because of the tax reform proposals. Now it will only be saving $164 million. What we are finding is that the provinces have been increasing their taxes, the tax rates have been going up, while the federal tax rate has in fact gone down because of tax reform, but at the same time the Minister of Finance (Mr. Wilson) reduced the federal tax rates, he made up for it by increasing the sales tax. Now the provinces are increasing their part of the income tax rate as well as increasing their sales tax, so really what is happening is the poor taxpayers caught between provincial Finance Ministers and the federal Minister of Finance are being picked clean. I wonder if the Hon. Member would want to comment on what happened in Ontario last night.

Mr. Nunziata: I would be pleased to comment, Madam Speaker. As the Hon. Member knows, all the provinces in Canada are suffering as a result of the tax measures introduced by this Government. Provincial governments have found themselves in the last several years with less revenue from the federal Government under the Established Programs Financing Act. This federal Government has reduced the transfer payments which would otherwise have gone to the provinces, including Ontario, which was especially hard hit by these drastic decreases in federal transfer payments for education and health care.

Billions and billions of dollars have not been transferred to the provinces because of the Government's tax measures, so the Province of Ontario was put in a position where it had to increase certain taxes. I would certainly ask the Hon. Member to understand some of the reasons certain tax measures were necessary in the Province of Ontario and also to examine that particular Budget as a package to see how the Government of Ontario has effectively assisted those low and middle income earners, more so than the wealthier in society.

The Hon. Member also has to consider some of the expenditures announced in that particular Budget. For example, I am sure he agrees with the increase of $300 million for education in the Province of Ontario. When one looks at the tax measures introduced in the Budget, one also has to look at the expenditures. It would be my respectful submission that the Budget handed down by the Treasurer of the Province of Ontario is a fair and equitable Budget, unlike the Budgets handed down by this Government.

Mr. Boudria: Madam Speaker, first, I want to congratulate the Hon. Member for York South—Weston (Mr. Nunziata) for having made a very thoughtful and well reasoned speech in the House of Commons today. The Member will know, as I do, that the free trade agreement has been well advertised by the Prime Minister (Mr. Mulroney) as having one very worthwhile redeeming feature, if nothing else was good about it. According to the Prime Minister, this particular free trade agreement would result in lower tariffs. Therefore, when Canadians purchase goods made in the United States of America, presumably these goods would be cheaper. However, the last Budget brought down by the Minister of Finance (Mr. Wilson), supported by his Prime Minister, presented to Canadians an increase in the price of gasoline. There was an equal reduction in the amount of revenues generated by tariffs on products imported into Canada. That leads me to believe that in fact what we have done is increased the price of gasoline to pay for the reduction of tariffs.

Would my colleague not agree that that being the case, this so-called free trade deal can be considered anything but free, particularly because what we have allegedly saved in the right hand we will now be paying out from the left hand? Is it not a little less than honest of the Government to pretend that Canadians will be saving money because of free trade when such is not the case?

Mr. Nunziata: Madam Speaker, there is no doubt at all that Canadians will be made to pay for the so-called free trade agreement. As my colleague pointed out, it is really not a "free" trade agreement. Canadians are receiving nothing for free. They in fact will have to pay for this pet project of the Prime Minister, if ever this particular agreement is ratified by Parliament.

It was hidden in the last Budget handed down by the federal Government. It was not something the Minister of Finance stood up and spoke about. It was tucked away in the many documents given to us when the budget was handed down. Tucked away was the fact that lower tariffs would result in lower revenues for the Government. Just by some strange coincidence, or what might appear to be a strange coincidence, the amount of dollars the Canadian Government would not receive because of the reduction in tariffs happens to be exactly the same amount Canadians would be asked to pay through the increase in the price of gasoline. That might appear to some to be coincidental, but I am sure the Minister of Finance and his colleagues sat around the cabinet table and asked themselves: "We are not going to get as much money as we otherwise might get without free trade. It is going to cost us. Let's stick it to Canadians through the Excise Tax Act by increasing the price of gasoline".

I hope the Hon. Member for The Battlefords—Meadow Lake will remind his constituents, his farmers, that it is because of the free trade agreement that the excise tax on gasoline has increased. Had it not been for the free trade agreement with the United States, this particular tax increase might not have been necessary, in which case there would be no need to provide a rebate.

In reply to the question put by my hon. colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), who always asks direct and forthright questions, yes, the bottom line is that this particular Bill, Bill C-117, which provides amendments to the Excise Tax Act and the Excise Act, has some ramifications so far as the free trade agreement with the United States is concerned.

• (1540)

Mr. Simon de Jong (Regina East): Madam Speaker, I too wish to participate in this debate this afternoon. The Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley) has introduced a motion which states that the question be now put with respect to Bill C-117. This certainly gives me another opportunity to make some comments on the Bill.

When I think of all the manoeuvres taken by the present Conservative Government in the area of taxation, Bill C-117 clearly indicates the record of the Government. In many ways the Conservative Party and its Government make claims that they have reduced the taxes of large numbers of Canadians through tax reform, a piece of legislation which we have yet to see. The fact is that many of those dollars that Canadians will get back in terms of reduced tax rates because of tax reform the Government has already taken back through increasing the sales tax.

To unscrupulous politicians the sales tax is a beautiful tax. It is a tax that is hardly noticed. It is the nickel and diming tax. It is the tax that one pays every time one buys a chocolate bar. So many cents go to the federal Government because of the federal sales tax that the Conservative Party slapped on kids' chocolate bars, soft drinks and popsicles. Every time they go to the corner store to spend part of their allowance on a popsicle they, too, will be helping to reduce the national deficit so to speak. They, too, will be paying part of their allowance to the federal Treasury in terms of taxes on popsicles, soft drinks, chocolate bars and ice cream cones.

People who have pets will be contributing to the national coffers when they go to buy pet food or kitty litter. The Government has imposed as well a sales tax on cat food, dog food, canary feed, cat litter and so forth. The kid who goes out to buy himself or herself a kite or a model airplane will be contributing to the national coffers since the Government has decided to tax those items as well.

Those who live in rural and remote communities and who have to place long distance telephone calls to their friends or family in the town next to them will also be paying new taxes, thus adding to the federal coffers. One move the Government has taken is with respect to slapping on a 10 per cent tax on communications. I will have more to say about that later on in my speech.

What we have is a Government that on the one hand is claiming to have reduced personal income tax rates while on the other because of tax reform, it is taking almost all of that back as a result of increasing the sales tax, the hidden tax, the sneaky tax as I call it.

Even the claim that the Government has made that it has reduced income taxes on the vast majority of Canadians is something that also has to be taken into context. When we compare what those Canadians will be paying after tax reform we see that it will still be more than what they were paying before the Tories came into power.

When the Tories claim that they reduced taxes and the number of people on the tax rolls, they do not compare it with 1984 when they were elected. They just compare it to the previous year. Thus what we have is the Tories coming into power in 1984 and every year that the Minister of Finance (Mr. Wilson) has stood up on budget day we have seen different tax increases. In fact, Canadians did not even have to wait for budget night to find tax increases. They also found them every other time the Minister of Finance stood up to make an economic statement. Invariably, he took the opportunity to slap another tax on the taxpayers of Canada.

What we find in terms of the Tory record starting from 1984 is steady tax increases every year. Let me read into the record what some of those are. The main revenue raising item in the Bill before us is a 10 per cent tax on telecommunications services, such as telephone and telex services but not including charges for local residential telephone lines. That measure was announced in the June, 1987, White Paper.

As I mentioned before, this tax discriminates against people in northern and remote communities as well as in rural communities. There are parts in my constituency of Regina East in which people pay long distance rates to call their doctor who might live in the town next to them. These people will be charged 10 per cent on those calls. It is a charge that people living in urban centres will not have to pay. Surely, the strength of this country is also its rural areas. We have a vast country, and in many ways it is underpopulated. Surely, it should be government policy to encourage people to live in our rural areas, the small towns, villages and hamlets of Canada. Instead, what we find when sales taxes such as the telecommunications tax are imposed is that people who live in our small towns, our hamlets and our villages are being penalized.

The same can also be said for the many increases the Government has introduced on the gasoline tax. Let us consider that history.

In 1984, the economic statement increased the price of oil and gas which meant $100 extra would be paid per year by the average family. As well, in November of 1984, after barely two months in office, the Government introduced sales tax increases and other increases, such as increases in the unemployment insurance premium, which totalled an increase for the average Canadian family of some $352 per year. Then, a few months later, on May 23, 1985, the Minister of Finance brought down his first Budget. It contained various tax measures which meant that the average taxpayer after that day ended up paying some $512.50 more in taxes. Thus we had to pay $352 more in taxes in November, 1984.

In May of 1985 we saw a further increase in taxes of $512.50. As well in that statement we saw that the gas tax was increased. A few months later, on June 27, 1985, before the parliamentary break for summer, the Minister of Finance rose in the House to increase again the taxes that Canadian taxpayers would be paying. That day cost the average Canadian family some $340 in extra taxes per year. Again, there was a 1 per cent increase on gasoline.

A few months later, on February 18, 1987, the Minister of Finance introduced a Budget. There was again a further tax increase on gasoline, as well as increases in the sales tax, cigarette tax and so forth. That day cost the average family some $65 to $100 extra in taxes per year.

We also find that not too long ago, on February 10 of this year, the Minister of Finance stood in the House to increase the tax on gasoline by one cent per litre. That cost the average Canadian family some $50.

In every one of his economic statements or Budgets the Minister of Finance has increased the tax on gasoline. That discriminates against my rural constituents. People who live in the rural areas of Canada and who need to drive their cars longer distances to go to visit their dentist, to go shopping or to visit family will be paying more in taxes than Canadians living in larger urban centres. The tax on communications and the tax on gasoline is a direct disservice and a disincentive for Canadians who live in the rural areas of this great country of ours. It is darn poor policy planning on the part of the Government, and it is a crime what it is doing to the rural areas of Canada.

• (1550)

There is another aspect of the increase in sales taxes that should be mentioned in this debate. That is the effect that the Tory tax increases have had on inflation. It is common sense that as the tax is increased on goods and services, the price is increased that Canadians have to pay, and inflation is increased. Last year there was an inflation rate of some 4 per cent. If the Tory Government had not introduced all of the sales tax increases, that inflation rate would be closer to 2 per cent. A 2 per cent inflation rate is an acceptable inflation rate.

With an inflation rate of 2 per cent, interest rates could be reduced. A true inflation rate of 2 per cent would justify a 1 per cent drop in interest rates. A 1 per cent drop in interest rates would help young families struggling to get by and paying off their mortgage month after month. It would make life a little easier for them. It would give them a little more disposable income that they could spend on other goods and services, for example, going to the family restaurant on a weekend which, in turn, perhaps would allow the restaurateur to hire an extra waitress and create more employment.

A drop of 1 per cent in the interest rate would have a tremendous benefit on many farmers who live in my constituency. It would give them some relief on the payments that they have to make to service their farm debt. A decrease in the interest rates charged would have an economic benefit throughout the country.

The Minister of Finance and the Governor of the Bank of Canada have rejected our appeals for lower interest rates, appeals called for by various provincial Premiers, economic advisory bodies, and some of the banks. The Minister of Finance has told us in the House that it is bad economics to lower the interest rate because it would be inflationary. The Minister of Finance has stated that as long as inflation is at 4 per cent we cannot afford to drop that interest rate. I would suggest that if we are really interested in dropping the inflationary rate, then let us get rid of some of the sales taxes that have increased the inflation rate. In fact, the major reason that we have inflation in this country is because of the increases in the sales tax.

The other aspect that I wish to touch upon in this debate is the interrelationship between the sales tax increases and free trade. I noted that the spokesperson from the Liberal Party also made mention of this fact. When the Minister of Finance presented the Budget in February of this year, we again saw an increase in the sales tax on gasoline. Further on in the documents we noted the Minister stating that the Canadian public would save somewhere in the order of $300 million to $400 million because of the reduction in tariffs that would occur starting in 1989.

When one looks at the number given by the Minister for the reduction in public revenues because of the elimination of certain tariffs, it is approximately the same as the revenue the Government was going to gather by increasing the sales taxes. That said it all. Under the free trade agreement we will see a certain reduction in some of the tariff items, which means decreased government revenues. The Government gave notice in the February Budget that those savings that Canadians will enjoy because of this agreement will be paid back to the federal Treasury in increased sales taxes. I submit that that is dishonest.

Let the Government at least be honest and state that while there will be a reduction in prices because of the elimination of some tariffs, the federal Treasury cannot afford the loss of that revenue and, therefore, it will be collecting it back from Canadians by increasing the sales tax, income tax, or by whatever means. But at least be honest. Do not play games with the people of Canada. They are tired of governments that promise one thing and say one thing and do the exact opposite. They want honest government that is up front.

If the Government can demonstrate that those revenues are needed, that it has done everything it can to reduce government waste and duplication, and that it is not in the pork barrel and squandering money on its friends and chums, then I think that the Canadian people would be prepared to accept hard economic reality and would be willing to put their shoulder to the wheel in a national effort to reduce the deficit.

Canadians get very angry when they find that games are being played on them, and with sleight of hand tricks that attempt to snatch an extra dollar out of their pockets; when they see patronage appointments and the squandering of public money; when they see that the burden of reducing the deficit is not properly and fairly shared, that the well-to-do and the large corporations are not paying their fair share. In fact, in many instances the large profitable corporations are not paying a cent of tax. I think that Canadians are angry and disgusted, and they have had enough with this Government.

Despite the promises of open, clean, and fair Government that the Tories made in the 1984 election, we have seen the Tories, as we saw the previous Liberal administration, with their snouts in the barrel or trough looking after their pals and their friends. There has been the continuation of an unfair tax system that benefits the rich and the well-to-do and fleeces the middle income earner, the low income earner, and the poor of this country.

That is why it is with pleasure that I participate in this debate today and urge the House to defeat the motion, and later to defeat the Bill itself.

Excise Tax Act

Mr. White: Madam Speaker, I have sat in the House for three and half years now and during all that time I have heard Members of the NDP sanctimoniously tell us that they have all the answers. There may be some people in Canada who believe some of the things that the NDP are saying. We in Manitoba have been able to judge the NDP by their actions as a government. Very briefly, I want to mention a couple of points.

• (1600)

The Hon. Member for Regina West (Mr. Benjamin) spoke about squandering of public money. In the past seven years, government expenditures were up 87 per cent in Manitoba. The debt has doubled, and 60 per cent of that is owed to foreigners.

What about taxes? In the past 12 months, there has been one of the largest tax grabs in Manitoba's history. The increased sales tax affects everyone. In the past 12 months, taxes to the middle class have increased in the neighbourhood of 25 per cent. There is a payroll tax of 2.25 per cent in Manitoba. Every employer in the province must pay 2.25 per cent on gross payroll. I call it an employment tax, the Manitoba Government calls it a payroll tax.

The Hon. Member talks of dishonesty. I would like him to tell me how he rationalizes what the NDP says about things like that and what it does when it is in Government.

Mr. de Jong: Madam Speaker, I certainly thank the Hon. Member for the points he has raised. First, though, the Hon. Member neglected to mention the debt rate the NDP inherited from the previous Tory Government, left by the squandering of money and the inefficient programs that were undertaken in Manitoba at that time.

To be sure, Manitoba has gone through a rough period and continues to go through a rough period. The Government there made a decision to attempt to maintain a satisfactory level of employment and has conducted economic programs that have cost money.

I noted that in the Hon. Member's question he did not make any suggestion as to what programs the Manitoba provincial Government should have cut. I wish he would also look at the situation in the Province of Saskatchewan where there has been a Tory Government since 1982. That Government inherited a public treasury with a surplus, and it had been running with a surplus for years. Since that Government was elected, the Saskatchewan Tories have driven that province so far into debt that Saskatchewan now has the highest per capita debt in Canada, thanks to a Tory Government.

I could list a whole ream of programs that Government introduced that have been wasteful and have squandered public money. That Government continues to do that. Let me give you several examples of this, as so many come to mind.

Seeing that it was in some political difficulty, the Government of Saskatchewan made a very strategic decision to buy its re-election during the last provincial election of 1986. One of the things it did was to offer every farmer in Saskatchewan $25 an acre at 6 per cent interest, whether they needed it or not, whether they were in difficulty or not, whether they farmed their land or not. The program was universal. Everyone got it and everyone took it.

We now hear of cases of people who did not need the money but took the $25 an acre at 6 per cent interest, turned it around and reinvested it at 10 per cent, 11 per cent or 12 per cent. They made themselves a tidy sum of money. That whole program cost the public treasury some $1 billion.

Now the Tories are trying to collect this money back. Of course, the farm situation has not improved. There are many farmers who are worse off today than they were when they got the $25 an acre. They are in no position to start paying that money back.

Now the Government of Saskatchewan is starting to patch together some programs. It is attempting in all sorts of ways to get this money back. Of course, it is creating divisions within the communities. The provincial Government might very well be in a position of having to force some farmers into bankruptcy just to try to get this money back.

That was a very irresponsible program, a program that was badly designed and badly thought out from a public administration point of view. Of course, that program's entire reason for being was the re-election of the Devine Government, and it was willing to spend $1 billion on it, increasing the public debt in Saskatchewan by $1 billion.

I see that the Minister of the Environment (Mr. McMillan) is leaving. The Minister knows, as I pointed out in the House earlier this week—I am sorry, I should not mention that the Minister of the Environment is present or is not present. In any event, I mentioned to the Minister earlier this week the project the Government of Saskatchewan wants to undertake. It wants to build a dam on the Souris River, a dam that will cost over $1.5 billion. This will create employment in the Town of Estevan in the Premier's riding, but that dam will depend entirely on run-off. It will create electricity that is more expensive than the electricity that can be bought from Manitoba or even from North Dakota. It makes no economic sense whatsoever, and environmentally, it is the most foolish idea. That is one of the driest parts of the province.

I understand that it was in 1912 when the water levels of the Souris River were first measured. Had the construction of that dam been finished in 1912, that body of water would not have filled up sufficiently to allow the generation of electricity until 1942. That is how much run-off water exists in that part of the province. Yet Mr. Devine is prepared to squander $1.5 billion of the money of Saskatchewan taxpayers just to ensure his re-election in his constituency of Estevan. That, I would suggest, is irresponsible public behaviour on the part of the Tory Government of the Province of Saskatchewan, and it is totally reprehensible.

The Acting Speaker (Mrs. Champagne): I would like to advise all Hon. Members that the first eight hours of debate on this Bill have now expired. From now on, speeches will be 10 minutes long, and there will be no period of questions or comments.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, this Bill has been before Parliament for quite a while. It was preceded by a White Paper. It deals with the Government's tax reform package. It is time it go to committee, and I hope today will be the day because farmers need their rebates. Therefore, I move:

That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of Bill C-117, an Act to amend the Excise Tax Act and the Excise Act.

Mr. Foster: Madam Speaker, I rise on a point or order. I do not think, since this is a tax measure, that the Hon. Member should introduce such a motion at this time. Surely this is an important matter involving billions of dollars in taxes. Surely it requires a full and complete debate, and the Government ought not to try to choke off debate on this matter today. The matter involves all kinds of sales taxes, taxes that are regressive in nature, and the debate should not be choked off in this manner by this kind of a tactic on the part of the Government.

The Acting Speaker (Mrs. Champagne): The motion is in order. The House has heard the terms of the motion moved by the Hon. Parliamentary Secretary. Is it the pleasure of the House to adopt the motion?

And fewer than 15 Members having risen:

The Acting Speaker (Mrs. Champagne): There not being 15 Members rising in objection to the motion, pursuant to Standing Order 9(4)(b), the motion is deemed to be carried.

• (1610)

Mr. de Jong: Madam Speaker, is this not a debatable motion as well?

The Acting Speaker (Mrs. Champagne): No, it is not.

Mr. Maurice Foster (Algoma): Madam Speaker, it is obvious that the Tories do not want to hear about the tragic way in which they are trying to hoodwink Canadians. This legislation is typical Tory. It hits the poor, the weak, and the low income earner. Those with high incomes benefit. People like the Minister of Agriculture (Mr. Wise) and the Minister of State for Forestry and Mines (Mr. Merrithew) have high salaries, so they have the big advantage. It is the poor ordinary Canadian, those who work in Canada's forest industry, the small entrepreneurs hauling wood in northern Ontario or northern New Brunswick, who are hurt by this legislation. All of these tax reform measures introduced by the Government are regressive in nature. The income tax rates have been pushed down, but who does that help? Mainly those in the upper income bracket.

On the CTV program *Question Period* in the spring of 1984 the Minister of Finance (Mr. Wilson) said he would not have to increase taxes. He said he would be able to solve any deficit problem simply by cutting expenditures. He certainly did that. He cut everything in sight, from old age pensions to the deindexation of tax rates, research in agriculture, and he increased service charges. He did so in a dramatically more regressive way than any other Minister of Finance in history. The personal tax increases put in place between September 4, 1984, and the spring of 1987 represent the largest increase at any time in our history.

However, this is all part of a grand scheme. It is designed to hit hard early in the mandate of the Government and then give back a pittance toward the end. The Government has not got around to giving back the pittance, but we are told that a reduction in income taxes for the average Canadian of about $100 or $150 will take place around the end of July of this year.

It is interesting that the Government has been unable to reduce the deficit by any significant amount. The projected deficit was $30 billion and it is still $30 billion, yet over that period of time the Government increased personal income taxes by 16 per cent or some $22 billion.

It is not only the amount of taxes which is horrendous, it is the type of taxes. It is the senior citizen going to the drugstore to buy a non-prescription drug who will pay an extra 12 per cent. This adds up to $950 million on all prescription drugs. Then we have gasoline. If you live in western Canada or northern Canada where you have to drive maybe 60 or 100 miles to do your shopping or obtain health care or see a lawyer or whatever, you have to pay an extra 4 cents a litre for your gas. That is almost 20 cents a gallon. The Clark Government in 1979 increased the tax by only 18 cents a gallon and it was driven out after nine months. You can imagine what is going to happen to the present Government after four years and a 20 cent a gallon increase in gasoline taxes.

We also have to deal with the extremely regressive nature of these taxes. The increase in the sales tax alone amounts to 25 per cent. If you bought a television for $1,000 in 1984, you paid a $90 tax. Today you will pay $120 tax on that same item. That is just for openers. The Government has not revealed what its new super-duper sales tax is going to be. We hear snatches here and there of how it is going to work. For example, yesterday the Canadian Real Estate Board met here in Ottawa. One of its members described how the tax is going to work on a family buying a new home.

We read today how housing prices, especially in the area around Toronto, are going up dramatically. Let us say you buy a home for $100,000. The builder has paid perhaps $50,000 for materials. Under the proposed super-duper sales tax which the Minister of Finance forecast in his tax reform, if it is 10 per cent you will be paying a tax of $10,000 because you will be paying tax not only on the materials but also on the labour as well.

We have to look at the approach the Government has used to justify the tremendous tax increases in every direction. Not only has it dramatically increased taxes, it has used every possible trick in the book to make its Budgets look great. It does not look that great to Canadians but it would look a lot worse, certainly to the Government's friends on Bay Street in Toronto, if it did not use all these tricks. For example, it sold Teleglobe, one of the very profitable Crown corporations and entered the money it received in last year's Budget projections to pull the deficit below $30 billion. As well, it speeded up the remittance of income tax, Canada pension and unemployment insurance remittances employers have to make, thereby giving itself a one-time windfall of about $1.5 billion. Little beknown to most Canadians, that is what is happening right now. They have imposed the new tax increases and do not actually have to reduce them until July.

• (1620)

We have this litany of tremendously regressive tax increases combined with all kinds of tax tricks which the Government has been using to try to make itself look good in spite of its very poor management of the economy and the fiscal framework of the country.

Mr. John Parry (Kenora—Rainy River): Madam Speaker, I am glad to have the opportunity this afternoon to speak on the motion to put the question on Bill C-117. It gives me the opportunity to put on the record some of the consequences of Bill C-117 and also to draw, particularly in the light of last night's events, some interesting parallels between the direction in which the federal Government is heading and the direction in which the Government of Ontario is heading.

We know that the proposed outline for federal tax reform which the Minister of Finance (Mr. Wilson) has put forward is generally quite good. Under that tax reform many taxpayers can look forward to savings. Were it my Party the Government introducing such a tax reform, we would not have distributed the savings disproportionately toward the upper end of income earners as has the Government. Nevertheless, there is an over-all tax saving by way of the tax reform which is, of course, a reform of income taxation essentially in the order of $450 million.

We saw the parallel to Bill C-117 in Ontario last night, that is, that the federal Government and the Liberal Government in the Province of Ontario are determined to get those taxes back somehow. When we compare the litany of additional taxes, extension to taxes, and additional charges by way of excise and federal sales tax with the tax grab conducted by the Treasurer of Ontario, the Hon. Robert Nixon, last night, we will see some parallels in the way in which it is being done.

The 10 per cent tax on telecommunications services which is already being collected and which I believe has led to disproportionate taxation, particularly on the residents of my riding for whom most calls are long-distance calls rather than local calls, is one example of how the federal Government has identified a new area not previously subject to taxation and has decided to dip the revenue ladle into that pool of funds.

It has, of course, already cost residents of Kenora—Rainy River dollars on their telephone bills. However, one area of service which I believe is particularly unfair to tax is radio-telephones. These normally rent for $50 and up per month, depending on a number of factors. The taxation of what is essentially a lifeline, because these are, of course, installed for people who cannot get normal pole line telephone service, to the tune of $5 or $10 a month before the long-distance calls are taxed, is an unfair impact of the Government's tax program.

The increase in taxation on telecommunication programming—cable and pay TV—from 8 per cent to 10 per cent has been remarked upon before. There has been an increase in tax on paint and wallpaper from 8 per cent to 12 per cent. There has been an acceleration of the remittances somewhat along the lines of the acceleration in the remittances of employee deductions. There has been an increase from 15 per cent to 18 per cent in the sales tax on beer, spirits, wines and tobacco. That is directly paralleled in the Ontario Budget. There is also the increase in the tax levy on air transportation and the increase in taxation on gasoline.

When we look at the parallels with the Province of Ontario it would seem, in the most daring tax grab in living memory by a provincial government, the Liberal Government of Ontario, that it has learned very well some of the lessons which the federal Government has taught. The sales tax is to go up by 1 per cent, from 7 per cent to 8 per cent. In Ontario a family of four is going to be facing a sales tax increase of $126 per year with no off-setting credits. Under federal income tax reform Ontario taxpayers would have saved $450 million. Of that $450 million saving, the Treasurer of Ontario, the grinch who stole spring, has taken that $286 million into the tax coffers of the province.

This poses a problem in designing tax systems in the country and raises the question of whether there should perhaps be more federal-provincial consultation before these changes are made. If one level of government reduces taxation in one area, which a province then moves in to occupy, at the same time as the federal Government is increasing taxation in the sales and excise tax areas, we have over-all higher taxation and the average taxpayer is hit with a double whammy, the provincial tax and the federal sales and excise taxes.

In addition to that the Treasurer of the Province of Ontario has, in two stages, raised provincial income tax by 2 per cent which, of course, is an effective increase in the tax yield to Ontario of 4 per cent. That will become effective in the 1988 and 1989 tax years.

I do not want to make any particularly detailed comment on the increases in the so-called sin taxes which we see in both Bill C-117 and the provincial Budget. However, the Governments together must recognize that there will be a point of diminishing returns.

Turning to the gasoline tax, the rate of increase by the federal Government under Bill C-117 is 1 cent a litre and the provincial Government in Ontario is taking an extra penny a litre on unleaded and an extra 4 cents a litre on leaded. I think that that is sheer tax opportunism on the part of the Liberal Government of the Province of Ontario. Surely it was not necessary to increase the tax rate on leaded gasoline by a full 4 cents per litre in order to get price parity between leaded and unleaded.

In my riding many people are still using leaded gasoline for their daily transportation. For example, there are people in some 27 communities in my riding which do not have road connections who use snowmobiles in the winter and outboard motor boats in the summer just to get around their communities. In addition, leaded gasoline is a necessity for those who have kept older vehicles.

I do not think that it was necessary for the province to jump that rate by 4 cents per litre. They should have recognized that it is simply a marketing situation. The leaded gasoline, while it is still available and still needed, is used as, so to speak, the fighting brand at the gasoline pump and is priced significantly lower. An increase in the order of 2.5 cents would have led to a rethinking of pricing structures by the petroleum companies and eventually to price parity between leaded and unleaded gasoline, which is surely what was desired. However, the Treasurer of Ontario went straight ahead and took 4 cents.

Another impact of that gasoline taxation is, of course, the phenomenon of ratcheting. Those of us who live in remote areas of the country, to where goods have to be transported over larger distances, end up paying higher prices and therefore, of course, higher taxes. A bedroom suite which would cost $900 in Toronto would cost $1,200 in the community of Red Lake. That means, of course, a contribution of one-third more by the taxpayer in Red Lake than by the taxpayer in Toronto.

• (1630)

Increases in the price of gasoline and the price of motor fuels that are used to transport the goods tend to ever increase that difference between the tax contribution made in the more remote parts of the country and the major centres.

I see that you are signalling that my time is up. I am glad to have had the opportunity to make these comparisons between this Government's tax grab and that of the Liberal Government in Ontario.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Resuming debate. The Hon. Member for Richmond—Wolfe (Mr. Tardif).

Mr. Alain Tardif (Richmond—Wolfe): Madam Speaker, I also welcome the opportunity to take part in this debate and to deal with a very important aspect of this administration.

Madam Speaker, I think it is important to go back to September 1984, when the Government took over the responsibility for the country's finances. At the time, Canada was coming out of an unprecedented recession which had obliged governments to take steps to ensure that Canadians would not suffer unduly from the consequences of this recession.

There was, of course, a substantial deficit which had to be dealt with after the election. Although by September 1984 the economy had started to improve quite considerably, decisions had to be made with a view to reducing the deficit.

Mr. Speaker, I think it is important to recall that this Government promised to substantially reduce the deficit and also to substantially reduce the tax burden on Canadians. At this point, it would be relevant to mention two comments. The first was made by the present Minister of Finance (Mr. Wilson), who said on March 6, 1984 that they would reduce spending and refrain from increasing taxes that were already very high. Later in that same year, the Prime Minister (Mr. Mulroney) said that Canadians were paying a pretty penny for Government services and had the feeling they were paying enough.

Mr. Speaker, these two comments left the impression that the Government would deal with this tax burden by substantially reducing the amounts paid by Canadians which were already fairly high.

Today, the House is considering Bill C-117, whose purpose is to ratify substantial tax increases, most of which are already in effect and undermining Canadians' ability to pay.

Mr. Speaker, I think it is important to explain what this Government has done in the three and half years it has been running this country. I think that in the circumstances, it would have been normal for the Government to deal with the country's finances by going to those who are able to pay and to cope with these tax increases.

The Government did the exact opposite. It has been said many times and on many occasions that the tax burden had to be redistributed. In other words, improve the country's finances by letting those who are well off pay their share and provide relief for people on low incomes.

Today, in April 1988, we see that after three and a half years, revenues from sales tax and personal income tax increased by 55 per cent, while revenues collected from corporations increased 28 per cent.

We also see that revenues from sales tax and excise tax increased 77 per cent. The conclusion is that personal income tax and sales and excise tax increased far more than corporate taxes. I would like to get back to this later on.

Madam Speaker, we have here an administration that has constantly increased taxes since it came to power in 1984. This Government, instead of collecting the money where it is likely to find it, has taken the opposite stand and launched a cruel, savage and even obscene attack on the incomes of those who unfortunately have no way of escaping these systematic and on-going increases and are not able to cope with all these expenses—

As you know, all indirect taxes are regressive. The low-income taxpayer tends to spend a larger share of his income on consumer goods. We all know that, and we all agree it is true. In 1986, the Government introduced a refundable sales tax credit. This credit is clearly inadequate, however, since it now totals $70 per adult and $35 per child. The cutoff point, after which the credit starts to go down was set at $16,000, well below the poverty line.

Madam Speaker, this proves beyond a doubt what the Government has indicated on many occasions, and that is its determination to make average Canadians whose ability to pay is certainly not able to absorb all these increases . . . To prove that these increases are aimed especially at those who do not necessarily have the ability to absorb them, I shall, if I may, give a short summary of the tax increases we have seen since September 1984.

As far as indirect taxes are concerned, we have had repeated increases in sales tax: from 9 to 10 per cent on October 1, 1984, from 10 to 11 per cent on January 1, 1986, and from 11 to 12 per cent on April 1, 1986. These three increases in indirect taxes yielded $3 billion.

There was also the decision to extend sales tax to candy, soft drinks and snacks, with increases on July 1, 1985 and July 1, 1987, resulting in revenues totalling $460 million for the Treasury. We also had an increase in sales tax from 8 to 12 per cent on paint, wallpaper and toys, which yielded another $60 million. We had the increases in the excise tax on gasoline: 2 cents per litre on September 3, 1985, 1 cent per litre on January 1, 1987, 1 cent per litre on February 19, 1987, and 1 cent per litre on April 1, 1988, which yielded the princely sums of nearly $900 million and $450 million! Equalizing the sales tax on leaded and unleaded gasoline meant another $30 million. We also had progressive increases in the rate of airport taxes. The excise tax on alcohol and tobacco rose as well, yielding many hundreds of millions of dollars. Finally, the 10 per cent tax on long-distance calls and cable TV services, totalling $945 million.

Madam Speaker, these taxes have brought in billions of dollars in revenues and this entire burden has been assumed almost exclusively and fully by Canadian men and women with a very limited ability to pay. This is the trick which the Government used not really to reduce the deficit, but to increase the revenues in order to be able to claim openly: We have managed to slow down the rate of increase of Government expenditures.

That is not the point at all. The fact is that callously the Government has very heavily taxed Canadian men and women to secure considerably higher revenues.

Also, indirect taxes have been shamefully increased by the Government. Furthermore family allowances, personal credits and income tax deductions were de-indexed effective January 1, 1986, which brought in as much as $635 million in tax revenues. The elimination of the tax abatement brought in $650 million in additional revenues; the elimination of the Registered Home Ownership Savings Plan deduction: $105 million; the 5-10 per cent temporary surtax on high income earners, the only one which could be acceptable because it is aimed at high income earners, Madam Speaker, brought in $500 million in a context of several billion dollars. There was the permanent 3 per cent surtax on all taxpayers which brought in $1.2 billion; there were the changes in the tax treatment of dividend income, and finally in the spousal exemption, which saved the Government $20 million.

Madam Speaker, this is clear evidence that the Government is determined to place the tax burden on the backs of low and middle income taxpayers, when it should use this opportunity to work on a fair, equitable and harmonious tax reform and thus those with the ability to pay could share in the deficit reduction effort.

• (1640)

[*English*]

Mr. Howard McCurdy (Windsor—Walkerville): Madam Speaker, it is indeed a pleasure to speak to Bill C-117 which, of course, is intended to give legislative effect to a number of federal sales tax and excise tax increases and excise duty changes announced by the Minister of Finance (Mr. Wilson). This legislation calls attention to the characteristics of the sales tax which recommend it and similar taxes to this Government. It, of course, has a number of advantages, one of which is it is simple to administer.

Another attractive aspect of the sales tax is it is hidden. The ordinary citizen does not really know how much it is costing him or her. It is a tax which is completely consistent with the character of this Government. It is a tax to be implemented by this Government for one simple reason, it is sneaky and perfectly consistent with the approach the Government has chosen to use with the Canadian people. The Government's way to get money from the taxpayers is to be a pick-pocket rather than be up front in arranging things so people will be fully conscious of how much it will cost them.

There is another perhaps more important aspect of this kind of tax that is perhaps even more attractive in an ideological way than the fact it is a pickpocket tax. It is a regressive tax. It is a tax that soaks the poor and middle income earners far more than the rich. It has none of the advantages of an income tax which can be so designed as to be fair. This tax inherently speaks to another characteristic of the Government and that is its refusal to be fair.

I do not want to be misunderstood that I am alleging only this Government as being sufficiently ideologically right wing as to see advantages of soaking the poor to pay for the rich. We have other examples, one revealed to us just recently. Colleagues of the Official Opposition in Ontario have demonstrated their capacity to respond to those ideological imperatives. They have lowered the corporate tax rate from 17 per cent to 15 per cent while raising the sales tax from 7 per cent to 8 per cent. It has to be admitted that that Government is a little less sneaky because at the provincial level everyone knows what they are paying. Nevertheless, the notion of fairness, whether it be the Ontario Government, the Saskatchewan Government or at the federal level, seems not to motivate the design of the tax structure.

The Government claims it has removed 850,000 people from the tax rolls while at the same time it does not mention that it was responsible for putting an additional million people on the tax rolls in the first place. We are dealing with a Government that, on the one hand, says it is interested in tax reform and, on the other hand, the average Canadian family is paying an additional $1,000 per year in federal taxes as a result of the Budgets of the present Government. Of course, while we would have to admit there are certain changes in the income tax structure which are beneficial to certain of our citizens, even those modest reforms are to be counteracted in the future by the national sales tax structure to be introduced, the details of which the Government has not seen fit to release, and I am sure they will reveal how unfair the approach of the Government will continue to be for ordinary Canadians.

There are a couple of aspects of the sales tax changes that I would like to examine for a moment. The 10 per cent increase in telecommunications and the effect it will have on our rural population, especially in northern Ontario, has already been adequately discussed. I would like to simply address two sales tax changes which are significant to my own constituency.

I come from a community where automobile manufacture is extremely important. An important aspect of operating an automobile is economy. Since the Government has come into power, by virtue of steadily increasing sales taxes on gasoline, the average family is now spending $300 more a year on gasoline. It is a situation made worse by the progressive Liberals in Ontario who have themselves tacked on an additional one cent a litre tax on gasoline. So we have the pattern established of soaking the poor to benefit the rich, making it as difficult as possible for ordinary people. The significant issue, of course, is the prosperity of the automobile industry in Canada, severely threatened already. It is certainly not in the interests of that industry to impose an additional burden of cost of fuel on those who drive the cars that are manufactured so well in Windsor.

In Windsor, one of the more significant distilleries in the country, Hiram Walker, has been a corporate citizen of great value to our city. It employs a significant number of Windsorites who have been very worried for many years now about the steadily increasing burden of taxation on distilled spirits. One can look at this in two ways. I am fully conscious of the role the taxation of alcoholic beverages plays in trying to control the consumption of alcohol. Certainly there needs to be a control on the consumption of alcohol so that it is not abused. However, we go too far in limiting a perfectly legal product by means of a taxation regime which is costing jobs. The evidence is clear that the imbalanced imposition of sales taxes and excise taxes on distilled spirits is costing jobs. Distilled spirits are taxed more than beer and wine. The taxes should be balanced. This taxation really must stop in the interests of this industry and those constituents of mine who are constantly being threatened because jobs are being lost by the continued imposition of taxation on a product that is legal.

• (1650)

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mrs. Champagne): The question is on the motion of Mr. Gormley. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

I declare the motion (Mr. Gormley) agreed to on division.

Motion agreed to.

The Acting Speaker (Mrs. Champagne): The next question is on the motion of Mr. Wilson. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the yeas have it.

And more than five Members having risen:

Excise Tax Act

Mr. Gauthier: Madam Speaker, I rise on a point of order. It being close to 5 p.m., and since I was in a meeting this afternoon, I am not sure whether there is Private Members' Business to consider at 5 p.m. or not. If there is I would like to have that confirmed. We have had discussions among the Parties and I suggest that the vote to be taken on this Bill be deferred until 6 p.m. tonight so that we can group the votes on Bill C-74 and C-117 together. It will avoid having the bells ring for the next half hour and we could proceed with our work.

The Acting Speaker (Mrs. Champagne): Does the House agree to calling it 5 p.m.

Mr. Hawkes: Madam Speaker, I think the Hon. Member opposite asked a question with respect to Private Members' Hour. It is my understanding that the Hon. Member is not here. The Hon. Member also asked for a deferral of the bells until 6 p.m. so that we could combine the votes. The House is in agreement with that. I will request it if it is appropriate, or my Whip will, but then I think we should go back to Government Orders. I would like the House to call Bill C-110.

Mr. Riis: Madam Speaker, I think that is changing the proposal of my colleague for Ottawa—Vanier (Mr. Gauthier). Since there is no Private Members' Hour, I suggest that we might want to consider having a short bell, call the Members in now and then dealing with it expeditiously rather than wait until 6 p.m. to vote.

The Acting Speaker (Mrs. Champagne): The House can understand that Hon. Members seem to know that the Hon. Member whose motion was to be debated at 5 p.m. will not be present. The Chair could not take that for granted until the moment we present the Bill to the House and then understand that the Hon. Member is not here.

As more than five Members rose when the question was asked, call in the Members.

• (1730)

[*Translation*]

The House divided on the Motion (Mr. Wilson) which was agreed to on the following division:

(*Division No. 321*)

YEAS

Members

Binns	Bradley	Cadieux
Bosley	Brightwell	Cardiff
Bouchard	Browes	Clifford
Clinch	Kindy	Porter
Comeau	King	Redway
Cooper	Lawrence	Scott (Hamilton—Wentworth)
Crouse	Lesick	Stewart
Darling	MacDougall (Timiskaming)	Suluk
Della Noce	Mailly	Tardif (Charlesbourg)
Duplessis	Malone	Thacker
Edwards	Mantha	Towers
Fennell	Marin	Turner (Ottawa—Carleton)
Ferland	Mazankowski	Vincent
Fontaine	McCain	White
Friesen	McCrossan	Wilson (Swift Current —Maple Creek)
Gagnon	McCuish	Wise
Gass	McDermid	Witer—69
Graham	McKenzie	
Guilbault (Drummond)	McKinnon	
Harvey	McMillan	
Hawkes	Merrithew	
Holtmann	Mitges	
Horner	Nickerson	
Jelinek	Nowlan	
Jepson	Pennock	
Kempling	Peterson	

NAYS

Members

Allmand	Guilbault (Saint-Jacques)	Penner
Althouse	Heap	Riis
Axworthy	Isabelle	Rodriguez
Blackburn (Brant)	Killens	Skelly
Boudria	McCurdy	Tardif (Richmond—Wolfe)—24
Cassidy	Nicholson (Trinity)	
de Jong	Nunziata	
Foster	Nystrom	
Fulton	Parry	
Gauthier		

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Finance and Economic Affairs.)

[*English*]

Mr. Fennell: Madam Speaker, I think you would find unanimous consent to call it six o'clock p.m.. Since there is agreement to continue with other business, that being the voting, Private Members' Business is effectively cancelled today. So as not to disrupt the schedule of future Private Members' Business, I suggest that the House agree to place the Bill of the Hon. Member for Saskatoon East (Mr. Ravis), Bill C-240, at the bottom of the order of precedence.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent?

Some Hon. Members: Agreed.

* * *

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO ENACT

The House resumed from Wednesday, April 20, consideration of Bill C-74, an Act respecting the protection of the environment and of human life and health, as reported (with amendments) from a legislative committee.

The Acting Speaker (Mrs. Champagne): It being six o'clock p.m., pursuant to Standing Order 13(4)(a), the House will now proceed to the taking of the deferred divisions at report stage of Bill C-74, an Act respecting the protection of the environment and of human life and health.

Shall I dispense with the ringing of the bells?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): The question is on Motion No. 2. Mr. Caccia moved:

Motion No. 2

That Bill C-74 be amended in Clause 2 by striking out lines 19 and 20 at page 2 and substituting the following therefor:

(f) endeavour to establish national standards of environmental quality.

The House divided on the motion (Mr. Caccia), which was negatived on the following division:

(*Division No. 322*)

YEAS

Members

Allmand
Althouse
Axworthy
Blackburn (Brant)
Boudria
Cassidy
de Jong
Foster
Fulton
Gauthier
Guilbault (Saint-Jacques)
Heap
Isabelle
Killens
McCurdy
Nicholson (Trinity)
Nunziata
Nystrom
Parry
Penner
Riis
Rodriguez
Skelly
Tardif (Richmond—Wolfe)—24

NAYS

Members

Binns
Bosley
Bouchard
Bradley
Brightwell
Browes
Cadieux
Cardiff
Clifford
Clinch
Comeau
Cooper
Crouse
Darling
Della Noce
Duplessis
Edwards
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gass
Graham
Guilbault (Drummond)
Harvey
Hawkes
Holtmann
Horner
Jelinek
Jepson
Kempling
Kindy
King
Lawrence
Lesick
MacDougall (Timiskaming)
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Nickerson
Nowlan
Pennock
Peterson
Porter
Redway
Scott (Hamilton—Wentworth)
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Turner (Ottawa—Carleton)
Vincent
White
Wilson (Swift Current —Maple Creek)
Wise
Witer—69

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

Mr. Gauthier: There have been discussions and, as usual, the Opposition feels very co-operative. We would not want to keep Members here for the next 15 votes, and I propose that the votes on Motions Nos. 9, 12, 13, 15, 16, 19, 17, 29, 30, 18, 23, 24, 26, 27, and 28 be taken as having the same results as the vote which was just taken, adding the names of those Members who just came in who, because of the hour, were unable to be here. Perhaps some of them would like to rise and have their votes recorded.

Mr. Pietz: Madam Speaker, I would like my vote to be recorded with the Government.

Mr. MacKay: Madam Speaker, I, too, would like to have my vote recorded with the Government.

The Acting Speaker (Mrs. Champagne): Does the House agree that the division just taken shall be regarded as applying to all other deferred motions?

Some Hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The next question is on Motion No. 9.

Ms. McDonald (Broadview-Grenwood) moved:

Motion No. 9

That Bill C-74 be amended by adding immediately after line 39 at page 5 the following:

"7. The Minister will make public all correspondence, documents and information arising from the work of the committees referred to in sections 5 and 6."

The House divided on the Motion (Ms. McDonald), which was negatived on the following division:

Canadian Environmental Protection Act

(Division No. 323)

YEAS

Members

Allmand
Althouse
Axworthy
Blackburn (Brant)
Boudria
Cassidy
de Jong
Foster
Fulton
Gauthier
Guilbault (Saint-Jacques)
Heap
Isabelle
Killens
McCurdy
Nicholson (Trinity)
Nunziata
Nystrom
Parry
Penner
Riis
Rodriguez
Skelly
Tardif (Richmond—Wolfe)—24

NAYS

Members

Binns
Bosley
Bouchard
Bradley
Brightwell
Browes
Cadieux
Cardiff
Clifford
Clinch
Comeau
Cooper
Crouse
Darling
Della Noce
Duplessis
Edwards
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gass
Graham
Guilbault (Drummond)
Harvey
Hawkes
Holtmann
Horner
Jelinek
Jepson
Kempling
Kindy
King
Lawrence
Lesick
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Nickerson
Nowlan
Pennock
Peterson
Pietz
Porter
Redway
Scott (Hamilton—Wentworth)
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Turner (Ottawa—Carleton)
Vincent
White
Wilson (Swift Current—Maple Creek)
Wise
Witer—71

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on Motion No. 12.

Ms. McDonald (Broadview—Greenwood): moved:

Motion No. 12

That Bill C-74 be amended in Clause 11 by striking out line 16 at page 9 and substituting the following therefor:

"human, animal or plant life depends; or".

The House divided on the Motion (Ms. McDonald), which was negative on the following division:

(Division No. 324)

YEAS

Members

Allmand
Althouse
Axworthy
Blackburn (Brant)
Boudria
Cassidy
de Jong
Foster
Fulton
Gauthier
Guilbault (Saint-Jacques)
Heap
Isabelle
Killens
McCurdy
Nicholson (Trinity)
Nunziata
Nystrom
Parry
Penner
Riis
Rodriguez
Skelly
Tardif (Richmond—Wolfe)—24

NAYS

Members

Binns
Bosley
Bouchard
Bradley
Brightwell
Browes
Cadieux
Cardiff
Clifford
Clinch
Comeau
Cooper
Crouse
Darling
Della Noce
Duplessis
Edwards
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gass
Graham
Guilbault (Drummond)
Harvey
Hawkes
Holtmann
Horner
Jelinek
Jepson
Kempling
Kindy
King
Lawrence
Lesick
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Nickerson
Nowlan
Pennock
Peterson
Pietz
Porter
Redway
Scott (Hamilton—Wentworth)
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Turner (Ottawa—Carleton)
Vincent
White
Wilson (Swift Current—Maple Creek)
Wise
Witer—71

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on Motion No. 13.

Ms. McDonald (Broadview-Greenwood): moved:

Motion No. 13

That Bill C-74 be amended in Clause 11 by striking out line 18 at page 9 and substituting the following therefor:

"danger in Canada to life or health."

The House divided on the Motion (Ms. McDonald), which was negatived on the following division:

Canadian Environmental Protection Act

(*Division No. 325*)

YEAS

Members

Allmand
Althouse
Axworthy
Blackburn (Brant)
Boudria
Cassidy
de Jong
Foster
Fulton
Gauthier
Guilbault (Saint-Jacques)
Heap
Isabelle
Killens
McCurdy
Nicholson (Trinity)
Nunziata
Nystrom
Parry
Penner
Riis
Rodriguez
Skelly
Tardif (Richmond—Wolfe)—24

NAYS

Members

Binns
Bosley
Bouchard
Bradley
Brightwell
Browes
Cadieux
Cardiff
Clifford
Clinch
Comeau
Cooper
Crouse
Darling
Della Noce
Duplessis
Edwards
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gass
Graham
Guilbault (Drummond)
Harvey
Hawkes
Holtmann
Horner
Jelinek
Jepson
Kempling
Kindy
King
Lawrence
Lesick
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Nickerson
Nowlan
Pennock
Peterson
Pietz
Porter
Redway
Scott (Hamilton—Wentworth)
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Turner (Ottawa—Carleton)
Vincent
White
Wilson (Swift Current—Maple Creek)
Wise
Witer—71

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on Motion No. 15.

Mr. Caccia moved:

Motion No. 15

That Bill C-74 be amended in Clause 33 by striking out lines 12 to 22 at page 24 and substituting the following therefor:

"33.(1) Subject to subsection (3), where an order has been made to add a substance to the List of Toxic Substances in Schedule I, the Governor in Council may, on the recommendation of the Minister, make regulations with respect to the substance, including regulations providing for or imposing requirements respecting".

Canadian Environmental Protection Act

The House divided on the Motion (Mr. Caccia), which was negatived on the following division:

(*Division No. 326*)

YEAS

Members

Allmand
Althouse
Axworthy
Blackburn (Brant)
Boudria
Cassidy
de Jong
Foster
Fulton
Gauthier
Guilbault (Saint-Jacques)
Heap
Isabelle
Killens
McCurdy
Nicholson (Trinity)
Nunziata
Nystrom
Parry
Penner
Riis
Rodriguez
Skelly
Tardif (Richmond—Wolfe)—24

NAYS

Members

Binns
Bosley
Bouchard
Bradley
Brightwell
Browes
Cadieux
Cardiff
Clifford
Clinch
Comeau
Cooper
Crouse
Darling
Della Noce
Duplessis
Edwards
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gass
Graham
Guilbault (Drummond)
Harvey
Hawkes
Holtmann
Horner
Jelinek
Jepson
Kempling
Kindy
King
Lawrence
Lesick
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Nickerson
Nowlan
Pennock
Peterson
Pietz
Porter
Redway
Scott (Hamilton—Wentworth)
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Turner (Ottawa—Carleton)
Vincent
White
Wilson (Swift Current—Maple Creek)
Wise
Witer—71

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on Motion No. 16.

Mr. Caccia moved:

Motion No. 16

That Bill C-74 be amended in Clause 33 by deleting lines 45 to 48 at page 26 and lines 1 to 32 at page 27.

The House divided on the Motion (Mr. Caccia) which was negatived on the following division:

Canadian Environmental Protection Act

(Division No. 327)

YEAS

Members

Allmand	Guilbault (Saint-Jacques)	Penner
Althouse	Heap	Riis
Axworthy	Isabelle	Rodriguez
Blackburn (Brant)	Killens	Skelly
Boudria	McCurdy	Tardif (Richmond—Wolfe)—24
Cassidy	Nicholson (Trinity)	
de Jong	Nunziata	
Foster	Nystrom	
Fulton	Parry	
Gauthier		

NAYS

Members

Binns	Hawkes	Nickerson
Bosley	Holtmann	Nowlan
Bouchard	Horner	Pennock
Bradley	Jelinek	Peterson
Brightwell	Jepson	Pietz
Browes	Kempling	Porter
Cadieux	Kindy	Redway
Cardiff	King	Scott (Hamilton—Wentworth)
Clifford	Lawrence	Stewart
Clinch	Lesick	Suluk
Comeau	MacDougall (Timiskaming)	Tardif (Charlesbourg)
Cooper	MacKay	Thacker
Crouse	Mailly	Towers
Darling	Malone	Turner (Ottawa—Carleton)
Della Noce	Mantha	Vincent
Duplessis	Marin	White
Edwards	Mazankowski	Wilson (Swift Current —Maple Creek)
Fennell	McCain	Wise
Ferland	McCrossan	Witer—71
Fontaine	McCuish	
Friesen	McDermid	
Gagnon	McKenzie	
Gass	McKinnon	
Graham	McMillan	
Guilbault (Drummond)	Merrithew	
Harvey	Mitges	

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on Motion no. 17.

Ms. McDonald (Broadview—Greenwood) moved:

Motion no. 17

That Bill C-74 be amended by adding immediately after line 9 at page 29 the following:

"35. Where

(a) a substence

(i) is not specified on the List of Toxic Substances in Schedule I and the Ministers have reason to believe it is toxic, or

(ii) if the substance is specified on that List, the Ministers have reason to believe it is not adequately regulated, and

(b) the Minister has made no interim order in respect of the substance,

Her Majesty in Right of Canada may be held liable for all injury and damage resulting from the use of that substance in any period after the Ministers have reason to believe it is toxic or not adequately regulated."

The House divided on the Motion (Ms. McDonald), which was negatived on the following division:

(Division No. 328)

YEAS

Members

Allmand	Guilbault (Saint-Jacques)	Penner
Althouse	Heap	Riis
Axworthy	Isabelle	Rodriguez
Blackburn (Brant)	Killens	Skelly
Boudria	McCurdy	Tardif (Richmond—Wolfe)—24
Cassidy	Nicholson (Trinity)	
de Jong	Nunziata	
Foster	Nystrom	
Fulton	Parry	
Gauthier		

NAYS

Members

Binns	Hawkes	Nickerson
Bosley	Holtmann	Nowlan
Bouchard	Horner	Pennock
Bradley	Jelinek	Peterson
Brightwell	Jepson	Pietz
Browes	Kempling	Porter
Cadieux	Kindy	Redway
Cardiff	King	Scott (Hamilton—Wentworth)
Clifford	Lawrence	Stewart
Clinch	Lesick	Suluk
Comeau	MacDougall (Timiskaming)	Tardif (Charlesbourg)
Cooper	MacKay	Thacker
Crouse	Mailly	Towers
Darling	Malone	Turner (Ottawa—Carleton)
Della Noce	Mantha	Vincent
Duplessis	Marin	White
Edwards	Mazankowski	Wilson (Swift Current —Maple Creek)
Fennell	McCain	Wise
Ferland	McCrossan	Witer—71
Fontaine	McCuish	
Friesen	McDermid	
Gagnon	McKenzie	
Gass	McKinnon	
Graham	McMillan	
Guilbault (Drummond)	Merrithew	
Harvey	Mitges	

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on Motion No. 18.

Mr. Keith Penner (Cochrane—Superior) moved:

Motion No. 18

That Bill C-74 be amended in Clause 51 by deleting lines 10 and 11 at page 40.

The House divided on the Motion (Mr. Penner), which was negatived on the following division:

Canadian Environmental Protection Act

(*Division No. 329*)

YEAS

Members

Allmand
Althouse
Axworthy
Blackburn (Brant)
Boudria
Cassidy
de Jong
Foster
Fulton
Gauthier
Guilbault (Saint-Jacques)
Heap
Isabelle
Killens
McCurdy
Nicholson (Trinity)
Nunziata
Nystrom
Parry
Penner
Riis
Rodriguez
Skelly
Tardif (Richmond—Wolfe)—24

NAYS

Members

Binns
Bosley
Bouchard
Bradley
Brightwell
Browes
Cadieux
Cardiff
Clifford
Clinch
Comeau
Cooper
Crouse
Darling
Della Noce
Duplessis
Edwards
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gass
Graham
Guilbault (Drummond)
Harvey
Hawkes
Holtmann
Horner
Jelinek
Jepson
Kempling
Kindy
King
Lawrence
Lesick
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Nickerson
Nowlan
Pennock
Peterson
Pietz
Porter
Redway
Scott (Hamilton—Wentworth)
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Turner (Ottawa—Carleton)
Vincent
White
Wilson (Swift Current—Maple Creek)
Wise
Witer—71

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on Motion No. 19.

Hon. Chas. L. Caccia (Davenport) moved:

Motion No. 19

March 23, 1988—That Bill C-74 be amended by deleting Clause 53 and substituting the following therefor:

"53. Where no other Act of Parliament expressly provides for the making of regulations that result in the protection of the environment, the Governor in Council may, on the recommendation of the Minister, make regulations for the protection of the environment respecting

(a) limits on the release of emissions and effluents by departments, boards and agencies of the Government of Canada or from federal works or undertakings, and where appropriate, by corporations named in Schedule C to the *Financial Administration Act*, or on federal lands; and

(b) waste handling and accepted disposal practices for departments, boards, agencies and corporations referred to in paragraph (a), federal works or undertakings, or on federal lands."

The House divided on the Motion (Mr. Caccia), which was negatived on the following division:

(*Division No. 330*)

YEAS

Members

Allmand
Althouse
Axworthy
Blackburn (Brant)
Boudria
Cassidy
de Jong
Foster
Fulton
Gauthier
Guilbault (Saint-Jacques)
Heap
Isabelle
Killens
McCurdy
Nicholson (Trinity)
Nunziata
Nystrom
Parry
Penner
Riis
Rodriguez
Skelly
Tardif (Richmond—Wolfe)—24

NAYS

Members

Binns
Bosley
Bouchard
Bradley
Brightwell
Browes
Cadieux
Cardiff
Clifford
Clinch
Comeau
Cooper
Crouse
Darling
Della Noce
Duplessis
Edwards
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gass
Graham
Guilbault (Drummond)
Harvey
Hawkes
Holtmann
Horner
Jelinek
Jepson
Kempling
Kindy
King
Lawrence
Lesick
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Nickerson
Nowlan
Pennock
Peterson
Pietz
Porter
Redway
Scott (Hamilton—Wentworth)
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Turner (Ottawa—Carleton)
Vincent
White
Wilson (Swift Current—Maple Creek)
Wise
Witer—71

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on Motion No. 23.

Mr. Caccia: moved:

Motion No. 23.

That Bill C-74 be amended in Clause 62

(a) by striking out line 15 at page 47 and substituting the following therefor:

"62. The Gov-"

(b) by striking out lines 31 to 48 at page 47 and lines 1 to 19 at page 48.

The House divided on the Motion (Mr. Caccia), which was negatived on the following division:

Canadian Environmental Protection Act

(Division No. 331)

YEAS

Members

Allmand
Althouse
Axworthy
Blackburn (Brant)
Boudria
Cassidy
de Jong
Foster
Fulton
Gauthier
Guilbault (Saint-Jacques)
Heap
Isabelle
Killens
McCurdy
Nicholson (Trinity)
Nunziata
Nystrom
Parry
Penner
Riis
Rodriguez
Skelly
Tardif (Richmond—Wolfe)—24

NAYS

Members

Binns
Bosley
Bouchard
Bradley
Brightwell
Browes
Cadieux
Cardiff
Clifford
Clinch
Comeau
Cooper
Crouse
Darling
Della Noce
Duplessis
Edwards
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gass
Graham
Guilbault (Drummond)
Harvey
Hawkes
Holtmann
Horner
Jelinek
Jepson
Kempling
Kindy
King
Lawrence
Lesick
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Nickerson
Nowlan
Pennock
Peterson
Pietz
Porter
Redway
Scott (Hamilton—Wentworth)
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Turner (Ottawa—Carleton)
Vincent
White
Wilson (Swift Current—Maple Creek)
Wise
Witer—71

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on motion No. 24.

Ms. Lynn McDonald (Broadview—Greenwood) moved:

Motion No. 24

That Bill C-74 be amended in Clause 65 by striking out lines 35 to 38 at page 49.

The House divided on the Motion (Ms. McDonald), which was negatived on the following division:

(Division No. 332)

YEAS

Members

Allmand
Althouse
Axworthy
Blackburn (Brant)
Boudria
Cassidy
de Jong
Foster
Fulton
Gauthier
Guilbault (Saint-Jacques)
Heap
Isabelle
Killens
McCurdy
Nicholson (Trinity)
Nunziata
Nystrom
Parry
Penner
Riis
Rodriguez
Skelly
Tardif (Richmond—Wolfe)—24

NAYS

Members

Binns
Bosley
Bouchard
Bradley
Brightwell
Browes
Cadieux
Cardiff
Clifford
Clinch
Comeau
Cooper
Crouse
Darling
Della Noce
Duplessis
Edwards
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gass
Graham
Guilbault (Drummond)
Harvey
Hawkes
Holtmann
Horner
Jelinek
Jepson
Kempling
Kindy
King
Lawrence
Lesick
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Nickerson
Nowlan
Pennock
Peterson
Pietz
Porter
Redway
Scott (Hamilton—Wentworth)
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Turner (Ottawa—Carleton)
Vincent
White
Wilson (Swift Current—Maple Creek)
Wise
Witer—71

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on Motion No. 26.

Ms. McDonald (Broadview—Greenwood) moved:

Motion No. 26

That Bill C-74 be amended in Clause 110 by striking out line 37 at page 77 and substituting the following therefor:

"for a term not exceeding one year, or to".

The House divided on the Motion (Ms. McDonald), which was negatived on the following division:

(*Division No. 333*)

YEAS

Members

Allmand
Althouse
Axworthy
Blackburn (Brant)
Boudria
Cassidy
de Jong
Foster
Fulton
Gauthier
Guilbault (Saint-Jacques)
Heap
Isabelle
Killens
McCurdy
Nicholson (Trinity)
Nunziata
Nystrom
Parry
Penner
Riis
Rodriguez
Skelly
Tardif (Richmond—Wolfe)—24

NAYS

Members

Binns
Bosley
Bouchard
Bradley
Brightwell
Browes
Cadieux
Cardiff
Clifford
Clinch
Comeau
Cooper
Crouse
Darling
Della Noce
Duplessis
Edwards
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gass
Graham
Guilbault (Drummond)
Harvey
Hawkes
Holtmann
Horner
Jelinek
Jepson
Kempling
Kindy
King
Lawrence
Lesick
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Nickerson
Nowlan
Pennock
Peterson
Pietz
Porter
Redway
Scott (Hamilton—Wentworth)
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Turner (Ottawa—Carleton)
Vincent
White
Wilson (Swift Current—Maple Creek)
Wise
Witer—71

The Acting Speaker (Mrs. Champagne): I declare the Motion lost.

The next question is on Motion No. 27.

Ms. Lynn McDonald (Broadview—Greenwood) moved:

Motion No. 27

That Bill C-74 be amended in Clause 111 by striking out line 7 at page 78 and substituting the following therefor:

"for a term not exceeding one year or to".

The House divided on the Motion (Ms. McDonald), which was negatived on the following division:

Canadian Environmental Protection Act

(*Division No. 334*)

YEAS

Members

Allmand
Althouse
Axworthy
Blackburn (Brant)
Boudria
Cassidy
de Jong
Foster
Fulton
Gauthier
Guilbault (Saint-Jacques)
Heap
Isabelle
Killens
McCurdy
Nicholson (Trinity)
Nunziata
Nystrom
Parry
Penner
Riis
Rodriguez
Skelly
Tardif (Richmond—Wolfe)—24

NAYS

Members

Binns
Bosley
Bouchard
Bradley
Brightwell
Browes
Cadieux
Cardiff
Clifford
Clinch
Comeau
Cooper
Crouse
Darling
Della Noce
Duplessis
Edwards
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gass
Graham
Guilbault (Drummond)
Harvey
Hawkes
Holtmann
Horner
Jelinek
Jepson
Kempling
Kindy
King
Lawrence
Lesick
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Nickerson
Nowlan
Pennock
Peterson
Pietz
Porter
Redway
Scott (Hamilton—Wentworth)
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Turner (Ottawa—Carleton)
Vincent
White
Wilson (Swift Current—Maple Creek)
Wise
Witer—71

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on Motion No. 28.

Ms. McDonald (Broadview—Greenwood) moved:

Motion No. 28

April 18, 1988—That Bill C-74 be amended in Clause 115 by striking out line 4 at page 80 and substituting the following therefor:

"for a term not exceeding one year, or to".

The House divided on the Motion (Ms. McDonald), which was negatived on the following division:

Canadian Environmental Protection Act

(*Division No. 335*)

YEAS

Members

Allmand
Althouse
Axworthy
Blackburn (Brant)
Boudria
Cassidy
de Jong
Foster
Fulton
Gauthier
Guilbault (Saint-Jacques)
Heap
Isabelle
Killens
McCurdy
Nicholson (Trinity)
Nunziata
Nystrom
Parry
Penner
Riis
Rodriguez
Skelly
Tardif (Richmond—Wolfe)—24

NAYS

Members

Binns
Bosley
Bouchard
Bradley
Brightwell
Browes
Cadieux
Cardiff
Clifford
Clinch
Comeau
Cooper
Crouse
Darling
Della Noce
Duplessis
Edwards
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gass
Graham
Guilbault (Drummond)
Harvey
Hawkes
Holtmann
Horner
Jelinek
Jepson
Kempling
Kindy
King
Lawrence
Lesick
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Nickerson
Nowlan
Pennock
Peterson
Pietz
Porter
Redway
Scott (Hamilton—Wentworth)
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Turner (Ottawa—Carleton)
Vincent
White
Wilson (Swift Current—Maple Creek)
Wise
Witer—71

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on Motion No. 29.

Hon. Chas. L. Caccia (Davenport) moved:

Motion No. 29

That Bill C-74 be amended in Clause 129 by striking out lines 38 to 43 at page 84 and substituting the following therefor:

"(g) directing the offender to compensate the Minister, in whole or in part, for the cost of

(i) the investigation of the offence and the proceedings under this Act, and

(ii) any remedial or preventive action taken by or caused to be taken on behalf of the Minister as a result of the act or omission that constituted the offence;"

The House divided on the Motion (Mr. Caccia), which was negatived on the following division:

(*Division No. 336*)

YEAS

Members

Allmand
Althouse
Axworthy
Blackburn (Brant)
Boudria
Cassidy
de Jong
Foster
Fulton
Gauthier
Guilbault (Saint-Jacques)
Heap
Isabelle
Killens
McCurdy
Nicholson (Trinity)
Nunziata
Nystrom
Parry
Penner
Riis
Rodriguez
Skelly
Tardif (Richmond—Wolfe)—24

NAYS

Members

Binns
Bosley
Bouchard
Bradley
Brightwell
Browes
Cadieux
Cardiff
Clifford
Clinch
Comeau
Cooper
Crouse
Darling
Della Noce
Duplessis
Edwards
Fennell
Ferland
Fontaine
Friesen
Gagnon
Gass
Graham
Guilbault (Drummond)
Harvey
Hawkes
Holtmann
Horner
Jelinek
Jepson
Kempling
Kindy
King
Lawrence
Lesick
MacDougall (Timiskaming)
MacKay
Mailly
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Mitges
Nickerson
Nowlan
Pennock
Peterson
Pietz
Porter
Redway
Scott (Hamilton—Wentworth)
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Turner (Ottawa—Carleton)
Vincent
White
Wilson (Swift Current—Maple Creek)
Wise
Witer—71

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

The next question is on Motion No. 30.

Hon. Chas. L. Caccia (Davenport) moved:

Motion No. 30.

That Bill C-74 be amended in Clause 134 by striking out lines 41 to 45 at page 87 and lines 1 to 10 at page 88 and substituting the following therefor:

"134.(1) Where, on the application of any person, it appears to a court of competent jurisdiction that a person has done or is about to do any act or thing constituting or directed toward the commission of an offence under this Act, the court may issue an injunction ordering any person named in the application to refrain from doing any act or thing that it appears to the court may constitute or be directed toward the commission of an offence under this Act."

The House divided on the Motion (Mr. Caccia), which was negatived on the following division:

(Division No. 337)

YEAS

Members

Allmand	Guilbault (Saint-Jacques)	Penner
Althouse	Heap	Riis
Axworthy	Isabelle	Rodriguez
Blackburn (Brant)	Killens	Skelly
Boudria	McCurdy	Tardif (Richmond—Wolfe)—24
Cassidy	Nicholson (Trinity)	
de Jong	Nunziata	
Foster	Nystrom	
Fulton	Parry	
Gauthier		

NAYS

Members

Binns	Edwards	Kempling
Bosley	Fennell	Kindy
Bouchard	Ferland	King
Bradley	Fontaine	Lawrence
Brightwell	Friesen	Lesick
Browes	Gagnon	MacDougall (Timiskaming)
Cadieux	Gass	MacKay
Cardiff	Graham	Mailly
Clifford	Guilbault (Drummond)	Malone
Clinch	Harvey	Mantha
Comeau	Hawkes	Marin
Cooper	Holtmann	Mazankowski
Crouse	Horner	McCain
Darling	Jelinek	McCrossan
Della Noce	Jepson	McCuish
Duplessis	McDermid	Pietz
	McKenzie	Porter
	McKinnon	Redway
	McMillan	Scott (Hamilton—Wentworth)
	Merrithew	Stewart
	Mitges	Suluk
	Nickerson	Tardif (Charlesbourg)
	Nowlan	Thacker
	Pennock	Towers
	Peterson	Turner (Ottawa—Carleton)
		Vincent
		White
		Wilson (Swift Current —Maple Creek)
		Wise
		Witer—71

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

• (1740)

[*English*]

Mr. McMillan moved that the Bill be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

The Acting Speaker (Mrs. Champagne): When shall the Bill be read a third time? At the next sitting of the House?

Some Hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 5.41 p.m., this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.41 p.m.

HOUSE OF COMMONS

Friday, April 22, 1988

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of Finance) moved that Bill C-118, an Act to amend the Customs Tariff, as reported (without amendment) from the Standing Committee on Finance and Economic Affairs, be concurred in.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Lewis (for the Minister of Finance) moved that the Bill be read the third time and passed.

Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I thank you for the opportunity to speak on third reading of Bill C-118, an Act to amend the Customs Tariff. As Members will know, this Bill provides for the reduction and removal of duties on a narrow range of products not manufactured in Canada.

Bill C-118 also makes some technical amendments to the Customs Tariff to correct errors in the new harmonized system which came into effect on January 1, 1988, and to allow facsimile transmission equipment and diesel engines to continue to enter Canada at the rates which have historically been applied.

I would be remiss, Mr. Speaker, if I did not make mention of my colleagues on the finance committee who once again put their collective expertise to work to deal expeditiously with this piece of legislation.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to take only a few minutes to add a brief word on behalf of the Liberal Party with regard to this Bill. Normally, of course, my distinguished colleague, the Member for Trinity (Miss Nicholson), would be responding on this Bill, but this morning she is temporarily detained elsewhere here on Parliament Hill. Since she cannot be with us to address this issue I will make a few remarks on her behalf.

Bill C-118 is designed to do a number of things. It is to correct errors in the new harmonized system of tariffs by amending Section 20 to restore duty treatment for certain imported alcoholic beverages. It will correct an error in the new system in relation to remissions under the machinery program. It will delete the tariff item being amended in Schedule I to the Bill.

Another item in the Bill is the continued free entry for facsimile equipment not made in Canada. This equipment is commonly referred to as telecopying equipment. There will also be a removal of the duty on radio controlled model glider kits and radio controlled self-propelled electrically powered model vehicle kits. This hobby equipment is not manufactured in Canada and therefore the Tariff Board recommended that free entry be provided for these items. The Bill will address that issue as well.

• (1010)

Schedule II also provides for the removal of the duty on burial shrouds. We are told that they are not made in Canada and I suppose until such time as they are made here there would be no purpose in having a duty to protect an industry that does not exist at the present time.

There are a number of items generally involving tariffs which sometimes come to the attention of Members as being contentious. I remember a year or two ago a case involving veterinarians. Veterinarians working with farm animals have a specific piece of equipment which they attach to the back of their truck. This equipment has a refrigerated compartment in which to keep drugs and another space to keep medical equipment used by veterinarians. This piece of equipment had a duty imposed on it, even though it was not made in Canada.

A number of Members of Parliament, including myself, wrote to the Minister of Agriculture (Mr. Wise) to ask that he intervene with the Minister of National Revenue (Mr. MacKay) in order to have the duty removed since there was really no purpose for it. It only created hardship for some veterinarians. I am happy to say that the representation was effective because the Minister saw fit to intervene and I understand the duty was eventually removed. That is an example of how these tariffs are sometimes counterproductive.

I am told that officials at the Department of Customs and Excise interpreted that equipment to be a part of a truck body,

which it was not, and gave it the same recognition as a camper. Obviously it had nothing to do with camping but met a very specific purpose and should not have been subject to a tariff.

I want to bring to the attention of the House a letter I received concerning another tariff issue. Since we are dealing with an Act to amend the Customs Tariff Act, I thought I would use this opportunity to raise a specific tariff issue that has been brought to my attention by a textile firm in my constituency known as Consoltex. Consoltex is a company located in Montreal but which also has a plant in my constituency.

[*Translation*]

In the letter sent to me by Mr. John F. Trickett of Consoltex, he informed me of correspondence he had with the Hon. Minister of Finance (Mr. Wilson) after the announcement on March 22, 1988 of the tariff reform for the textile and clothing industries.

So Mr. Trickett said in a letter that he sent to the Minister, and I quote:

> I am very concerned that this list of fabrics included in Schedule I . . .

. . . of the tariff list . . .

> . . . was not thoroughly considered and contains several items that are definitely manufactured in Canada by Consoltex as well as other textile companies. Furthermore, some products on this list can be directly substituted for others made in Canada.
>
> It is essential that direct consultation with us and other Canadian textile companies take place before finalizing what fabrics—will be eligible for customs exemption.

So in this case, Mr. Speaker, we have a situation where the Government has chosen this time, it seems, to eliminate tariffs which should not have been eliminated; that is, removing them will hurt the textile industry that is so important for the riding of Glengarry—Prescott—Russell.

I will give you an example of some of these fabrics, according to the list provided by Consoltex:

> (1) Fabrics of a weight not exceeding 70 grams per square meter, other than lining fabrics.

It seems this is one type of fabric for which we are proposing tariff remission. Consoltex informs us that they manufacture this product themselves.

> (2) Fabrics containing 35 per cent or more, by weight, of silk.

Consoltex says:

> This item alone could result in unfair competition for virtually all fabrics now manufactured in Canada, because of the tariff remission.

In other words, this particular product that will not be subject to duty could be substituted for others that are now being manufactured in Canada.

> (3) Jacquard fabrics: These fabrics are now manufactured in Canada, and Consoltex is manufacturing more and more fabrics that are not included in this item but might be adversely affected by duty free imports under this tariff item.
>
> (4) "Leno" fabrics containing 50 per cent or more, by weight, of cotton. Consoltex manufactures "Leno" fabrics and other fabrics that are not included in this item and would be directly affected and, in fact, replaced by duty-free imports.

Mr. Speaker, the rest of the text I have here reads as follows:

> In addition to the above items, there are other products on the list that require further clarification and definition. The list is too vague in its present form, and significant improvements are urgently needed.

What Mr. Trickett is trying to say is this: Although all Members of this House do, I imagine, approve of the principle of tariff remission which is important to the garment manufacturers in my riding, we should not forget that those who manufacture fabrics in Canada must be protected, so that when we provide for tariff remission, we should make sure that we protect products that are manufactured in Canada or that can be replaced by a product manufactured in our own country.

Mr. Speaker, those were my brief comments this morning on Bill C-118, and I also wanted to take this opportunity to point out that one of the manufacturers in my riding is dissatisfied with some of this Government's tariff policies.

That being said, Mr. Speaker, I want to thank you, and we in the Liberal Party intend to co-operate in getting this Bill through the House as soon as possible.

[*English*]

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this is not one of the earthshaking pieces of legislation to come before the House of Commons. Nevertheless, it is legislation which, during the second reading debate, the Parliamentary Secretary to the Deputy Prime Minister (Mr. Hawkes), suggested represented the following principle: "The policy of the Government is to meet the needs of the business sector and individuals by amending the tariffs in its annual Budget. This Bill maintains this tradition, and I therefore urge the House to adopt it as quickly as possible".

• (1020)

It is interesting in the context of that statement to recount to the House of Commons the case of a machine manufacturing plant in my constituency, Tri-Way Machine Ltd. which is one of the few companies in this country capable of producing a machining system, combined with transfer mechanisms within the machining system, all computerized, which permits a product to be produced to extremely high levels of tolerance. We raised the case of Tri-Way with the Minister of Finance (Mr. Wilson) and the Minister of National Revenue (Mr. MacKay) this past year. In fact, Tri-Way officials came to Ottawa to point out very clearly to the Government the tremendous irony which exists in the present tariff schedule. It is the irony that if one imports certain machines which go to make up this transfer system of machining, one can import them at no tariff rate.

If, however, one imports a complete transfer system—with the machining and transfer mechanisms built in—one has to

pay a tariff of over 9 per cent. One could not recognize a more detrimental situation for the production of these very sophisticated high-tech machines here in Canada. By that structure of the tariff, every incentive is given to plants to bring into the country the basic machines and to assemble a transfer system based on those machines, instead of actually creating the transfer system from the ground up, as Tri-Way itself has done in Windsor, and it has employed over 200 people in the process of production.

This case was put very, very clearly to the Minister of National Revenue. It was put very clearly to the Minister of Finance. We have here a Bill which claims to represent amendments to the customs tariff in response to requests from the private sector. Yet there is absolutely no response to this request which would give to this country a greater capacity to produce sophisticated machinery right from the ground up, to expand employment and thereby build the base for exports in the future.

Tri-Way exports the great bulk of what it produces to other countries, mostly the United States. Yet the Government has seen fit to ignore completely this absolutely straightforward and legitimate request from this important company within my constituency for a tariff change . I think it is a shame the Government would act that way with respect to this specific company.

I think there is inherent in the changes proposed in this Bill a perspective on Canada for the future which reflects exactly that "no" to a high-tech machine- based company in my own constituency. The kinds of changes which are taking place with respect to this Bill, when you consider them in detail, indicate what we are opening ourselves up for. We are reducing the incentive to Canadian producers to produce high-technology machinery which is crucial for many sectors of our economy in the future.

If we take, for instance, the changes which have to do with machinery which is employed in mining, recovering and producing crude oil from shales, oil sands or tar sands, what do we see taking place? We see a vast variety of machines which we in this country have the capacity to produce and the incentives to produce them stripped away from the various tariffs which existed under the general preferential tariff or the most favoured nation tariff. We see a reduction to free entry for the whole set of these machines, including bridge conveyer systems, mechanical shovels, multi-bucket excavators, coke cutters and so on.

I cannot understand the logic of trying to paint a picture, as the Prime Minister (Mr. Mulroney) sometimes does, of this country as a technologically sophisticated nation with a capacity, not just to produce this kind of important machinery but to export it, based on the fact that we have resource sectors here which require such machinery. I cannot see the logic of taking the incentives to Canadian producers to produce this machinery here in Canada out of our tariff structure.

• (1030)

If what the bulk of this Bill were aiming to do was to make some reductions on very skilled, non-technology intensive products, and to give some advantages to less developed countries to be able to export into our country, one would have no problem with that. It would make some sort of sense. But to take the very top, the most sophisticated of our products, the most sophisticated potential for the future of the country, as represented in some of this machinery which is being given duty-free status, as represented by the lack of response to a company such as Tri-Way, which is producing extremely sophisticated machining systems, is to say that the Government believes that the future of Canada is to be a resource producer. It is to say that our future is to be an extractor of raw materials rather than a high-tech producer able to compete with the rest of the world.

That just makes no sense from an industrial policy perspective whatsoever. Anyone who looks seriously at what our industrial future will be, in terms of what we can potentially compete in against the lower wage, lower benefit, developing countries of the world, comes to an obvious conclusion. We have to move toward more sophisticated production. We have to move toward production of precisely the type of items I am talking about, much more sophisticated technology machine goods. That is the direction we have to take. That is the direction which will make us competitive, because the capacity to export products which have a skill input is important for the future of Canada. Yet the Government heads us in precisely the opposite direction.

I grant Hon. Members that this is not, as I started out to say, a major Bill. However, taken together with the other elements which exist in the Government's trade policy direction, there is only one conclusion that one can draw. It is that the Government does not have a trade policy which sees Canada as a leader in high technology production in the future. Instead, it sees us tied in dependent terms to the United States through the trade agreement that it wishes to sign. It sees our companies as unable to respond rapidly and flexibly to trade threats, as Bill C-110 which we talked about yesterday demonstrates. It sees us as a country which is devoted to importing other people's machinery, to giving other people advantages and benefits, and to cutting out the incentives which exist for our country with respect to high technology machinery for the future.

It is a policy which is as ridiculous as one can possibly imagine. It is sending us on a track which in 20 years' time will make us much less competitive and much more dependent at a time when we could be taking steps, albeit small ones in this Bill, in the opposite direction. We could be taking steps which would give us much more capacity for sophisticated machinery production in the future, not just in the case of Tri-Way in my own constitutency but in the case of the various machine goods which are noted in this Bill itself.

Thus we have a Bill which is a failure through what it omits, such as the Tri-Way case and the tremendous benefits which machine transfer systems being produced from the ground up could give to the country. We have a Bill which is a failure in terms of what is in it, in terms of cutting away incentives which presently exist that favour us moving in the direction of higher technology and more sophisticated production which will give us a place in the world in the future.

If this were taking place at a time when we had prosperity throughout the country one might sit back and not be so concerned about it. However, if one looks at the statistics for Canada one sees that, with the exception of small geographic parts of the country, unemployment rates are unacceptably high. We see unemployment rates in Atlantic Canada which are simply shameful for us to accept. We see unemployment rates in the West where there is a lack of a diversified manufacturing base which western economists and western producers are very concerned about. We see in much of Ontario and Quebec communities which face serious problems for the future. We see textile communities, for instance—

[*Translation*]

. . . there are textile communities in Quebec that are facing a very uncertain future. We must try to do something about these problems, and I am referring to present and future jobs. Unfortunately, there is nothing in this Bill that shows the Government understands the problem.

[*English*]

The same is true of Ontario. In my own community of Windsor we have an unemployment rate of over 9 per cent. That is the official rate. Many people in the community think that the unofficial rate is much higher. In great parts of northern Ontario unemployment rates are as bad or worse. In Brantford, unemployment rates are at levels which reflect the tremendous collapse of one of our important machine producing sectors of the past, the farm equipment sector.

• (1040)

With the small exceptions of certain geographic areas, in this country we have serious economic problems and unemployment. This unemployment is the basic and fundamental reason why we should be looking at a future which gives us high technology potential and potential in the machining sector. These are the sectors where highly skilled employment is possible in the future. These are the sectors where exports based on these skills, growth of technology, and the sophistication of the products that can be produced in this country. That is where the future exists for Canada. Yet this Bill takes steps away from that future.

I have gone through the Tri-Way plant in Windsor and seen the tremendously sophisticated production of which it is capable. Officials of that plant have also put to me the fact that that production is vulnerable if there is not a fair base of protection for them, not to establish high costs for Canadians buying their equipment, but to establish fairness between those who import the equipment and those who import the parts and assemble them here in Canada.

I would urge that the Government look at this Bill again, that it realize that it has embarked very much in the wrong direction, and that it give this country a sense of a high-tech future which this Bill does not present to us.

Mr. Althouse: I have a question for the Hon. Member for Essex—Windsor (Mr. Langdon). I was not privileged to be in the House when the Government introduced the Bill, but I have gone through the remarks of the Hon. Member who introduced it on behalf of the Government. I did not see any explanation of the Bill, other than a very brief description of some of the goods on which the Government is proposing to reduce the tariffs.

Did the Hon. Member for Essex—Windsor have an opportunity to look into the reasons for some of the tariff reductions that were posted? I notice that some of them include tariff item 73.08 which would reduce the tariff to zero on structures and parts of structures mostly for bridges and bridge sections, lock gates, towers, masts, roofing, framework, et cetera. In short, these are mostly products made out of steel in which we understood Canada normally has an ability to be quite competitive. Does the Hon. Member have any insight as to why these proposals were put forward in this case?

I notice that very large compressors will now be permitted to have better access from outside the country. I know these are very much in use in the oil and mining industries, and I wondered if the Hon. Member has any insight into the effect that this change will have on the steel industry which produces materials for doors, belts, and so on. What, if any, impact will there be on the compressor industry? I know that that industry is fairly important in Calgary and the West as they are great users of compressed air in the oil and mining industries.

Mr. Langdon: The Parliamentary Secretary to the Deputy Prime Minister (Mr. Hawkes) was absolutely frank in saying why these particular changes had been introduced. He said that the policy of the Government is to meet the needs of the business sector and individuals by amending the tariffs in its annual Budgets. The Bill maintains this tradition.

Unfortunately, that is not quite an accurate statement. The needs of businesses which have been put before the Minister of National Revenue and the Minister of Finance have not been met, except on a selective basis. There have been certain things on which the Government has stated that it would accept that representation and put it into effect. But, for example, on this representation from Tri-Way to get the capacity for better machining and better production of transfer systems in this country, the Government states that it will not select that particular suggestion.

The logic of saying to the business community that it will be responsive is not being followed with respect to this Bill. Therefore, one has to ask, why is the Government choosing

particular groups and individuals to say yes to, and other groups and other individuals to say no to?

I was particularly intrigued in trying to answer that question by the fact that burial shrouds were going to be allowed into the country duty free. Personally, Mr. Speaker, I associated that with the next election and the fact that there would be a tremendous demand on the part of the Conservative Party for such burial shrouds.

With respect to the points raised by my colleague, the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), there are serious problems raised. Here we are being hit by countervail tariffs in the United States on some of our specialty steel items, and what we do is to establish a reduction in tariff levels, and in many cases completely free entry for other specialty steel items coming into this country.

Again, we seem to be hurting an industry which has been tremendously competitive, which has a high technology base, and which has tremendous skill inputs. My friend asks, does it make sense? My answer is that I do not think it does make sense. I do not think there is logic in what has been put before us, and certainly that logic has not, at any stage, been presented by the Government in attempting to defend this unfortunate Bill.

• (1050)

Mr. McCurdy: Mr. Speaker, I hasten to congratulate the Hon. Member on his excellent speech about a Bill which, at first sight, is not of great moment in the context of more important legislation we will be considering to implement the free trade agreement. Nevertheless, he has indicated to us in a very informative way some of its implications.

What is involved here is the lowering of customs duties on goods coming into Canada. Part of the free trade agreement, of course, is to eliminate almost all tariffs over a period of time. That is intended to gain Canadian access to the American market. I think Canadians have done reasonably well over the last little while in the American market because of the value of the Canadian dollar compared to the American dollar. That difference, which was to our advantage, overcame some of the tariff barriers imposed by the Americans.

I am sure my colleague would be more than willing to examine the situation of Birla Industries in Windsor in the context of the free trade agreement and the increase in the value of our dollar. Perhaps he would also consider it in the context of the Canadian dollar achieving the not unprecedented level of 90 cents or even parity, and what would be the implications of that situation for Canadian industry, particularly in the City of Windsor, the representation of which I share with my colleague as a Member of Parliament.

Mr. Langdon: Mr. Speaker, the collapse of Birla Industries is perhaps the sixth or seventh shut-down of an auto parts plant to hit Windsor and Essex County in the last year. Previous shut-downs include Cross-LaSalle, International Tools Ltd., and others.

There has been a constant and growing sense of pressure on the auto parts industry which comes from three things. First, because of a possible downturn in the industry associated with the problems of a lack of government policy and lack of enforcement of the 60 per cent Canadian content rule on Japanese producers. The second factor is the expectation on the part of many of those companies that the free trade agreement will be passed. I would suggest that they should not be so certain about that, but the expectation has led them in a number of cases to design at this stage to shift production to the U.S. That would seem to have been the case with Cross-LaSalle and the recent Hawker-Siddley shut-down. It is possible, given that Birla produces in the U.S. as well, that this was a factor in that shut-down.

The third factor has been confirmed for us by the Federal Business Development Bank with respect to Birla Industries. They and the management of the company, in their statement about the shut-down, pointed to the 10 cent increase over the past year in the value of the Canadian dollar. I think that appreciation is part of a quiet agreement between the Government and the U.S. Government with respect to the trade agreement, and it has resulted in this particular plant shut-down. It has also resulted in the shut-down of certain other auto parts producers across Ontario.

I have a sense that the Government does not understand what it is doing when it puts into effect a high interest rate policy which creates this tremendous increase in the value of the dollar. These high interest rates have now brought us to a point where the prime lending rate is 10.25 per cent at the chartered banks. That means a flow into this country of short-term capital which does not go into new industries or new production but into speculative paper investments. At the same time we have an increase in the value of our dollar which, in the case of Birla Industries, has cost 152 people their jobs. Again, I think this is a sign of the lack of serious economic thinking and economic policy making on the part of the Government.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: May I call it eleven o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being eleven o'clock, it is now time for Statements by Members.

S. O. 21

STATEMENTS PURSUANT TO S. O. 21

[*English*]

CANADIAN BROADCASTING CORPORATION

CRITICISM OF PROGRAM ON ABORTION

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, the *CBC Commentary* program of February 3 featured comments by Dr. Peter Cole, regional health officer for the County of Peel, Ontario, who made the false statement that the abortion rate in the U.S. decreased after abortion on demand became legal in 1973. Dr. Cole misled the Canadian public by distorting the true facts, that abortion has indeed increased drastically since 1973.

The CBC showed its bias by not even having one pro-life commentator on the program despite the fact that a substantial number of people stand on both sides of the question. The question that begs to be answered is how the *CBC Commentary* guests are selected, and by whom. As well, why was the pro-life side of the issue not presented after the Supreme Court decision on the Morgentaler case?

This is another example of the CBC once again doing a poor job in keeping bias out of its programs. It is hoped that the ongoing investigation by the CRTC will censor the CBC and force it to curtail its biased programming and henceforth give equal opportunity for both sides of all issues to be heard, and not just what the CBC wants people to hear.

* * *

• (1100)

HOUSE OF COMMONS

APPOINTMENT OF WOMAN AS ASSISTANT DEPUTY SERGEANT-AT-ARMS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, since the House came back at Easter one thing is very different around this place and perhaps it is time we noted it as Members of Parliament.

You, Sir, and the Sergeant-at-Arms have seen fit to appoint for the first time in the history of our country an Assistant Deputy Sergeant-at-Arms who is a woman. The appointment is great and should be underlined and recognized in this House by all Members.

Some Hon. Members: Hear, hear!

Mr. Boudria: On behalf of all my colleagues I want to congratulate Mrs. Marie Charbonneau who is now our Assistant Deputy Sergeant-at-Arms.

I hope this is the beginning of a number of such appointments recognizing the fact that women have their place not only in the house, but in the House of Commons.

UNION LEADERS

ATTITUDE TOWARD GOVERNMENT

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, isn't it wonderful to live in a democracy?

We have the President of PSAC, the President of the CLC, and the President of CUPW, three of Canada's favourite people, saying they are going to do everything to defeat the current PC Government. Well, I'll be damned. Three of Canada's favourite people are all now clearly aiming their expensive union membership dues at our Prime Minister (Mr. Mulroney).

Daryl, remember the imposed program of 6 and 5 on pensioners by the former Liberal Government? Do you want that kind of co-operative government again? Do you remember the April 11, 1985, agreement that you signed relating to pension deindexing and what you have done and said since?

And Shirley, if you think the Prime Minister is Margaret Thatcher in jockey shorts, wait until he takes his gloves off.

And we have dear Jean-Claude, that great defender of democracy and postal rights.

Oh boy, what a three-ring circus they will represent. Worse than Larry, Moe, and Curly. And you figure out who Curly is!

With loose cannons like this firing at us, Mr. Speaker, we can't lose.

* * *

INDIAN AFFAIRS

SPALLUMCHEEN INDIAN BAND—CHILD WELFARE PROGRAM

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the chief, the council, and the Spallumcheen Indian Band members reject the Minister of Indian Affairs' (Mr. McKnight) recent proposed child welfare program. They reject not only the policy but also the so-called consultation process. They believe that by transferring jurisdiction over native children's welfare to provincial Governments the federal Government is actually breaching its trust responsibility for Indian people and is playing politics with the lives of Indian children.

Seven years ago this band began its own child welfare program based on a thoughtful and well developed band by-law which gave the band members the right to administer their own child welfare programs, which they have done exceptionally well. They do not wish now to surrender this jurisdiction to provincial Governments.

If native self-government is to be a reality in Canada, those bands which presently have complete jurisdiction and responsibility over their child welfare programs must be able to continue to act in that fashion.

[*Translation*]

POLITICAL PARTIES

SOCIALISTS' RECRUITING METHODS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, the socialists are certainly using underhanded recruiting methods. Here is the stratagem: The socialist "comrades" attend all the meetings of the Postal Workers' Union, without identifying themselves as "comrades." They ask the participants whether they are satisfied with Brian Mulroney. "Do you want to work against his re-election as volunteers?" If they answer yes, afterwards, one of the "comrades" will contact them to say that they will volunteer under the socialist banner. That, Mr. Speaker, is real hypocrisy!

* * *

IN MEMORY OF JEAN GASCON

Mrs. Lucie Pépin (Outremont): Mr. Speaker, Quebecers and Canadians learned yesterday of the death of one of the most important figures in Canadian theatre, Jean Gascon. Jean Gascon, actor and producer, distinguished himself as co-founder and director of the *Théâtre du Nouveau Monde*, founder of the National Theatre School in Montreal, artistic director of the Stratford Theatre in Ontario and, in 1977, director of the National Arts Centre in Ottawa.

Mr. Speaker, I would like to pay a personal tribute to Mr. Gascon and say how important he was in discovering and establishing the theatre in Quebec to people of my generation. Jean Gascon helped us discover and love Molière. He gave us the desire to go to the theatre and pride in seeing local Canadian actors perform on our stages in Quebec. He gave us a taste for quality. With Denise Pelletier and Jean-Louis Roux, he made us realize that the theatre was as important in our lives as science and the other professions.

To his family and to all theatre people, I offer my sincerest condolences on behalf of Quebecers and Canadians; we all share their sorrow.

* * *

[*English*]

POLITICAL PARTIES

ONTARIO BUDGET—TAX INCREASES

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, on Tuesday next Manitoba's new Liberal queen is hoping to lead a new lean machine in the provincial Legislature. "Competence with heart" is the campaign theme.

Ontario residents learned yesterday that both the competence and the heart have gone out of the Ontario Liberal Government. In Ontario, the Liberals are taxing and spending as only Liberals know how. Gas tax has increased by 18 cents per gallon. Cigarettes are up by 1 cent per smoke. Ontario residents have seen an increase in their sales tax of 1 per cent, and personal income tax increases of 1 per cent this year and another 1 per cent next year. Why, even a case of beer will cost half a buck more. Ontario residents have learned what confidence with heart means.

In Manitoba, without a doubt the new Liberal Queen of Hearts would quickly show her true colours. Manitobans should learn from the Ontario experience. They should use their heads on April 26 because, if their choice is wrong, they may lose their heads after the election.

* * *

[*Translation*]

THE LATE JEAN GASCON

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, last night at the *Théâtre du Nouveau Monde*, actors and audience observed one minute's silence as a tribute to a great man of the theatre who had just died, Jean Gascon.

Mr. Speaker, Canada has lost one of its most prominent performing artists. The founder of the *Théâtre du Nouveau Monde* and the father of modern theatre in Quebec became one of the most respected figures in this country.

His work as actor, producer and director took him from Montreal to Paris. Subsequently, he was made artistic director of the well-known Stratford Festival. His passion for the theatre was overwhelming: From Tennessee Williams to Tchekov, Molière, Claudel and Shakespeare, he made us laugh and cry.

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[*English*]

EXTERNAL AFFAIRS

CANADA-FRANCE DISPUTE—STATUS OF ST. PIERRE AND MIQUELON

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, the papers are full of reports of the cod war between Canada and the United States, and the posturing politicians vying for the presidential prize in Paris are talking about the situation. Mitterand says it is "an unacceptable situation". Mr. Chirac says it is "an absurd conflict". I fundamentally agree with them both, Mr. Speaker, but not for the reasons they say.

I suggest it is time that the last of the empires on North American soil came to an end. The Spanish left several hundred years ago, the British have gone, and now it is time that the French got out of North American affairs.

Discussions with France should not be just on fish but also on this anachronism of history. St. Pierre and Miquelon should no longer be a curiosity clone of France but should take its proper territorial place and develop a status with Canada.

As a former colony, which found its national soul, Canada knows what independence is all about. It is time that St. Pierre and Miquelon cast aside the shackles of history, came out of the shadow of Napoleon, and entered the 20th century.

If France still stays imperial on fish, then it better get realistic in its relations with Canada. Why should we buy the French airbus or submarine if we cannot agree on basic cod?

The Canadian union is all embracing, and if Newfoundland can join the union and sustain its national distinct character, so can St. Pierre and Miquelon. Viva St. Pierre and Miquelon libre! Vive St. Pierre and Miquelon Canadien!

* * *

PROVINCIAL AFFAIRS

MANITOBA ELECTION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, a few moments ago we heard about the appointment in this Chamber of the first Assistant Deputy Sergeant-at-Arms who happens to be a woman.

I would like to talk now about the first Premier of Canada who happens to be a woman, namely, Sharon Carstairs. Next Tuesday she will come up through the middle. The NDP have botched it in Manitoba. The New Democrats have autopacted themselves out of any possible government and the Conservatives have been forced to put their Leader under wraps. Every time they let him out to speak for a moment or two he takes one foot out of his mouth and replaces it with another.

The only Leader who is speaking the truth, the only Leader who is speaking with consistency, the only Leader who has taken a Party and led it from third place to the possibility of forming the Government is the fiery Sharon Carstairs. She will provide for the Liberal Party the kind of resurgence on the provincial scene that we will also see in the next federal election. Go to it, Sharon! Take those Tories out. You are going to be the next Premier, and congratulations.

* * *

• (1110)

HISTORIC EVENTS

ANNIVERSARY OF ARMENIAN GENOCIDE

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, on Sunday, April 24, the Armenian community in Canada will be commemorating the anniversary of the commencement of the Armenian genocide which began in 1915. Last year we discussed in the House setting aside a special day which would have occurred this week, not only to commemorate the Armenian and Jewish genocides of the first two World Wars, but also to focus on the acts of individual and state terrorism occurring in the present.

Seventy-three years ago may sound like ancient history to most Canadians. However, my point in presenting the motion was that it is really living history. Earlier this year we again learned of the wanton killing of peaceful Armenian civilians in Azerbaidzhan merely as a result of requesting a referendum.

Members of Parliament in all Parties join with the Armenian community in commemorating these tragic events.

* * *

ENERGY

ETHANOL ADVOCATED FOR USE IN AUTOMOBILES

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, by the end of 1992 all Canadian car owners will be driving automobiles powered by unleaded gasoline. Manufacturers will thus be in need of a good octane enhancer. Ethanol, an alcohol based fuel derived from agricultural sources, is just what the refineries need.

In spite of the proven ability of this product to fulfil Canadian fuel needs and at the same time help farmers by converting their lower quality feed grains into fuel, the tariff provisions in the Mulroney-Reagan trade deal favour the choice of a petrochemical octane enhancer over ethanol. As well, Canada's own Petro-Canada has been very negative about ethanol and has even refused to blend the product at its refinery in Taylor, B.C. Why does its shareholder, the Government of Canada, not instruct Petro-Canada to reconsider?

I urge the Minister to begin promoting ethanol for use in all Canadian cars by 1992 to avoid lead pollution and to enhance the agricultural sector.

* * *

NATIONAL VOLUNTEER WEEK

IMPORTANCE OF WORK OF VOLUNTEERS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, the week of April 17 to 23 has been declared National Volunteer Week across Canada, and I ask all Hon. Members to join with me in saluting Canada's volunteers and in wishing them every success and continued participation.

We in Edmonton have been blessed with a legion of citizens who endlessly donate of themselves for causes that are truly honourable. Whether it is working at a sporting event,

bringing cheer to hospital shut-ins or, as was evidenced after last summer's devastating tornado, pitching in to bring comfort and other essentials to the desperate and homeless, Edmonton's volunteer brigade is as vibrant as ever.

I am proud that the Government of Canada has taken such a positive and financially supportive stance in promoting the volunteer spirit in Canada. It is important that volunteers know that their time and efforts have not been spent in vain.

* * *

SEARCH AND RESCUE

EAST COAST—DEPLOYMENT OF HELICOPTERS

Mr. Howard Crosby (Halifax West): Mr. Speaker, marine accidents in Atlantic Canada have brought to national attention the need for a more responsive search and rescue system on the East Coast of Canada. While strengthening the human resources and equipment of the Canadian Coast Guard should be encouraged, the solution lies in the effective deployment of search and rescue helicopters operated by the Canadian Forces.

Only highly disciplined and dedicated service people can respond to the life or death situations that occur regularly on the North Atlantic. Our East Coast fishermen risk their lives on the open sea. Let us do everything possible to protect them.

* * *

ABORTION

SUPREME COURT DECISION—CALL FOR INTRODUCTION OF NEW LEGISLATION

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, the Supreme Court decision which struck down Section 251 of the Criminal Code has sparked a heated and divisive debate in homes across Canada. As an individual opposed to abortion, I was deeply disappointed by the Supreme Court decision, as were many other Canadians who hold similar convictions.

While the court ruled that Section 251 violated the constitutional guarantee of life, liberty, and security of the person, the door was left wide open on the rights of the unborn child. Parliament must take up the challenge to define and protect the rights of the unborn child. We must ensure the rights of doctors and nurses to act according to their consciences. We must make certain that the new law is applied equally in every province. All of this must be accomplished in a manner consistent with the social, moral, and ethical standards of Canadian society.

Clearly the need for action is pressing. I urge the Minister of Justice (Mr. Hnatyshyn) to bring forth new legislation with all speed to fill the vacuum created by the Supreme Court decision.

ORAL QUESTION PERIOD

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S FORTHCOMING MEETING WITH UNITED STATES PRESIDENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Acting Prime Minister. Following the Prime Minister's first summit with President Reagan in March of 1985, he said he had a deal on acid rain. He said the same thing following his summits of 1986 and 1987. However, to the great regret of all Canadians, the United States has not cut acid rain by one drop since the Prime Minister has taken office, despite all these great deals.

Now, the leading private environmental agency in the world, the Sierra Club, has said: "Mulroney is doing his own country a great disservice".

The Prime Minister is having his fourth and final summit with President Reagan next week. Will the President and the Prime Minister be signing a meaningful treaty to actually cut emissions of acid rain from the United States, or will this just be another summit full of photo opportunities and talk and no real action to cut acid rain?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it will certainly not be the latter. The Hon. Member will know that this Government and the Prime Minister have given the highest possible priority, to the question of making progress on acid rain. We have made some progress, though not nearly enough. We will be continuing to press for progress on acid rain in this series of summits.

I find it curious that the Hon. Member would quote a publication suggesting that it is somehow against Canada's interests for the Prime Minister of Canada to make the fight against acid rain an international priority and for him and for his Government to assume leadership at home in Canada so that we can ensure that we go with our hands clean into those negotiations and discussions with the United States.

This Government has acted very vigorously to deal with the threat of acid rain to Canada. We have not had the success that we have been seeking. We continue to seek that kind of movement.

Hon. Herb Gray (Windsor West): Mr. Speaker, the fact is that the United States has not reduced its acid rain by one drop. In spite of the supposed efforts of the Prime Minister, his policy has been a failure.

[*Translation*]

COST OF DAMAGE CAUSED BY ACID RAIN—GOVERNMENT POSITION

Hon. Herb Gray (Windor West): Mr. Speaker, as far as summits with the President of United States are concerned, the Prime Minister is more interested in photo sessions than in reducing acid rain.

I therefore want to ask the Acting Prime Minister: Will the Prime Minister give President Reagan a bill at the next summit for the millions of dollars of damage to our lakes and forests, especially our maple forests, all as a result of U.S. acid rain? And will the Prime Minister ask President Reagan to have the United States pay for these damages immediately? Could he give the House a concrete answer with respect to these important and decisive issues?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can give a concrete answer. Our Government is determined to continue its search for an international and bilateral solution to the acid rain question. We have made considerable progress. We have made more progress than the previous government, because we have consistently set a high priority on the acid rain issue. We have not attained our objectives, but we intend to continue to seek further progress.

[*English*]

The Hon. Member talks about whether or not we will be presenting a bill to the United States. That proposal was put forward by his colleague, the Liberal Party spokesman on the environment, some time ago. It is a classic example of a stunt: when you have no policy, you pursue a stunt. We have a policy, we have a goal. It is to reduce acid rain emissions in this country, and it is to reach an agreement with the United States. We are not interested in Liberal stunts.

PRIME MINISTER'S POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, the Acting Prime Minister is saying that he would prefer to have the Prime Minister sing *When Irish Eyes Are Smiling* than to do something concrete to get the United States to act finally on the damage it is doing to Canada because of its acid rain.

Will the Acting Prime Minister not admit that the Prime Minister made a monumental mistake when all he did over the past four years was praise, agree to, and accept the U.S. line that research was enough? Is it not a fact that all the Prime Minister has done is agree with President Reagan when he said that acid rain was caused by ducks and birds and trees?

• (1120)

The fact is that the Prime Minister has let pass a monumental opportunity to get action accomplished on acid rain. Will he not admit that failure? Everyone else in the country realizes that, and it is time that the Government admitted it as well.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that, of course, is not the case. I do not know of anyone in the country who holds that view except the Hon. House Leader of the Liberal Party and perhaps a duck or two which have been reading presidential directives. We have never accepted the view that research alone was enough.

The relevant comparison is between what was done by the Progressive Conservative Prime Minister on acid rain and what was done by his Liberal predecessors. His Liberal predecessors did not summon the courage to raise the issue in meetings with the President. We have not succeeded as much as we would want to, but it has been a consistent theme of ours.

Ms. Copps: We can swallow a lot, Joe, but we can't swallow that.

Mr. Clark (Yellowhead): The Hon. Member for Hamilton East is telling me what she can swallow. Frankly, I am not interested in what she can swallow. I am interested in the fact that the former Government took no effective action on acid rain. We have. We have not succeeded as much as we would like, but it continues to be a priority of the Government and the Prime Minister of Canada.

* * *

PUBLISHING INDUSTRY

GOVERNMENT POLICY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I have in my hand a letter issued by the Minister of Energy, Mines and Resources, the former Minister of Communications, in which he is pleading for the application of the Government's book publishing policy, the Baie Comeau policy, to his colleague, the Minister of Industry.

He is saying that it is obvious that there is a split around the Cabinet table, that Canada is abandoning its own cultural policy, and that it is pretty obvious that the Minister of Communications is sitting there powerless.

My question is directed to the Minister of Regional Industrial Expansion. Is the Government prepared to admit that it is betraying its own policy, that it is backing off under pressure from the Americans in the interests of free trade and thereby abandoning a very important sector of our cultural industry?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the answer is quite clear. No, we are not backing away from anything. We are not giving in to any kind of pressures. I have never been under any pressure from the Americans on any of the issues which confront us in this area. The decision which was made in the case referred to

by my hon. colleague is totally consistent with the Baie Comeau policy.

There is no split in Cabinet. Obviously, members of Cabinet have the right to express their opinions. We do that. We talk to each other. That may be a practice not known to the Opposition. We consider the positions of various members.

I am convinced that this, in no way, shape, or form, goes against the Baie Comeau policy and in no way, shape, or form goes against the Investment Canada Act.

[*Translation*]

Mrs. Finestone: That is totally false and the Minister knows it!

IMPLEMENTATION OF CULTURAL POLICY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, our cultural industries need distribution outlets, and the Cabinet knows it. Could you explain to me why the Minister of Energy, Mines and Resources had to plead with his Cabinet colleagues to stop them from abandoning the entire book publishing policy to American interests? At stake is the survival of the cultural industries, so that is a bad policy for Canada. You are well aware that you have jeopardized the cultural industries. Why don't you apply this policy, as it should be?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, my honourable friend's preambule is totally false. As I mentioned in reply to her first question . . .

[*English*]

Ms. Copps: Why the letter?

Mr. de Cotret: —because we consult with each other and I am always interested in the opinions of my colleagues.

With regard to this transaction, NAL Canada is not a full distributor. For example, the company pays no accounts receivable, it performs no accounting functions, it does no invoicing of accounts receivable, it makes no significant management decisions, it does no promotion, it has no distribution contract with NAL U.S., it holds no sales conferences, and has no computer installation other than a terminal linked to the main computer of NAL U.S. It is a warehousing operation that does not fall under the Baie Comeau policy.

* * *

[*Translation*]

THE ENVIRONMENT

ACID RAIN—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the the Secretary of State for External Affairs. The Prime Minister and President Reagan have discussed the acid rain issue at every summit. Again a month ago the Prime Minister of Canada criticized President Reagan, but yesterday our Minister of the Environment said that the Canadian Government did not expect positive results. What is hapening here? Is this mere grandstanding for domestic political motives?

Right Hon. Joe Clark (Secretary of State for External Affairs): As far as we are concerned, Mr. Speaker, the acid rain threat is definitely more than grandstanding, it is a fundamental issue which affects both the environment and the integrity of our country. This is why we have given such high priority to our negotiations with the Americans with respect to the mutual reduction of acid rain. We have not been as successful as we had hoped, but we will continue to seek an agreement on acid rain. It is the Prime Minister's personal priority and that of all Ministers in this Government. We did suggest specific means to achieve something, and I hope we will continue to make progress. However the American approach is the antithesis of our basic premise.

[*English*]

REQUEST FOR PRE-SUMMIT STATEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows that the truth is that the Prime Minister of Canada has not made a single critical observation of President Reagan after these summits. In fact, incredibly enough, he praised him for progress after the last summit when the President committed himself to absolutely nothing.

The Prime Minister said in his speech in New York that friendship has inescapable costs. Considering that the Americans have the friendship but the Canadians have paid the costs in this, is the Prime Minister for once prepared to say, in advance of this summit, that unless President Reagan commits himself to very specific reductions in levels of emissions, the Government of Canada will regard this summit as a failure? Will the Prime Minister say that in advance of the summit?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not have before me in the House the precise language used by the President of the United States when he spoke to this Chamber. However, I think my memory is quite good. At that time the President indicated that he was going to consider seriously the proposal of the Prime Minister of Canada for an accord. That was certainly the intent of what was put forward.

Canada has followed up with some detailed suggestions as to how that might be given effect. We have not been successful in getting that accepted yet.

Surely what is at issue here is that we have given this a priority. We have worked very hard to achieve it and we intend to continue to do that.

The Leader of the New Democratic Party has an approach which I would think novel except that it is, unfortunately, characteristic of his Party. He wants us to condemn the results

of the meeting before the Prime Minister arrives in the United States. That would be rather like a political Party saying: "We are in favour of NATO but we are going to get out".

Some Hon. Members: Hear, hear!

Mr. Broadbent: Another example of high wit from the Conservative Party.

Mr. Nystrom: Half-wit.

CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I hope the Minister will deal with the question. The Minister knows that the people of Canada take this issue very seriously. Whether or not the Government does is another issue.

The Minister responsible said yesterday, and I quote, that the Government of Canada has no expectations of any progress. That is what the Minister of the Crown who has responsibility is saying before the summit takes place. We want the Government to stop fooling around on this issue.

• (1130)

In the past on such questions as the South African issue, the Government has said before a conference that unless there is progress of a specific kind it would regard the conference as a failure. Why does the Government of Canada not take the same approach on this important issue for Canadians and say that unless Mr. Reagan—the only politician in the world who believes that trees cause acid rain—makes progress, the meeting will be a failure? Why does the Government of Canada not act with some gumption on this issue?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, because the meeting between the President and the Prime Minister—a very important development in our relations with our largest bilateral partner—deals with a range of issues. To say that they will all be a failure because we are unable to make the progress we want on acid rain would be a foolish position.

We are very concerned that we have been unable to persuade the United States Administration to see what we believe the world sees with regard to the cause and the importance of acid rain.

Mr. Tobin: Why not give someone else a chance.

Mr. Clark (Yellowhead): I hear from a Liberal that someone else should be given a chance. The Liberal Party had a chance for years and did not even have the courage to raise the question at presidential levels.

I may well have misrepresented the New Democratic Party. I see they are raising their hands. It could be that their position in fact is: "We are not in favour of NATO so we are going to stay".

PUBLISHING INDUSTRY

INVESTMENT CANADA—GOVERNMENT POLICY

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion, who just said that in his opinion the takeover of New American Library by Penguin does not come under the policy of the Government.

Let me remind him that a letter he received from the Minister of Energy, Mines and Resources on April 13, 1988, begins by saying just the contrary. The letter states that this takeover:

> ... clearly falls under the guidelines established by our Government concerning acquisitions in the book industry in Canada. (It goes without saying that any distribution company needs warehouse facilities.)

The jewel which the Minister does not want to mention is that the Minister said in his letter:

> ... in deciding not to apply the 1985 policy, Investment Canada makes itself vulnerable to accusations that the Government is backing off under pressure from the United States, where dislike of the measures that apply to foreign investment in publishing and distribution has been vocal.

Will the Minister honestly admit that he has been caving in to the Americans in order to make sure that they are pleased and the trade deal will pass? Is that not the reason? Why not be honest?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I am being honest. I have not been lobbied on this issue by anyone from the U.S.

Mr. Tobin: Your fellow Minister.

Mr. de Cotret: I have heard the comments of my colleagues. I have looked at the facts. I can assure you that, to the best of my knowledge and my judgment, this decision falls well within the Baie Comeau policy and well within Investment Canada policy. There has been absolutely no pressure. That is a figment of the imagination of my colleague opposite.

NEGOTIATION OF CULTURAL MATTERS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, here is a figment of the imagination of the Minister of Energy, Mines and Resources:

> I remain convinced that the popularity of the trade agreement will be related to our success in demonstrating to Canadians that we have not sacrificed our cultural sovereignty in pursuit of this agreement.

Mr. Tobin: Who said that?

Mr. Guilbault (Saint-Jacques): This is from the Minister of Energy.

[*Translation*]

The Minister of Energy, Mines and Resources himself, who used to be the minister responsible for culture, is telling us that the Government put cultural issues on the table, something the

Government has always denied. Today, admit yourself, Minister of Regional Industrial Expansion, or you, Secretary of State of Canada, that you negotiated culture with the Americans and that you did so on your knees instead of standing up for Canadians.

[*English*]

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): First, Mr. Speaker, the preamble contradicts the preamble of the Member's first question. In the former question I was accused of caving in to American pressure. I have not been lobbied by anyone on this issue. As we always do in cases like this, we consult with other Departments. We consulted with the Department of Communications, which agreed that this did not fall within the purview of the Baie Comeau policy.

I can only say that this company pays no accounts receivable, performs no accounting functions, does no invoicing of accounts receivable, makes no significant management decisions, does no promotion, has no distribution contract with NAL U.S. and holds no sales conferences. It is a warehousing operation and does not fall within the purview of the policy. I am sorry to disappoint the Hon. Member, but it is just not there.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S FORTHCOMING MEETING WITH UNITED STATES PRESIDENT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Let me express our very great concern with his answers to the Hon. Member for Oshawa. They are just not good enough.

Some Hon. Members: Oh, oh!

Ms. McDonald: When the Minister of the Environment says that he does not expect any progress with President Reagan on the issue of acid rain, is that not giving up? Is it a satisfactory answer to tell Canadians that we have given up on this subject?

Will he not say that it is absolutely essential to get an agreement for real reductions in emissions that cause acid rain and that nothing less will be considered a success? Will he not agree that that is absolutely fundamental in our relationship with the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the only proposal that I have heard about giving up on acid rain was the proposal by the Leader of the New Democratic Party a few minutes ago when, as I understood him, he said that before the meeting begins we should declare a failure on the question of acid rain. That may be the NDP position, but we do not think that is a very fruitful way to proceed.

I have indicated that we have taken a number of initiatives with the United States. We have proposed an accord with them. We have made very clear that our objective with the United States is an acid rain accord which contains specific targets and a timetable of emission reductions. We have proposed specific ways that that can be done.

I think it would be the height of folly for us to adopt the NDP advice and call the meetings a failure before they begin. I am not optimistic that we will be able to get a great deal of progress on this issue in the summit next week, but the Prime Minister, the Minister of the Environment, and I will continue to press because the environment of Canada is too important to abandon, as the NDP appears to propose.

AGENDA FOR MEETING

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my supplementary question concerns the notion of trade-off to which the Hon. Minister was referring earlier in answer to the Hon. Member for Oshawa. He suggested that there are other items on the agenda and would not consider the summit meeting a failure if progress was made on the other items. We want to make it very clear that the environment is not to be traded off against other items. That is absolutely fundamental. Will he at least say that?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there can be no question that the environment cannot be traded off against other issues. Neither can there be any question, as far as we are concerned, that we do not want to write off the chances of progress on the environment before conferences occur.

The NDP is at least consistent. Their attitude on NATO is to get out; their attitude on free trade is to get out; their attitude on acid rain is that, because we have made no progress, get out. That is nonsense.

* * *

FISHERIES

BLAZING OIL TANKER—POSSIBLE HAZARD TO ATLANTIC FISHING GROUNDS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Acting Minister of Fisheries and Oceans. The Minister will know that an unidentified oil tanker has broken in two and is ablaze about 370 miles south-southeast of Cape Race, Newfoundland. I know that all Members will regret any loss of life in this incident.

The vessel appears to have been sailing the Great Circle route in the Gulf Stream. The Gulf Stream flows north, past the Georges Bank, a very rich fishing ground, and north, past

the Grand Banks, an equally rich and important fishing ground.

Will the Minister advise the House what action Canada has taken in conjunction with the United States to protect our environment and particularly to contain any potential oil spill that could have disastrous consequences for both the Georges Bank and the Grand Banks?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, as the Hon. Member pointed out, this vessel is in international waters. The rescue efforts are being co-ordinated by the United States Coast Guard. The House will know that Canadian aircraft are now in the air searching for survivors.

The Department of the Environment and the Department of Transport are monitoring the situation. They advise that most of the oil seems to be burning off. There is no sign of any oil slick yet. If there is an oil slick, it would likely be carried northeast by the Gulf Stream and would not threaten fish stocks in Canadian waters.

If the situation changes and there is a pollution threat, our Department of Environment and other Departments will react accordingly. The situation is being monitored. We do not see it as a major threat, certainly not at this particular stage.

• (1140)

OIL SPILL CONTAINMENT MEASURES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I thank the Minister for his answer. I appreciate the information is still very sketchy with respect to this particular incident. I wonder if the Minister can assure the House and, through the House, assure Canadians, particularly Atlantic Canadians, that the Government is now taking the preparatory action and has the means to take the preparatory action to contain any potential oil slick?

I agree that if the oil burns off, all of us will be well served. However, the Minister knows that we have to act quickly to contain any oil slick if we are to protect the Georges Bank fishing grounds and, indeed, the Gulf Stream flows right by those grounds and ultimately by the Grand Banks. Can the Minister give the people of Canada, particularly the fishermen of Atlantic Canada, the assurance that the Government is ready, willing and able to act today?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the latest information I have is that there is a slick and that the American aircraft is evaluating that slick today. But let us keep this in perspective. This is some 300 miles off our coast. It is not a slick that is going to come in. I have already explained the direction of the slick. These incidents do happen on the world's oceans everywhere. The situation is being monitored. If there is any action that needs to be taken and can reasonably be taken, our Government, I suppose in conjunction with the U.S. Government, would take whatever action we can reasonably take in these circumstances. This is an incident that is happening out at sea and beyond our 200-mile economic zone.

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AUDITOR GENERAL

EXPENDITURES ON INTERNATIONAL AUDITING MATTERS

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of State for the Treasury Board. As the Minister is aware, the Auditor General is currently spending some 25 per cent of his time and about 3 per cent of the total budget of his office, that budget being some $48 million a year, on international auditing matters for which there is no legislative mandate or authority.

Will the Minister advise the House if it is the Government's intention to introduce legislation to amend the Auditor General Act to give the Auditor General authority in this area and to legalize these expenditures? Will he also explain to the House why for 40 years now the Auditor General has been permitted to continue these expenditures on international auditing matters and for 40 years apparently the Treasury Board has been approving these illegal expenditures?

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I cannot really deal with the last 40 years but I am prepared to deal with the present. I think it is fair to say, and I know my friend has a list of this information in committee, that Governments are traditionally reluctant to do anything which would appear to interfere with the independence of the Auditor General. At the same time, I think a case can be made for broadening the knowledge of the Auditor General in other countries through international relations.

I would suggest in this matter that if in fact the Auditor General was operating without legislative authority, there are two course of action which may be appropriate. One course of action would be for the Auditor General to seek amendments to the Auditor General Act from the Government. The other alternative might be for the committee, either the Public Accounts Committee or the Finance Committee, to follow this up and present a recommendation to the House.

Mr. Speaker: The Hon. Member for Ottawa—Vanier—I mean Ottawa Centre.

Mr. Cassidy: Thank you, Mr. Speaker. I do intend to run in Ottawa Centre next time.

Mr. Speaker: I apologize to the Hon. Member. I realize it does cause distress when the riding is improperly identified, and I extend my apologies.

Mr. Cassidy: Mr. Speaker, since you reside in my constituency, I accept that with pleasure.

AUTOMOTIVE INDUSTRY

CLOSURE OF PARTS PLANT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Industry, Science and Technology. It concerns the impact of the new rise in bank interest rates and the continued high level of the Canadian dollar on Canadian workers and industry. Does the Minister agree with his colleague, the Minister of Finance, who told the House yesterday that if an automobile parts plant in Windsor has had to close, it is not the fault of the current high rates of interest, or the fault of the current high rate of the dollar, but that there are "other things wrong with it"?

Is it the policy of the Government to put the blame on workers and plant managers if plants close because of the Government's tight money policy? Or is the Minister prepared, with the Government, to press the Bank of Canada to bring interest rates down to more reasonable levels?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): First, Mr. Speaker, I can tell my hon. colleague that I just happen to agree with my colleague, the Minister of Finance. Second, I would like to say that interest rates today, just to enlighten my hon. colleague from Ottawa Centre, are significantly lower than what we have known in past years. That is largely because of the initiatives that were taken by my hon. colleague, the Minister of Finance. As a result, the Canadian economy and Canadian industry are doing much better.

INTEREST RATE LEVELS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, what I hear the Minister of Industry, Science and Technology saying is that despite the objections of the Canadian Exporters' Association at the high level of the dollar, despite the objections of the Canadian Manufacturers' Association at the high level of the dollar, he is not prepared to have the Government take any responsibility. If they are having trouble, it is all their fault. You are simply going to point the other way and say someone else is responsible.

Is the Minister aware that the Government's estimate just two months ago for interest rates in 1988 called for interest rates of 8.6 per cent average over the course of the year, but they have now risen to 10.25 per cent and are continuing to rise? What will be the impact of that sharp increase in interest rates from the Government's forecast in terms of Canadian industry, Canadian jobs, and Canada's depressed regions? Will the Government bring forward a new forecast next week to see what its tight money policy is doing to Canadian workers and industry?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, in answer to my colleague, the Hon. Member for Ottawa Centre, what our policies are really doing are creating jobs, the fastest rate of job creation we have known in this country for decades. It is the fastest rate of growth in job creation in any of the industrialized nations. They have maintained our inflation rate stable. They have brought down interest rates. Our economy right now is outpacing the economy of the U.S. and Japan. It is outpacing the economies of all our major trading partners. That is what our policies have done. That is what our policies will continue to do, to ensure that this country, in terms of economic performance, is well ahead of any other country in the world in relative terms. That is what we are doing.

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CANADA POST CORPORATION

TRANSPORTATION OF MAIL TO EUROPE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. Last Monday Canada Post abandoned the long tradition of transporting mail to Europe by way of Canadian based airlines. Does the Minister approve of the new Canada Post policy of sending Canadian mail to Europe by way of truck to New York and then using Interstate Airlines of Little Rock, Arkansas? Will the Minister tell the people of Canada Post, the ones with those little rocks rattling in their heads, to come to their senses? What is the Minister doing about this horrible situation?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, when Canada Post Corporation was unanimously created by this House, it was for the purposes of allowing it to operate independent of the kind of political interference the Hon. Member now seems to suggest I should engage in. As I understand from Canada Post with respect to this contract, in order to meet competition it was seeking the ability to meet a 24-hour turnaround or delivery time for special express mail to Europe. Because of the schedules of airlines, and so on, this could only be met by the particular airline with which it contracted. It had extensive conversations with the Canadian carriers and they are simply not able to make it.

The other difficulty in terms of long-term relationships is that the Canadian carriers had added the mail to normal passenger flights if space was available. Canada Post, in endeavouring to improve service, put in a requirement that it must be guaranteed space and Canadian carriers were not willing or able to meet that requirement.

• (1150)

If the Hon. Member wants more details, then why does he not go before committee when Canada Post will appear in the not too distant future?

Mr. Boudria: Mr. Speaker, I suppose the next thing is that we will be labelling our mail "U.S. Mail".

[*Translation*]

JUSTIFICATION FOR EXPENDITURE OF $3 MILLION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I would like to ask the Minister how he can justify spending $3 million a year more. How can he justify spending $8,000 a day more than before to send mail to Europe?

Why not take this $3 million a year to give postal service to Canadians instead of giving $3 million to the Americans?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not know from where the Hon. Member got those figures. He probably invented them, along with most of the other accusations he makes.

I suppose he may not be aware of it but I understand that previously when Canadian carriers had the contract, and because they did not have the space to fulfil the contract obligations, they subcontracted to KLM. I guess we had "Dutch Mail" then, did we?

The Hon. Member is asking stupid questions that really ought to be asked in another—

Mr. Speaker: The Hon. Member for Annapolis Valley—Hants.

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EXTERNAL AFFAIRS

STATUS OF ST. PIERRE AND MIQUELON

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, this will not be that type of question, obviously. It is addressed to the Secretary of State for External Affairs.

In all the discussions and debate over St. Pierre and Miquelon, and the question of fish and who has what fish and what quota, has there been any discussion at all between our Government and the Government of France about the status of St. Pierre and Miquelon and the fact that it is long overdue that that last vestige of an old empire should get out of North American affairs? If we have not advanced it, is there any position within External Affairs that is being studied so that we can start to move to have that type of status?

After all, if Newfoundland can join Canada and maintain its distinct character, and there can be other distinct characters in Canada, then St. Pierre and Miquelon could very well enjoy a very interesting status.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the answer to those questions is no. The Hon. Member would know that if there were to be any initiative of that kind to be taken by any political entity not now associated with Canada, that would have to be initiated in that other political entity. To my knowledge there is nothing of that kind occurring. We certainly have no intention of initiating some action of that kind.

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PUBLISHING INDUSTRY

NEW AMERICAN LIBRARY ACQUISITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion who clearly does have a difference of opinion with the Minister of Energy, Mines and Resources.

The Minister of Energy says very clearly in this letter that the New American Library acquisition clearly falls under the guidelines established by our Government. He also says that his own Department has been affected by this because: "— other foreign investors who have complied with the policy . . . will perceive that they have been dealt with unfairly and will argue that the Government is capricious in the application of its own policies." Investors value one quality—

Mr. Speaker: I would ask Hon. Members, especially taking into account the time, not to quote unduly and to put their questions directly.

Mr. Langdon: Thank you, Mr. Speaker.

My question is this. In view of the Minister's statement that this represents an inconsistency, why has the Minister taken it upon himself to establish this inconsistency with respect to that important takeover?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as I have answered before, and I will again, after a careful review of the request that was put before us in Investment Canada, my officials and myself, after consultation with the respective Departments, came to the conclusion that this particular transaction did not fall under the Baie Comeau policy and was fully consistent with the objectives and the guidelines contained in the Investment Canada Act.

Mr. Speaker: The Hon. Member on a short supplementary, please.

MINISTERS' POSITIONS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my supplementary question is for the Acting Prime Minister. How does the Government intend to deal with this split between the Minister who established this policy and the Minister who is now in charge of it?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no split. Of course, if this were

the New Democratic Party and there were a split the New Democratic Party would simply get out of the split, too, like it would get out of NATO, the free trade agreement, and they would tear up everything that would come before it.

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MUNITIONS

EXPORTS OF GUNPOWDER

Mr. John Nunziata (York South—Weston): Mr. Speaker, my question is for the Secretary of State for External Affairs. It concerns large shipments of gunpowder which was manufactured in Canada, which made its way to Iran and was used in the Iran-Iraq war.

As the Minister knows, late last year his Department issued export permits to Expro Chemical Products of Valleyfield, Quebec, which is the largest privately run gunpowder factory in North America. These export permits were issued to allow the shipment of gunpowder to Portugal which has a reputation of being an arms gateway to Iran.

My question to the Secretary of External Affairs is as follows. How was it possible for these export permits to be issued when his Department knew or ought to have known that the ultimate destination for this gunpowder was Iran?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, if the Hon. Member is making an allegation that the Government knew that the ultimate destination was Iran, then he is wrong. He knows that this is an issue with some history, including a history of discussion in this House.

He knows that there has been an RCMP investigation that has cleared Expro of any fault or guilt in the matter. He knows that there are investigations continuing in Europe with regard to follow-on actions of this kind. He knows that immediately the matter was raised in the House of Commons I issued an order that there should be no new export permits issued to Expro.

I have read reports, as he may well have, that there has been some action taken by Expro on some export permits that were issued to it prior to the order that I gave. I am very concerned about those reports. I learned about them today, and I am looking into them. I will report to the House once I have some result to those investigations.

EXPORT PERMITS

Mr. John Nunziata (York South—Weston): Mr. Speaker, the Secretary of State for External Affairs or his Department knew that these export permits were issued even though the Dutch Government had suspended exports to Portugal of a company which is a partner of Expro of Canada.

If the Government was aware that the Dutch Government had taken action, why did it issue the permits? Does the Minister not believe that his Department ought to have known that the Dutch Government had taken the action that it took against the partner of Expro?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, on the general question, we cannot know everything. Unlike the Hon. Member, when I do not know something I do not pretend that I do. I have answered the question that the Hon. Member put forward. Not only have I answered it, we have acted on it.

We stopped the issuance of export permits. As soon as this matter arose an RCMP investigation was caused to be undertaken. That has found that there was no violation of the law by Expro.

There are ongoing investigations regarding other connections that may have occurred outside our jurisdiction by other police forces in other countries.

The issue that concerns me in any event, and which should concern the Hon. Member, is that it appears as though there might have been some action taken on pre-existing export permits after I had issued an order that no new permits be given. I am concerned about that. That would be a mistake if it occurred. I want to find out exactly what happened and why.

Even though the Hon. Member did not ask the important question, I will certainly report to him and to the House upon the results of my enquiries.

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HUMAN RIGHTS

POLAND—IMPRISONMENT OF DR. KORNEL MORAWIECKI

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. He will know that Dr. Kornel Morawiecki, leader of the Polish opposition group, Fighting Solidarity, has been imprisoned by Polish authorities since November, 1987. Dr. Morawiecki's only crime is his dedication to democracy, freedom, and fundamental human rights.

• (1200)

Can the Minister tell the House what actions the Government of Canada is taking to secure the release of Dr. Morawiecki, and to reprimand authorities in Poland for violating the letter and spirit of the Helsinki Accord?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am familiar with the case of Dr. Morawiecki, and certainly know the interest of the Hon. Member in the case.

The Hon. Member will know when I was in Poland earlier in this session I raised the question of the need to put in place arrangements that would allow Canada to deal more effectively with this broad category of question.

With respect to the particular case, I have asked our embassy in Warsaw to monitor the status of that case. I have also brought it to the attention of Canada's delegation to the third follow-up meeting of the Conference on Security and Co-operation that is meeting in Vienna.

As we have progress, and I hope we do have progress, I will naturally keep the Hon. Member closely informed.

Mr. Speaker: The Hon. Member for Windsor—Walkerville, a single question, please.

* * *

APARTHEID

SOUTH AFRICA—CANADIAN EXPORTS OF RIFLE NIGHT SIGHT MATERIAL

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

Would the Secretary of State for External Affairs explain to the House, and to those of us who are concerned about the defeat of apartheid in South Africa, how it is that his Department has approved the sale of germanium crystals and indium antimonide in sufficient amounts to supply night sights for hundreds of rifles to South Africa?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not believe that is the case, but the Hon. Member is usually very careful about his facts. I will take a look at the facts, see what they are, and report to him. If there is a need for us to tighten our arrangements, if there is some loophole that I have not seen, I will certainly try to close it.

That is the best answer that I can give to that question at this time in the House.

Mr. Speaker: I would like to advise the House that there will be a single question from the Hon. Member for Hamilton East, followed by a single question from the Hon. Member for York—Scarborough, if the Hon. Member is present.

* * *

CONSUMER AFFAIRS

LABELLING OF FAST FOODS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question was going to be directed to the Minister of Consumer and Corporate Affairs in the absence of the Minister of National Health and Welfare, but I believe that he has just left so I will ask the Acting Minister of National Health and Welfare the following question.

I have here in my hand letters from across the country, petitions, resolutions passed by more than 30 municipalities in the Province of Ontario, more than 12 school boards, 16 Members of Parliament, including Conservatives, as well as Members of the Legislature in the Province of Ontario, supporting legislation to restrict the sale of fast foods across the country to fast foods that are labelled so that lives can be saved, particularly in the case of people who suffer from severe food allergies.

I wish to ask the Acting Minister of National Health and Welfare, given that the Government has refused to introduce its own Bill on the matter, whether the Government will be prepared to support the Bill that I am in fact tabling today, and of which I gave a copy to the Minister of Consumer and Corporate Affairs?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can only give a procedural answer to that question, for reasons the Hon. Member will obviously understand. I will take her representation as notice and convey it to my colleague.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's response to fifty-two petitions numbered as follows: 332-4059 to 332-4065, inclusive; 332-4138, 332-4217 to 332-4222, inclusive; 332-4230 to 332-4232, inclusive; and 332-4246 to 332-4280, inclusive.

* * *

[*English*]

FOOD AND DRUGS ACT

MEASURE TO AMEND

Ms. Sheila Copps (Hamilton East) moved for leave to introduce Bill C-289, an Act to amend the Food and Drugs Act.

The Deputy Speaker: Shall the Hon. Member have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Ms. Copps: Mr. Speaker, the intent of this Bill is very simple. It would require each restaurant to make available for public consultation a list of all ingredients in any food sold by it, and specifically it would also compel each branch or chain restaurant to affix on the packaging of any packaged food sold by it a list of the ingredients in the food. We feel that this is a life saving measure which should be supported by all Members of the House.

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

* * *

PETITIONS

BLOCK AVERAGING OF INCOME

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I have a petition that has gone through the proper procedures under Standing Order 106. The petition is from residents of the Wishart, Wynyard, and Elfros areas of my riding. They call upon the Minister of Finance (Mr. Wilson) who, on December 16, 1987, indicated his intention to eliminate block averaging, to accept the recommendation of the Standing Committee on Finance and Economic Affairs to retain block averaging for farmers and fishermen as stated in its report on the White Paper on tax reform, stage one.

LABELLING OF FAST-FOOD INGREDIENTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have several petitions, and following the practice of the House to table them together, I will do so.

The petitions are primarily from the Chatham area. The petitioners call upon the Government and Parliament to ensure that legislation and regulations are enacted to require ingredient labelling of take-out and fast foods, and public access in all restaurants to a complete list of food ingredients for sale in the restaurant establishment.

I have several dozen signatures from the Chatham area, primarily as a result of a tragic death in that area. I am sure there will be many more coming in the near future.

IMMIGRATION—FAMILY REUNIFICATION PROGRAM

Mr. Dan Heap (Spadina): Mr. Speaker, it is my duty and honour to present a petition from some hundred and more residents of the City of Toronto, mainly from the riding of Spadina, but also from other constituencies in Metro Toronto.

The petitioners are concerned that last year the then Minister of State for Immigration promised that unmarried sons and daughters of all ages would be considered as members of the family class of immigrants, and that married children and brothers and sisters in the assisted relative class would get 15 points instead of 10 points when they were assessed for immigration to Canada.

The former Minister of Justice promised that the unfair distinction between Canadians citizens and permanent residents of three years or more would be eliminated, in order that both groups would have equal rights to sponsor parents of any age.

Whereas none of these promises has yet been fulfilled, these undersigned citizens and residents of Canada, call on the House of Commons to ensure that the Government fulfils its promises in these matters now.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, I also have a petition from some 150 residents of Toronto, Windsor, Sudbury, Guelph, Aurora, Mississauga, Scarborough, and North York, in the Province of Ontario.

The petitioners point out that the fabric of Canadian sovereignty is threatened by the proposed Mulroney-Reagan trade deal, for which the Government had no mandate whatsoever; this trade deal will reduce Canada's ability to plan our economic, social, and cultural programs; and it will integrate Canada further into the North American defence industrial base.

Therefore, for those reasons, the undersigned ask the House of Commons to ensure that a national debate take place on the Mulroney-Reagan trade deal, and that this debate result in a national general election before any agreement is signed.

PROTECTION OF RIGHTS OF THE UNBORN

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, I have petitions signed by some 79 people. These are, in part, people who worship at the St-Columbans and St-Aloysius parishes in Gatineau. They live in that community as well as in Perkins, Quebec, and Ottawa, Ontario. They have asked me to present these petitions because they are concerned that the Supreme Court has struck down Canada's abortion law, leaving unborn children without any legal protection. They feel the unborn should be protected by law and that the court has said Parliament can act on this matter. I am therefore presenting these petitions in their name.

• (1210)

OPPOSITION TO BILL C-72—OFFICIAL LANGUAGES

Mr. Alex Kindy (Calgary East): Mr. Speaker, it is an honour for me to present a petition on behalf of over 200 Calgarians who believe that Bill C-72 discriminates against unilingual Canadians and therefore does not help them to get a promotion in the Public Service of Canada. They wish that this Bill would die on the Order Paper.

Questions on the Order Paper

SUPPORT FOR BILL C-54 TO COMBAT PORNOGRAPHY

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I have the honour and duty to present petitions on two topics. The first petition is from a number of residents of Swift Current, Saskatchewan, parishioners of the First United Church, who are concerned about Bill C-54. They humbly pray and call upon Parliament to support the Bill which would make it illegal to manufacture, import, sell or rent pornographic material as defined in the Bill. They call upon the Government to pass Bill C-54 without dilution in the belief that this Bill gives recognition to the inherent dignity of individuals, particularly women and young people who are most vulnerable to exploitation in this area.

BLOCK AVERAGING OF INCOME

Mr. Wilson (Swift Current—Maple Creek): Mr. Speaker, I have two further petitions from residents of southwestern Saskatchewan who are concerned that the Minister of Finance (Mr. Wilson), in December of 1987, indicated his intention to eliminate block averaging for farmers. The petitioners humbly pray and call upon Parliament to take the necessary steps to retain block averaging for farmers as recommended by the Standing Committee on Finance and Economic Affairs in its report on the White Paper on tax reform, stage one.

NORTHERN TAX ALLOWANCE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have today two petitions, one signed mostly by residents of Ignace, Ontario, and the second signed by residents of Dryden and Vermilion Bay, Ontario, all in my riding. The petitioners feel that the application of the northern residents tax allowance is unjust and divides northerners, making some communities eligible and some neighbouring communities ineligible. Therefore, they humbly pray and call upon Parliament to designate all communities in tier three ridings as eligible for the allowance.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed consideration of the motion of the Minister of Finance that Bill C-118, an Act to amend the Customs Tariff, be read the third time and passed.

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to have an opportunity to speak on Bill C-118, an Act to establish the Canadian International Trade Tribunal. I would first like to outline the main points of the Bill and the main concerns my Party has with it.

The Bill is something with which my Party is generally in agreement. It combines three existing agencies, the Canadian Import Tribunal, the Tariff Board, and the Textile and Clothing Board. It is the last board with which I have had the most association on account of the presence in Spadina of a very large textile and clothing industry. The duties and functions of the new tribunal are, first, to inquire and report on economic trade or commercial matters as requested by the Government. I will come back to that because that is a limitation on the powers presently available to the Textile and Clothing Board, a very grave limitation.

Second, it has the duty to inquire and report to the Minister of Finance on any tariff-related matter, including Canada's international rights and obligations. The Government will set the terms of reference for those two inquiry functions. In addition to its research functions, the new tribunal will take over the existing appeal function of the Tariff Board. It will hear appeals of Revenue Canada decisions regarding customs and excise duties and classifications.

Finally, the tribunal will provide direct access on injury inquiries. When a Canadian industry considers that it has been injured it will have direct access to the board. We are particularly in favour of that aspect of its functions.

At present the Textile and Clothing Board provides the right of direct access for an injury inquiry upon petition by producers. That is to say, if clothing or textile producers feel they are being injured by imports or subsidies in a foreign country, they have the right to petition directly to the Textile and Clothing Board. That right is now to be extended to other industries, and we are in favour of that.

The new tribunal will then examine whether the increased imports are the primary cause of the injury. Obviously there could be loss of business for reasons other than imports, even if imports were also present. Therefore, it will examine whether the imports are the primary cause of the injury. However, it cannot deal with subsidized and anti-dumping conditions for injury inquiries.

I am very concerned that it will not be able to deal with subsidies. The matter of subsidies has been a very important

point during the last several years, particularly in the discussions about the trade deal with the U.S. They have accused us of subsidies and they are vulnerable to the same accusation. I think it is very unfortunate that this new board will be prevented from inquiring into such things.

Our main concerns, but not our sole concerns, with the board are as follows. We agree with the Canadian Manufacturers' Association—

Mr. Redway: On a point of order, Mr. Speaker. I believe the Hon. Member's remarks are being directed towards Bill C-110 rather than Bill C-118. As you know, Bill C-118 is before the House for debate. The question of the import tribunal is Bill C-110, and perhaps you might ask the Hon. Member to direct his remarks to the correct Bill, or perhaps he would like to finish his remarks at this stage.

Mr. Deputy Speaker: Could I ask the Hon. Member to be relevant to the Bill, please?

Mr. Heap: Mr. Speaker, I accept the correction of the Hon. Member. I was under the mistaken impression that we would begin Bill C-110. I am sorry if I misunderstood.

Mr. Howard McCurdy (Windsor—Walkerville): Mr. Speaker, I should like to speak on Bill C-118 for a brief period of time. It is noted that this Bill introduces amendments to the customs tariff in response to a request from the private sector. Duties are being removed on a range of equipment used by the oilsands industry, such as certain differentials, compressors for motor vehicles, steel rods for farm silos, recording tapes used to make cassettes for the blind, certain model kits, and burial shrouds. The Bill also provides for a few technical amendments to the customs tariff.

It is, as others have remarked, not a big Bill. We can compare this Bill to C-87. Bill C-87 concerned the development and implementation of a new harmonized system. A great deal of work was done on tariffs and so on. Much of what was of concern to manufacturers, importers and other business people was satisfied in that legislation. In any case, as one of the Parliamentary Secretaries to the Deputy Prime Minister and the President of the Privy Council noted, most people are preoccupied with the free trade agreement that has been negotiated with the United States. We are waiting to see what the Government will do with legislation to implement the agreement. We are waiting also to see what will happen in the United States on that agreement and what its impact will be on the Trade Bill now being considered in Congress as well as other activities that must occur in the United States in that regard.

• (1220)

One of the elements of the free trade agreement that concerns us all is what it may mean to the future economic development in our country. We have a reputation for selling off our vast resources to other countries to the profit of those who own companies involved in shipping our wood, minerals, fish, coal and oil which produce jobs. The primary motivation of the Americans, is to ensure the availability of just those resources that we have. Of course, the old pattern of selling off our resources to Japan, Europe, the United States or Great Britain so jobs can be produced elsewhere rather than in Canada has, over the years, inescapably led to a never tested, rather casual, happy economic existence for this country because we did not take a close look at the real world. It is wrong that those same elements in our society and in the United States which sold off our resources cheaply so jobs could be produced elsewhere will be able by this agreement to ensure that that state of affairs continues in Canada.

There is a lesson in the contents of this Bill which refers to a number of items. Let me just list a few as they are listed in the schedule attached. Other Members have made reference to this list, but let me do it again. First, with respect to the removal of tariffs, these include those on specified machinery used by the oil sands production industry, certain compressors and differentials for automotive vehicles, steel rods used in the construction of silos, unrecorded magnetic tapes used to make cassettes for the blind, certain model kits and burial shrouds.

Mr. Speaker and colleagues in this House, does it not strike you as being a little ridiculous that Canada does not manufacture burial shrouds, much less the electronic technology and construction equipment and equipment for the oil sands industry? Does it not strike you as ironic that we do not produce these things in a country in which these products are commonly used? That calls attention to our continuing problem. We have got into a mind-set by which we are willing to depend upon others to use our resources to produce products which are sold back to us. We have not even developed the capacity to produce products which have a vast market in Canada. If we are not capable of making implements for the mining and petroleum industry ourselves and capable of doing so well that the machinery and implements can be sold elsewhere, then we are failing our own country and our own people. It is for this reason that the free trade agreement is an admission of failure.

At least perhaps it is a failure that results from a marriage of attitudes between this Government and that of the United States because the Americans believe that Canada should remain one vast resource pool for the benefit of others. If there is any doubt that that is not the case, one need only look at the free trade agreement.

If one thing is clear, the free trade agreement deprives us of the mechanisms by which we can mobilize our own capacities and industries to produce jobs here with respect particularly to science and technology. We should embark seriously on an effort to make this a knowledge-based economy, but we have put ourselves in a situation by the conditions accepted in the free trade agreement with respect to control of our industries in the face of foreign acquisition from the United States that we cannot mobilize the kind of scientific and research thrust necessary to depart from this long-standing habit of great

enrichment of the few at the expense of the many who could have jobs generated from those resources.

Let us just consider, in discussing this small Bill but nevertheless symbolic Bill, some of the things that we would not have been able to do if a century ago we had this free trade agreement with the United States. Every one of the following would have been impossible under this free trade agreement: prairie settlement, the Canadian Pacific Railway, our domestic steel industry, the Canadian National Railway, the Canadian Broadcasting Corporation, Air Canada, the Canadian Wheat Board, de Havilland, Canadair, Petro-Canada, health insurance, the Auto Pact, Bell Canada, Northern Telecom, Hydro Quebec, the James Bay Development, Lavalin and, indeed, the domestic automobile industry.

All of these areas in which Canada has had success which have benefited Canadians and created jobs—all things which Canadians hold dear as the manifestation of what we are capable of and on which we are prepared to take government action in co-operation with industry—would be impossible to do again under this free trade agreement.

That is what is at issue, not elimination of tariffs but the elimination of the capacity in Canada to organize our resources, our manpower, our industry and our inventiveness to ensure that in this sovereign nation we can move forward to a new kind of vision of a prosperous yet just land which would be a symbol for all the world and a certain contrast to the neighbour with whom we are going to sign this agreement.

Mr. Heap: Mr. Speaker, the Hon. Member for Windsor—Walkerville (Mr. McCurdy) has expressed himself more than once on the subject of development and the need to develop our industries. He has just listed industries which could not have been developed had the proposed trade deal agreement been in place in the past.

• (1230)

I know he is also concerned, for example, in the future, the not too distant future, for the development of energy from hydrogen. I have heard him comment on this subject, and I am wondering whether he can comment on the relationship of the trade deal restrictions to our chances for developing the potential that we have for the hydrogen energy system in this country.

Mr. McCurdy: Mr. Speaker, I will try to answer that very briefly. Of course, the many reports that have advocated, as we have advocated, a national mission for Canada in hydrogen technology have pointed out that it is not possible to embark on such a mission without it being owned by Canadians. There is no question that this mission would require participation by the Government. Unquestionably, it would involve in some measure, for example, subsidies and procurement largely limited to Canadian interests. It would have to involve the ownership of those companies which are participants.

According to the free trade agreement, we could not insist upon a research and development standard to be met after the acquisition of Canadian companies. In brief, if Canada is to launch into a future which would be defined in terms of the knowledge we possess and the technology we have developed, one way of doing that would be to have a large mission which is uniquely national. It is not to be a hanger-on, a follower or a passenger, a participant in someone else's national mission, as is the case with the space station. However valuable that may be, it does not have the mobilizing characteristics that bring people together with pride to point to a vision of Canada which this kind of technology would produce for us, using the resources and skills we already have and the technology we have already developed to some extent.

If we are to go on such a mission, that mission must be owned by Canada totally. That would be specifically excluded by the free trade agreement. That mission is very much like Northern Telecom, Canadair, de Havilland, CP and the Canadian Broadcasting Corporation, institutions and corporations which have been established in the Canadian interest. They were established because we felt it necessary to establish the means by which we could maintain our uniqueness, our sovereignty and particularly our economic sovereignty.

[*Translation*]

Mrs. Mailly: Mr. Speaker, the Hon. Member who just spoke has once again revealed the New Democractic Party's intellectual weakness. He referred to free trade as a handicap for the further development of Hydro-Québec, which is absolutely ridiculous, because as he well knows, most Quebecers are in favour of free trade, and Hydro-Québec, which was an expression of René Lévesque's Quebec nationalism, has profited enormously from American capital, but this did not prevent Quebec and Quebecers from prospering. I think it is too bad he is so hostile to an agreement that is strictly a trade agreement and will benefit generations of Quebecers.

I just want to make that clear, Mr. Speaker, before we vote on this issue.

[*English*]

Mr. McCurdy: Mr. Speaker, I thank the Hon. Member for her question. Again, I think that the Hon. Member is a participant, along with her Party, in failing to understand what the free trade agreement is all about. Perhaps that explains why there is this preoccupation with association with the space station and the development of artificial intelligence among the Conservatives. They may very well need it.

The Hon. Member cited Hydro Québec. In fact, Hydro Québec could not have existed if there had been a free trade agreement before its establishment. That is fact.

The fact is that this Party is not opposed to free trade. We are opposed to those elements of the agreement about which Conservatives do not talk about. The CBC talked the other night about the elements that would have us give control over our own country to another nation in whose interest it would

be to use our resources and our capacities to produce jobs over there and not in Canada.

Those facts will be illuminated and emphasized in a debate during an election campaign. If the Conservatives want to join in with the New Democrats in discussing the merits of multilateral free trade versus a stupid agreement to which they are committed, we would be happy to do so at any time.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Wilson (Etobicoke Centre) moved that Bill C-118, an Act to amend the Customs Tariff, be read the third time and passed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion, the yeas have it.

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 13(5), a recorded division on the proposed motion stands deferred until 6 p.m. on Monday, April 25, 1988.

* * *

CANADIAN INTERNATIONAL TRADE TRIBUNAL ACT

MEASURE TO ENACT

The House resumed from Thursday, April 21, consideration of the motion of Mr. Hockin that Bill C-110, an Act to establish the Canadian International Trade Tribunal and to amend or repeal other Acts in consequence thereof, be read the second time and referred to a legislative committee.

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I move:

That the question be now put.

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

Some Hon. Members: Debate.

Mr. Dan Heap (Spadina): Mr. Speaker, I am glad that I do have this chance to speak on this Bill, Bill C-110. The point that I wish to make in this Bill is that while we support it because we support the idea, the general principle of bringing the three boards together into one, that is, the Canadian Import Tribunal, the Tariff Board and the Textile and Clothing Board, we are concerned that the powers are too limited and that powers that did belong to the Textile and Clothing Board will be taken away in the new legislation.

The powers being proposed here are that they inquire and report on economic trade or commercial matters as requested by the Government, that they inquire into and report to the Minister of Finance (Mr. Wilson) on any tariff-related matter including Canada's international rights and obligations, and on those two inquiries, they will of course be directed by the Government's terms of reference. In addition, the tribunal will take over the existing appeal functions of the Tariff Board. That is to say, it will hear appeals of Revenue Canada decisions about customs and excise duties and classifications.

Then, fourth, it will provide direct access on injury inquiries. This is the one that concerns me very much. The existing right of the Textile and Clothing Board for an injury inquiry upon direct petition by producers will be extended to all industries. We are very much in favour of that. However, when the new tribunal examines whether increased imports are the primary cause of injury, they will not be able to deal with subsidizing and anti-dumping concerns. This is a very serious restriction and I think it is very unfortunate.

• (1240)

I want to explain why I think it is so unfortunate by giving an example of what has recently come to my attention through the clothing industry in Spadina. From talking with some of the representatives of the corporations that produce clothing in Spadina, and through *Style* magazine, I find that there is a new player in the field. Thailand has, in the last two or three years, moved from a country whose main export was rice to a country whose main export is clothing.

Thailand has a large and fairly modern clothing industry financed jointly with countries such as Japan, Hong Kong, Taiwan, and the United Kingdom. There are over 400,000 workers in their clothing industry, move than twice as many as we have in Canada. Their population, of course, is twice as large as ours. Last year they exported 140 million pieces of clothing, one-quarter of their total national production.

According to reports handed out by the Thai Government, their export is increasing at 23 per cent per annum. In the past year they sent only two or three per cent of their total production to Canada but they wish to increase that very considerably.

It is also alleged, although of course not reported in their government hand-out, that their labour conditions are very substandard, that there is very serious suppression of the rights of trade unionists in that country, and that large numbers of

the workers, young women largely from the countryside, are required to live a regimented life in dormitories on low wages. It is also alleged that quite young children are used as labour there.

These practices have been excluded from accepted labour practices in Canada, Great Britain, and western Europe. Therefore, we should not be encouraging countries which use these unacceptable practices to produce goods at prices below world market prices for the sake of competition. That is unfair competition.

Unfortunately, it is quite possible that that situation would be removed from the jurisdiction of the Textile and Clothing board and the new tribunal to be created. It is not a matter included in their jurisdiction according to the description which we have been given of this Bill. In particular, subsidies and related matters are excluded. I believe, also, that labour conditions would no longer be considered.

I want to point in particular to a very aggressive subsidy policy of the Government of Thailand. It is the policy to promote producers of garments for export and to give them heavy tax privileges. That is to say, the producers of export clothing will pay a lower rate of tax than will producers of clothing for domestic use. The industry ministry has also exempted garment factories that have no more than 20 sewing machines from the requirement of obtaining a permit for setting up a factory. There are also tax rebates given to exporters who use local raw materials. For imported raw materials the duty on the manufacture of garments for export is refundable. There is also an export tax and business tax exemption for manufacturers of garments for export.

These are very weighty exemption privileges and are subsidies which the new board will not be allowed to examine. Another even more direct form of subsidy is a rebate on electricity payments to manufacturers of garments for export.

I hope that this will be considered very seriously by the Government because Canadian producers will not be able to come before this new tribunal, which will unify the present three tribunals, to raise issues such as this very recent issue with regard to Thailand. It is only this year that some Canadian producers became fully aware of these conditions in Thailand. It would be unfortunate if the Government introduced legislation which would reduce or perhaps cut off their ability to take the matter up with the new tribunal.

There are other difficulties with this new tribunal. It offers very little protection to small and medium-sized producers unless they can organize in large associations because the tribunal can only take up an injury complaint if the producers of the majority of goods petition for the injury inquiry. However, within the garment industry there are so many subsectors and sub-subsectors which have very specific conditions of their own and which relate very specifically to other countries, either for export or for import, that it is not at all clear that this requirement of having a majority of the producers of the goods in question petition would be interpreted in a way which would be properly sensitive to the needs of producers in some of the sectors.

In Spadina in particular we have many factories with 10, 20, 30, or 40 employees. These are long-standing, traditional firms for the most part. They are not mass organizations. They have been a very important part of the life of Canada, both in the production of clothing and in the life of the City of Toronto and of Spadina in particular. They are the mainstay of many families, including many immigrant families for whom that is often the first and best opportunity of employment.

In fact, I have talked with immigrants who are themselves from Asia who are not happy at the thought that their jobs may be transferred back to Asia from where they came. They came here as legitimate immigrants seeking, as has been said over the decades, a better life. They met the conditions and arrived. They have settled in Canada and do not like to see the better life being exported to some other country, even to the country from which they came.

The new tribunal must be reshaped to enlarge its scope so that it can take account of things like the alleged very bad labour conditions, and either the bad labour laws or the neglect of labour laws in countries like Thailand. It must also take account of the subsidies which have not been quantified. We do not know the number of dollars or the per cent of costs concerned. However, with regard to the tax exemptions and the rebates for electrical power consumed, it looks like a very considerable subsidy, particularly since the Thai Government reports that labour costs as a share of the total are increasing and that costs other than labour and raw materials are increasing as compared to raw materials.

They have a legitimate natural advantage in raw materials because of their climate. They can produce fabrics such as cotton that we cannot. That is fair enough for them to use that, but it is not fair for them to use bad labour conditions or direct subsidies apart from what is allowable under the GATT.

• (1250)

Therefore, we do need a broader tribunal to be able to give the producers in Canada, who understand the situation, the chance to bring this information to the attention of the tribunal. The tribunal should not only have the jurisdiction to inquire but also have the jurisdiction to make recommendations. Who better than a tribunal, such as the present Clothing and Textile Board, can recognize the facts, the conditions and the standards by which recommendations ought to be made?

Of course, it is still up to the Minister, having received recommendations, to take action as he or she sees fit. But I think it is very unfortunate to remove from this board the power and the duty that the present Textile and Clothing Board has, the power and duty to make recommendations in cases of injury by imports. Therefore, I hope the Government will take these matters into consideration before the Bill has been finalized.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion that the question be now put?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

Mr. Deputy Speaker: The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, since we have disposed of the two items of business on the Order Paper, Bill C-110 and Bill C-118, the Government has no further business it wishes to call today. I want to express my appreciation for the co-operation of my colleagues in the House.

I believe we have two alternatives. We could suspend business until two o'clock and proceed with Private Members' Business at that time. The other alternative would be to have consent of the Chamber to move immediately to consideration of Private Members' Business from one o'clock to two o'clock. We are in the hands of the Opposition. We would be prepared to co-operate in any way they suggest.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, let me suggest another alternative. It is that we suspend the sitting to the call of the Chair and then deal with Private Members' Business. This may give us time to contact Members who are interested in participating. If we call Private Members' Business for one o'clock, some Members may be doing something else right now and will not be able to get to the House.

Mr. McCurdy: Mr. Speaker, while in other circumstances the suggestion would meet with our approval, unfortunately we are not in a position to give our consent. The author of the Bill is indisposed and will be so until two o'clock. She is responsible for arranging our speakers in respect of this Bill to which we attach great importance. It would be our preference to recess until two o'clock.

Mr. Lewis: Under those circumstances, Mr. Speaker, and in accordance with our undertaking, I suggest that the House suspend until two o'clock, at which time we will proceed with Private Members' Business.

SITTING SUSPENDED

Mr. Deputy Speaker: Is it the wish of the House to suspend the sitting until Private Members' Business at two o'clock?

Some Hon. Members: Agreed.

At 12.56 p.m. the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 2 p.m.

Mr. Deputy Speaker: It being two o'clock, the House will now proceed to the study of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

NON-SMOKERS' HEALTH ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-204, an Act to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising, as reported (with amendments) from a legislative committee.

Mr. Deputy Speaker: There are four motions on the Order Paper to amend Bill C-204, an Act to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising. After deliberation, I am now ready to make a ruling with respect to their procedural acceptability. All of these motions I find to be in order. Motion No. 1 and Motion No. 2 deal with enclosed work space and will be grouped for debate. A vote on Motion No. 1 will apply to Motion No. 2.

Motion No. 3 and Motion No. 4 deal with passenger transportation and will be grouped for debate. A vote on Motion No. 3 will apply to Motion No. 4.

Ms. Lynn McDonald (Broadview—Greenwood) moved:

Motion No. 1.

That Bill C-204 be amended in Clause 2 by striking out lines 16 to 18 at page 1 and substituting the following therefor:

"(a) for an office building or other enclosed work space constructed prior to January 1, 1990 an enclosed space, and

(b) for an office building or other enclosed work space constructed on or".

Motion No. 2.

That Bill C-204 be amended in Clause 4 by striking out line 33 at page 3 and substituting the following therefor:

"other enclosed work space provided by an employer,".

She said: Mr. Speaker, the four amendments before us today are purely technical amendments, non-controversial. They

were proposed by Departments concerned to take care of a few flaws left in the Bill after second reading and study at committee stage. I am hoping that Hon. Members will move quickly through report stage today into third reading and pass this legislation which has been before the House and in committee for years. I am hoping people will not speak against it. I suggest to anyone who, in the guise of friendship to the Bill, stands up to talk it out today is not a friend of the Bill. I ask very strongly for the House to show its support for this important health legislation by letting it go through today.

Mr. Alan Redway (York East): Mr. Speaker, I am very pleased to have an opportunity to say a few words with respect to this first motion and also with respect to my support, notwithstanding the comments of the Hon. Member for Broadview—Greenwood (Ms. McDonald), for her Bill, Bill C-204.

The Bill, as you know, Mr. Speaker, is an act to regulate smoking in the federal workplace and on common carriers and to amend the Hazardous Products Act in relation to cigarette advertising. The most controversial portions of the Bill, of course, do not relate to this particular amendment—

Ms. Copps: Mr. Speaker, I rise on a point of order. I understood we were speaking to the amendment at this point. I think it would be appropriate if we restricted our remarks to the amendment and, if we want to make a speech, to make it after it is into Committee of the Whole.

Some Hon. Members: Oh, oh!

Ms. Copps: He was speaking to other elements of the Bill. We are dealing with Motions Nos. 1, 2, 3 and 4. Can we deal with those amendments, please, Mr. Speaker?

Mr. Deputy Speaker: I believe the Hon. Member is speaking on Motions Nos. 1 and 2.

Mr. Redway: Thank you, Mr. Speaker. As you have indicated, I am speaking to Motions Nos. 1 and 2. I was referring to the fact that they are obviously not controversial amendments in any way, shape or form. The main controversial portion of the Bill really deals with the whole question of advertising and the restrictions on advertising and those are the sections of the Bill which have generated a great deal of concern and controversy.

The aspect of the Bill with which we are dealing here relates to the type of area in which smoking would be restricted. Those restrictions would apply to smoking within federal Departments and agencies. I am led to believe there are some 235,000 workers involved. It also applies to Crown corporations and private sector workplaces under federal jurisdiction. I believe there are some 700,000 workers that would be involved there. It would also apply, of course, to this Chamber, the Senate, and to the Parliamentary Library. It could be applied, I suppose, to aircraft, buses, passenger trains, ships, passenger terminals, museums and other public places under federal jurisdiction. All of the provisions to which we are referring in Motions Nos. 1 and 2 would apply.

Those amendments, of course, while not controversial in themselves, are part of a Bill about which there has been a great deal of controversy. That has not only happened with this Bill, but with Bill C-51, which is going to be coming before this House at report stage very soon. That Bill contains other provisions that will also spark a great deal of controversy and a great deal of debate.

I have listened to the debate and I have been subjected to lobbying by my constituents and by various organizations, including tobacco companies, organizations such as the Canadian Cancer Society, Physicians for a Smoke Free Canada and the Canadian Dental Association. I would point out that in fact I have received in total certainly a much smaller number of communications than most of my colleagues. I think I received in total some 34 letters and calls against this Bill. They have mainly come from a lobby that has been organized by the tobacco companies. I think I have received about 22 calls or letters in favour of the provisions in this Bill. Most of those I find come from cards that were inspired by the Canadian Cancer Society, or letters from them or from the Physicians for a Smoke Free Canada or the Canadian Dental Association, and so on.

I have had to debate and resolve in my own mind how I felt about these varying lobbying efforts, the principles they contained and the concerns they set out with respect to this Bill and with respect to Bill C-51. I resolved that debate within my own mind in favour of supporting this Bill. I think it is a good Bill.

• (1410)

As the Hon. Member has pointed out, the amendments that are before us today are technical amendments. I am sure that when we get to a thorough debate on the Bill at third reading, which I am sure will happen since there are very strong feelings on this matter, there will be many other points raised, particularly with respect to the advertising aspects.

I want to say at this stage that I am a supporter of the Bill. I will be supporting it and voting in favour of it when it comes to third reading.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, specifically on the amendments, and briefly, since it is certainly not the intention on this side of the House to kill the Bill by excessive rhetoric—it means nothing if the Bill does not pass today—I am glad to see that there has been some cleaning up of the language, in particular with respect to the first amendment. It makes it more clear that the intent of the legislation is specifically to deal with enclosed work space as opposed to any space.

I must point out that in the last couple of weeks I had an opportunity to visit a military base. There was some concern expressed about legislation that might impinge upon a person's

right to smoke within their own married quarters and residential quarters. This amendment deals with that issue.

We will certainly be supporting the amendmens. We will be restricting our rhetoric on the issue because we would like to see the Bill passed today.

[*Translation*]

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, it is a pleasure for me to speak on this Bill today since I did not have the opportunity to do so on previous occasions. I understand that some Members would want to amend certain sections of the Bill about which I am concerned myself. For example, according to the definition in section 2(g) of the Bill, "employer" includes:

> a Member of Parliament who, in that capacity, employs or engages the services of any person or has the direction and control of staff employed by or engaged to provide research or associated services to the caucus members of a political party represented in Parliament.

Further on in the Bill, it says in paragraph 3(3):

Notwithstanding sub-section (1), an employee may, because of the nature of the employee's duties, be required by an employer—in other words, the Member of Parliament described in Clause 2 may be required by an employer, by me, the Member for Gatineau—to perform his or her duties from time to time in a designated smoking room.

In fact, according to this Bill I should tell my office staff that if they want to smoke, I can require them to go and work in a room I would set aside as the designated smoking room in my office. I have a problem with this, because first of all, Mr. Speaker, in our office we work as a team and we respect each other. For instance, we have job descriptions, something that is not required by Parliament. However, I went through this exercise because I respect my employees and I want them to have a say in their working conditions, and I want those working conditions to be respected. I have to be able to negotiate these working conditions with my employees, including whether or not they are allowed to smoke and whether or not they want to smoke in the office. This Bill would deny me the right to sit down with my employees and discuss whether they want to restrict smoking in the office. In that case, the Bill is a threat, not only to the freedom of my employees but also to my own freedom as an employer to create in my office an atmosphere where we work as a team and respect each other's freedom. That is why I have a problem with this Bill.

Now, someone might say to me, "Well, yes, it is only a paragraph and we could exclude all MPs' offices; that would solve the problem." No, Mr. Speaker, that would not solve the problem because I feel that if a bill were to exclude MPs, it would not be fair for me to rise in the House and support a bill that excludes me, that gives me freedoms that I would not allow, for example, to the library staff, to the committee staff, to civil servants in general, etc., namely all those covered by this Bill. I find that would be unfair.

So it shows the flaws that exist in this Bill, unfortunately. We must deal with the problem, this very important problem of smoke, which affects those around the smoker, it has been pointed out, and solve it.

But unfortunately, this Bill goes further. To solve a health problem, it will create legal problems, it will create problems for working conditions and employee-employer relations. It will also disturb the very special atmosphere that develops in an MP's office, where all the staff must work as a team to serve the constituents who elected us, their Members of Parliament, to serve them not only at some hours of the day, but to be available and to be ready to meet their needs at any time. We all have emergency answering services so that when our constituents call our offices, they do not go unanswered.

So I could not tell a constituent that he or she cannot speak to a certain member of my staff because that person is then in the smoking lounge. That would bother me a lot. I would prefer to continue running our offices with respect for our employees.

I understand very well that the Hon. Member for Hamilton East (Ms. Copps) does not appreciate that I refer to the respect for employees, because she finds it very difficult to respect anyone, including herself. But I insist just the same, Mr. Speaker, that a legislation that would be enacted by the House, by elected representatives who must at all times meet the needs of the Canadian people, should not include provisions that affect the service we may offer our constituents, that might affect the atmosphere and work conditions, the spirit of co-operation that must and does exist in our offices, Mr. Speaker. Otherwise we could not serve our constituents.

Therefore, I would suggest that we continue with the Government's legislation, which itself raises some problems, but I believe it certainly would be easier to iron out those problems than the ones which are so evident in this legislation.

Mr. Speaker, indeed I find that this Bill very well reflects a certain philosophy that is apparent in every question raised by the Hon. Member, a tone of authority that calls for unquestioned obedience. When she wants to solve a problem, she throws a very wide net that will create other problems while attempting to solve the problem at hand. I believe this is evident in the wording of the legislation, especially the clause I read earlier: "An employee may, because of the nature of the employee's duties, be required by an employer to perform his or her duties from time to time in a designated smoking room."

This means a "designated smoking room" could be a small box no larger than this, and I would have to tell my legislative assistant, who is now looking at the Abortion Act, a very, very sensitive subject Mr. Speaker, who is preparing a very sensible document on the matter and who suddenly would want to smoke, relax a bit because he works long hours, he works over weekends and all that on very sensitive matters, I would have to tell him: You cannot relax now, or then you will have to go to the smoking room to continue your work because I cannot

afford that you stop for 15 ou 20 minutes since the legislation must be ready.

So, we must face reality. We must tell that person to take with him or her all the big books and the Statutes of Canada—because somebody working on legislation like the new abortion law must do very extensive research in very big books—and go right away to the designated area and stay there as long as he or she wants to smoke. It means that he or she is going to stay in the smoking area for 30 seconds because that's all the time he or she can stay away from work. If this person stays in the designated area for quite some time, she must interrupt her work and that's why I object to this Bill.

In addition, I think that subjecting railway companies and airlines to a bill intended to protect people's health against smokers amounts to using Parliament's authority to tell all those companies with their own authority to implement our decisions because some Hon. Member of Parliament somewhere decided that it was the way to do things.

I think it is the wrong approach to the problem. I would rather have a government bill. We put forward Bill C-51 and we should proceed with it instead of this one which, in my opinion, has major shortcomings.

• (1420)

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I am pleased also to take that opportunity to speak to that subject, and I shall try not to be political on an issue of such a vital importance for the health of Canadian men and women because the resolution under consideration could reduce by 35,000 the number of people who die each year in Canada because of tobacco.

One must admit that those 35,000 deaths if we are to believe experts, is quite a high price to pay and for two reasons. First, it means that we lose a segment of our population, often the most active one, at an age where it could achieve a lot for the country. And second the use of tobacco is very costly for our health care system and it accounts for an enormous part of our medical expenses.

Costs are also incurred as a result for example of fires either in our communities or in our forests and so on and also as a result of traffic accidents. When will we know the exact number of accidents caused by someone who dropped or lighted a cigarette while driving?

So all these costs are difficult to assess, but nonetheless they are important costs.

There is also a cost attached to non-smokers environment. Those who decided to quit smoking at some point in their life are innocent victims of smokers. That is also a cost.

The physical well being of people can be a cost. I was a smoker for some time and since I quit, I think I am in a better physical condition, which enables me to be more of a fighter in the House of Commons, or at least to have a very positive attitude towards what the socialists say. If I was less fit, I would be less able to defend our country against socialist policies, if we can describe them as such.

Furthermore, smoking reduces productivity. People working in an office who smoke . . . It is unfortunate to have to say that, Mr. Speaker, to the leader of the socialist party who secretly smokes cigars, Havana cigars, communist cigars he can afford because he lives in a wealthy country.

I beg my colleague to try and convince her leader to stop smoking. It is not nice. It is not nice either to develop secret policies. Her leader should perhaps emulate the leader of the Liberal Party: I hear he does not smoke. I am sure that the leader of my party does not. Now, conditions could perhaps be first improved within the socialist party. On one hand, this could affect the Communist economy of Havana, because the leader is smoking Havana cigars on the sly. This is how moreover he wants to develop his policies. Whether he speaks about NATO, economy, income tax, the Meech Lake agreement, there is always, Mr. Speaker, the image of the leader who acts secretly with a gang of extremists, etc.

As a result of all those considerations, Mr. Speaker, I should like to point out that my Governement has tabled a Bill to control the negative effects of tobacco, that is Bill C-5l, the Tobbacco Products Control Act. And for the benefit of Canadians, I could state some of its highlights. The purpose of this legislation is to prohibit or to regulate the advertising of tobacco products.

So, with that Bill, it will now be prohibited to use billboards to promote smoking and that prohibition would be in effect as of January 1991.

Second, advertisement at the place of business of a retailer will be prohibited as of January 1993. The value of the sponsoring agreements using the brand name of a tobacco product shall not exceed the level of support agreed to in 1987.

Most other types of advertising and promotion will be prohibited from January 1st 1988 onward. Warnings on the health effects of tobacco and information on its toxic constituents must be printed on cigarette packages.

There is also a provision to require that health warnings be put inside packages. Finally, according to existing legislation and consultative process, various measures are already in effect to limit tobacco use to smoking rooms or areas, or to prohibit smoking in certain places.

I also want to mention the policies of this Government, including the Treasury Board policy that limits tobacco use to certain areas since October 1st, 1987. Aside from a few exceptions, it will be forbidden to smoke in all Public Service offices beginning January 1st, 1989. I hope that those rules will also apply to the socialist leader who likes to sneak a smoke. I hope that he will abide by Public Service rules, that he will object to the importation of cigars from communist countries, namely Cuba, for which he pays with capitalist money, Mr. Speaker.

Finally, in 1987, the Labour Department asked employers to take steps to restrict the use of tobacco in the workplace. Many, such as Air Canada and Petro-Canada have already done so. Air Canada, Mr. Speaker, is that corporation which is bound to become very profitable over the next few years because we as a Party have decided to privatise it in the best interests of Canadian consumers and producers.

An Hon. Member: Capitalist!

Mr. Fontaine: Thank you! I love being called a capitalist, Mr. Speaker, and I see that my socialist colleague from across the way is probably unhappy with the fact that I said that his leader puffed in private and probably without the knowledge of the Hon. Member who tabled this legislation on smoking. This is why I am always happy to hear his remarks about capitalism, to which, by the way, he owes his good living. I am sure he is very happy to get a good salary as an MP because of capitalist companies that can afford to pay a group of marginal people like the members of his party. They can make a good living in our rich and capitalist society. As a matter of fact, I don't know why they did not choose to live in a place where there are lots of Communists and where the political system is compatible with their ideology. Still, I want to thank the Hon. Member for his remarks, Mr. Speaker, he is most welcome.

I would like to speak now of the position of the House of Commons with respect to smoking. We know that the Speaker of the Senate and the Parliamentary Librarian have both asked their officers to propose options in order to implement a Parliamentary policy similar to that of the Public Service. In that case, the socialist leader would have no way out. He is here on Parliament Hill and he will have to abide by the rules, at least I hope he will.

Mr. Speaker, these were a few comments and I thank you for signalling that I have two minutes left. I will not speak any more of the leader of the Socialist party who is perhaps hiding in the lobby to smoke his Havana cigars, because my time is running out.

For the time being, Mr. Speaker, I am convinced that our Bill C-51 duly takes into consideration the interest and health of all Canadians; it takes into account the quality of life of Canadians, a quality of life that we, the Conservative Party, have continued to improve. We have continued to increase the standard of living of Canadians, and that is something on which we all agree. That is why we have introduced in the House our Bill prohibiting the advertising and promotion of tobacco, and I am talking only to this Bill, Mr. Speaker.

• (1430)

[*English*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I want to congratulate the Hon. Member for Broadview—Greenwood (Ms. McDonald). I am in favour of the Bill. I am in favour of the amendment that we are supposed to be speaking to. I want to indicate to you that any attempt by the Government to speak on this issue in the guise of friendly or otherwise remarks will be considered by all Canadians for what it is, a deliberate attempt to stall this Bill. Shame on the Tories!

Mr. Redway: Point of order, Mr. Speaker. It seems to me that a comment of that sort could be considered a threat to Members of this House and I would ask you to rule on that.

Mr. Deputy Speaker: The Chair considers it a matter for debate.

[*Translation*]

Mr. Fontaine: A point of order, Mr. Speaker,

Mr. Deputy Speaker: The Hon. Member for Lévis (Mr. Fontaine) on a point of order.

Mr. Fontaine: Mr. Speaker, should the remarks which were obviously directed to me by the Liberal Member on the other side be considered a threat to my rights as a parliamentarian, for I have no intention of standing still while someone challenges my right as an elected Member, my right as representative of the riding of Lévis, and my right to speak . . .

Mr. Deputy Speaker: I thank the Hon. Member, but the Chair does not consider that a threat. The Hon. Member for Chambly (Mr. Grisé).

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, like my colleagues on this side of the House I think that the remarks of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) are almost unacceptable, considering it was this Government which brought in parliamentary reform to enable Members of the House to air their views on various bills. For the benefit of my colleague from Glengarry—Prescott—Russell, the parliamentray reform does not apply exclusively to Members of the Opposition but to Government Members as well. Mr. Speaker, I listened very carefully to the short remarks of the Hon. Member for Glengarry—Prescott—Russell . . .

Mr. Boudria: You could have fooled me!

Mr. Grisé: —and I suggest, Mr. Speaker, that I have every right to be heard when I rise in this House.

What I was saying, Mr. Speaker, is that each and every member of this House, no matter what legislation is being considered, has the right to represent his or her riding and constituents. Also, each member of this House has the right to speak out. There are no first class and second class members in this House, Mr. Speaker. The Hon. Member for Glengarry—Prescott—Russell should take this into account and try to remember that he is no different from his colleagues in this House.

Personally, I want to deal with Bill C-204 because when the health of Canadian men and women is at stake, the issue is

always vital and should not be taken lightly. Each and every member of this House has the right to deal with the issue of his or her choise. Today, Mr. Speaker, I have chosen to speak on Bill C-204.

Indeed, the fewer possible smokers there are in this country, the better it is for the health of all Canadians. As a former smoker, Mr. Speaker, I know. I stopped smoking seven years ago and now I feel much better physically. To stop smoking is a very positive step for Canadian men and women to take and to those who have never smoked, I say: Hear hear! Now, Mr. Speaker, we are all well aware that there are Canadian men and women who are still smoking.

Getting back to Bill C-204, Section 3 reads as follows:

> Every employer shall provide a smoke-free environment where all employees may perform the duties that are directly or indirectly related to their employment.

How are we to define, in this case, the term "smoke-free"? Are we only talking about smoke? If there is a smoking room on one floor, will absolutely all the smoke generated in that room stay there? Can we be sure that some of that smoke will not spread through the building or into adjacent offices? Have we set up systems or devices to check constantly and systematically the quantity of smoke in the air? Is there an alarm system which will trigger a buzzer or start a fan when a particular level of smoke in the air is reached or exceeded?

And, Mr. Speaker, when we are talking about the House of Commons and Members' offices where a designated smoking room is provided, I wonder, if I understand correctly the purpose of this Bill, whether this will not be extended to our riding offices, because they are, after all, an extension of the offices of Members of the House of Commons. The rent for a riding office is paid by the House of Commons. Employees who work for a Member in the riding office are paid by the House of Commons of Canada. Should this legislation apply to them as well? Considering that a riding office is often far less spacious than an office in one of the departments here in Ottawa or in the Parliament Buildings, how can we provide a smoking room inside a riding office? Will we have to rent another building or rent space in the building next door if we don't have enough room? Will we have to find another space and let our employees go there when they want to smoke during the day?

Mr. Speaker, I realize our Government is concerned about the health of Canadians, and the Minister of National Health and Welfare (Mr. Epp) has, through Bill C-51, launched a national anti-smoking program, headed by representatives of the federal and provincial Governments and our national health care agencies. As part of this program, federal funding for promotional and educational activities are being increased.

Mr. Speaker, my colleague from Lévis (Mr. Fontaine) was quoting Air Canada earlier as an example—and I applaud its initiative to prohibit smoking during flights lasting less than two hours. Even on more popular routes like Montreal-Toronto, we now have non-smoking flights. That initiative is quite commendable and it is in that spirit that the Conservative Government wants to implement legislation aimed at protecting Canadians' health and welfare, but we must still allow Canadians who, for very personal reasons of course, decide to keep on smoking to . . . Are we going to treat these Canadians as second-class citizens? As an ex-smoker, I know how one tends to smoke more in a stressful situation; so are we going to ask those people, when they are working on very important matters, to leave everything there and get out of the room to smoke? I agree that filling one's lungs with smoke is not very healthy, but these people have a need to smoke.

Mr. Speaker, I see you indicating that my time has expired. I understand very well the purpose of Bill C-204, Mr. Speaker, but I think we should first consider Bill C-51 which was introduced in the House by this Government.

• (1440)

[*English*]

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I will speak on Motion Nos. 1 and 2 before us at report stage. I will preface this with the remark that if there are two Members of this House who are more guilty of speaking on and on and on whenever the occasion arises, it is the Hon. Member for Broadview—Greenwood (Ms. McDonald) and the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria). These two Members go on and on and on at all times when the Government is trying to get through very important legislation critical to the well-being of Canada. For them to say on this occasion that anyone who wants to speak at report stage or third reading of this particular Bill is somehow frustrating the great wishes of Canada, I cannot understand that rationale whatsoever.

I wish that the hon. proposer of the motions with which we are dealing, namely, Motion Nos. 1 and 2, had taken some time to explain what these amendments are all about. The Member brushed them off as mere technicalities. It took me considerable time to read through them, referring backward and forward to the Bill to find out exactly what they were about. The first one is to add words in the definition section. In talking about designated smoking rooms, it said initially that a designated smoking room means (a) for an office building constructed prior to January, 1990, an enclosed space" et cetera. Now we have added the words "for an office building or other enclosed work space". I guess that is a necessary amendment if you read it in reference to Clause 4 of the Bill, to which I will speak a little later.

When we start telling people what they can do, where, and where they cannot do a certain thing we get ourselves into trouble and problems start to arise. What exactly is meant by an enclosed work space? I think we all understand what we mean by an office. But what do we mean by an enclosed work space? A workshop would obviously be one. Whether you would want to ban smoking in all workshops, I do not know. But there are the marginal cases.

During this winter, Mr. Speaker, you as well as other Members must have seen the stone masons who work on the Parliament Buildings. These are people who would obviously be covered by this Bill. During the summer they can work outside and presumably they would be able to smoke as much they wanted as they work on Parliament's stone work. In winter when the temperatures are a little colder and the weather sometimes inclement, a structure is erected made of scaffolding and two-by-fours. It is enclosed with plywood or canvas. The stone masons work in what might be described under this Bill, were it to become law, as an enclosed work space. This illustrates the difficulties we get into when we try to be so precise. I do not think that I would want to tell a stone mason, who is legally smoking at his work in June or July, that he should not be able to smoke when doing the same work in October or November. That deals with the amendments contemplated in Motion No. 1.

I understand that Motion No. 2 is being dealt with at the same time and I have a few comments with respect to Motion No. 2, which seeks to amend Clause 4. This would add the word "enclosed" between the words "other" and "work". The present clause reads "No person shall smoke in any office or other work space provided by an employer, outside of the designated smoking room or designated smoking area". I am certainly in favour of this proposed amendment, Mr. Speaker, because, of course, work space could be, unless you add that adjective, an open field. Surely it was not the intention, even of the Hon. Member from Broadview—Greenwood, to stop people working in the fields of the Experimental Farm from smoking. I do not think that was the case at all. I am entirely in favour of adding the word "enclosed" before work space in Clause No. 4.

In discussing this matter there is one other point I want to make. It is an important point because it has constitutional implications for the part of the country that I represent.

You, Sir, are undoubtedly aware of a court ruling made several years ago that said that a municipal undertaking in the Northwest Territories was to be designated as an undertaking or business under the definition of Section 2 of the Canada Labour Code. There is a long story behind this as to why it came about, but for certain reasons under the Canada Labour Code municipal operations within the Territories were deemed to be federal work or a federal undertaking. Of course, this Bill would apply, pursuant to paragraph 2(c), to all federal works and undertakings. Therefore, because of that court ruling it would presumably apply to municipal undertakings in the Northwest Territories. I think if this Bill became law we would have to look at a further amendment to restrict that.

I do not think it is correct that we should legislate here with respect to whether somebody can smoke in a municipal garage in Fort Smith. There may be good arguments as to whether somebody should be allowed to smoke there or not, but it is not really the duty or the responsibility of the Parliament of Canada to say so. It would obviously be something which should be done by municipal by-law. Those are some of the concerns that I have with the first two motions put before us today at the report stage debate.

Mr. William G. Lesick (Edmonton East): Mr. Speaker, in rising to speak on Bill C-204, I find that there are many incongruances as I have read the Bill and as I have heard different speakers from both sides of the House. Members have been addressing an issue of great importance to Canadians who are affected by pollutants and smoke, in particular.

Smoking has been with us since the time of Sir Walter Raleigh.

Mr. Cassidy: Really?

Mr. Lesick: Really.

Mr. Cassidy: That is only 400 years. It is a short episode in the life of our humanity.

Mr. Lesick: It has been something we have grown up with and smoking has been part of our culture and how we have lived.

Mr. Cassidy: So was opium. Do you want to bring back opium?

Mr. Lesick: Smoking has been part of what we have always felt as a right that we have had, the same as other things, for example, driving vehicles and horses. They cause pollution as well, as do certain pieces of machinery. There are pollutants all over the place.

• (1450)

It is not only smoke that causes a great deal of trouble for certain people who have problems with breathing or have chest problems. We find in the last 50 years particularly, with the mechanization and the manufacturing of so many different types of chemicals, that there are a great number of problems for the people around the whole world.

There are over 100 million people in China, and they have a great habit of smoking. Nearly one billion of the people of China are good smokers, it seems.

When I was in Africa, there was a great deal of smoking. Almost everyone there smoked, and there were seven of us on the parliamentary committee, including Hon. Members from the other side, who somehow did not smoke. However, all the folks there did.

Mr. Cassidy: Do you want their life expectancy?

Mr. Lesick: We find that this is quite common in many countries throughout the world.

Some eight weeks ago, we were at Gaza and the Hon. Member for Broadview—Greenwood was there with us. We were in a hospital and a doctor was telling us of the deep-seated problems that have been occurring there because of the difficulties between the Palestinians and the Israelis. This

doctor who was speaking to us was a volunteer. He was receiving a minimum amount of money just to pay his expenses.

As this doctor was talking to us, he was smoking. The Hon. Member for Broadview—Greenwood was somewhat incensed by this and, in a somewhat forceful tone, told the doctor that he had better stop smoking because it was not good. Of course, this embarrassed the good doctor who was saving the lives of dozens if not hundreds of Palestinians who were in that hospital.

I suppose that when one is under a great deal of pressure, one may take up drinking, smoking or some other bad habits that some of us would frown upon. Of course, the good doctor put out the cigarette by smashing it on the floor. Therefore, peace was restored within the hospital room.

We are trying to purify ourselves so much these days by trying to keep out pollutants. There are now buildings that are completely sealed and air is circulated throughout these buildings. We are finding that more and more people in that atmosphere are getting sick. The air is circulated but no fresh air tends to come in from outdoors.

Mr. Cassidy: That's one reason smoking needs to be banned. They are recycling the smoke.

Mr. Lesick: Therefore, we have a greater and greater problem. Even though there is no smoking there, the air is being recirculated.

Mr. Cassidy: They have the smoke from 10 years ago still circulating around.

Mr. Lesick: The germs are going from one person to another. There are more colds and more people who are not well in that atmosphere.

Mr. Cassidy: Just like the Hon. Member's argument.

Mr. Lesick: This Bill provides that we cannot smoke in a so-called enclosed space. What is an enclosed space? I remember driving to the City of Edmonton early one morning. I looked over Edmonton and saw a brown cloud of pollution over the city. This could conceivably be called an enclosed space. As I saw this from a distance, I thought that surely Edmonton seemed to have a cap on it, a cap of pollution, of dirt, a cap of a greyish colour. Under this Bill, could we smoke in Edmonton if it tends to be an enclosed space?

This Bill does have excellent intentions. The Hon. Member for Broadview—Greenwood has excellent intentions, and certainly the Bill is for the benefit of people who have health problems—

Mr. Cassidy: You're damning it with faint praise.

Mr. Lesick: Despite that, we have to be sure. We have to respect all the people and ensure that they can be free to smoke if they wish to smoke.

Mr. Cassidy: That's what your colleagues said about child labour laws. We would still have child labour today if that argument would be followed.

Mr. Lesick: Mr. Speaker, I am having to speak louder and louder because of the problems that seem to be coming from across the way.

I would like to continue, if I may, to deal with this enclosed work space and the cloud over Edmonton. I know what it is like to work in a space where there is an excessive amount of smoking. I work as a volunteer at bingos. It seems that bingo players love to do two things. They love to play bingo and most of them love to smoke. By the time I get home after four hours of working there, I can smell smoke on my clothing.

Of course, anyone who is affected by smoke should not work in a place like that, in this workplace or this place of fun, frolic and enjoyment. There is a problem, and the Bill has good intentions. However, it is flawed in that it does not allow enough latitude for those who wish to smoke. I would like to respect smokers, even though I personally am not a smoker.

The Government has also brought in a Bill covering much of what Bill C-204 covers, but it has more latitude. The many areas of great concern that have been expressed to me and to many other Members of Parliament about smoking are addressed by the government Bill which allows freedom for smokers yet protects the lives of non-smokers.

In conclusion, as much as I believe that Bill C-204 has good intentions, I would urge that this Bill not be passed at this time. The Government has introduced a tobacco products control Act which will cover the concerns of non-smokers and those who are affected by smoke while still respecting those who wish to smoke.

Mr. J. R. Ellis (Prince Edward—Hastings): Mr. Speaker—

Mr. Cassidy: For shame.

Mr. Ellis: If the Member with the enlarged facial aperture would be quiet, we could get on with this.

I support Bill C-204, but I have been around this House longer than many, though not all, who are in the Chamber this afternoon. I have put Private Members' Bills before the House and have watched them talked out by government Members. I have watched responsible Governments, shortly thereafter, bring in Bills containing the essence of my Bills and do a good job. That is the way this House works. That is the way it has worked for over 100 years. That is the way it will continue to work.

I support the Bill and I would like to see the contents of the Bill become legislation—you are telling me that it is three o'clock, Mr. Speaker.

Mr. Deputy Speaker: The time provided for the consideration of Private Members' Business has now expired. Pursuant

to Standing Order 36(2), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

[*Translation*]

It being three o'clock, this House stands adjourned until next Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 3 p.m.

HOUSE OF COMMONS

Monday, April 25, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

WESTERN ECONOMIC DIVERSIFICATION ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have the honour to present in both official languages the report of the legislative committee on Bill C-113, an Act to promote the development and diversification of the economy of western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other acts.

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

* * *

[*Translation*]

CAPE BRETON DEVELOPMENT CORPORATION ACT

MEASURE TO AMEND

Hon. Doug Lewis (for the Minister of Regional Industrial Expansion and Minister of State (Science and Technology) moved for leave to introduce Bill C-127, an Act to amend the Cape Breton Development Corporation Act.

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

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

[*English*]

PETITIONS

PROPOSED FREE TRADE—CALL FOR GENERAL ELECTION

Mr. Derek Blackburn (Brant): Mr. Speaker, I have the honour to rise pursuant to Standing Order 106 and present a petition from several of my constituents of Brant who are opposed to the trade deal with the United States.

They call upon the Government to call an election so that the people of Canada can decide whether or not they want to proceed with that arrangement.

OPPOSITION TO BILL C-72—OFFICIAL LANGUAGES

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have three petitions, the first of which comes primarily from High River, Cayley and Okotoks. The second comes largely from Calgary, Airdrie and Balzac, and the third is from Acme, Drumheller, Linden and other places.

All three petitions request that Parliament not pass Bill C-72 so that unilingual speaking people may have a chance for a position in Government.

ROYAL CANADIAN LEGION—VOLUNTEERS

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have a petition from the Royal Canadian Legion in Drumheller which states: Wherefore your petitioners humbly pray and call upon Parliament to introduce legislation that will qualify volunteers who offer themselves for unrestricted active service and who serve for not less than one year and were assigned to service within the boundaries of Canada and who are 65 years or over. As in duty bound your petitioners will ever pray.

BLOCK AVERAGING OF INCOME

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I have a petition from residents of my constituency from the towns of Rouleau, Briercrest and Moose Jaw. They are petitioning the House to leave in the block averaging provision that farmers and fishermen have had the right to use for many years.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all questions on the Order Paper be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMERGENCIES ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, as reported (with amendments) from a legislative committee.

• (1110)

Mr. Speaker: There are 10 motions on the Order Paper and Notices offered in amendment to Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof. Motion No. 1 stands in the name of the Hon. Member for Brant (Mr. Blackburn). Motions Nos. 2 to 10 stand in the name of the Hon. Minister of National Defence (Mr. Beatty).

Amendments somewhat related to Motion No. 1 were moved, debated and negatived in the legislative committee. Motion No. 1, however, refers to persons who are finally determined under the Immigration Act, 1976 to be Convention refugees. The term "Convention refugee" is defined by the Geneva Convention of 1951, which has a different connotation from what was considered in the legislative committee. Therefore, I would rule Motion No. 1 in order. It will be debated and voted on separately.

Motions Nos. 2 and 8 are in order and will be grouped for debate. The vote on Motion No. 2 will apply to Motion No. 8. Motions Nos. 3, 4, 5 and 9 are in order and will be grouped for debate as they deal with the same subject. The vote on Motion No. 3 will apply to Motions Nos. 4, 5, and 9.

[*Translation*]

Motions Nos. 6, 7 and 10 are in order, and each will be debated and voted on separately.

[*English*]

The House will now proceed to the first motion, Motion No. 1. I will now propose the question to the House.

Mr. Derek Blackburn (Brant) moved:

Motion No. 1

That Bill C-77 be amended in Clause 30 by striking out lines 32 to 35 at page 16 and substituting the following therefor:

"(h) the removal from Canada of persons, other than Canadian citizens, permanent residents as defined in the *Immigration Act, 1976* and persons, not being persons described in paragraph 19(1)(c), (e), (f) or (g) of that Act, who are finally determined under that Act to be Convention refugees;".

He said: Mr. Speaker, I introduced an amendment on this topic at committee as we went through it clause by clause which would have prohibited the Government from forcing back a boatload or shipload of persons seeking refuge in this country during a time of emergency. I felt we had already blemished our record once many years ago in this regard. I think it was 1938 or 1939. When I say we "blemished our record" I mean as a nation. A group of Jews from Europe were desperately seeking refuge in the free world in their attempt to escape the horrors of Naziism. The Government of the day refused to allow that ship to dock in Canada and it was forced to continue on. If memory serves me correctly from reading about that episode, I think most of the persons on board ended up back in Europe.

My original motion would have prevented a Government, even under a proclamation of emergency, from allowing that kind of tragic situation to happen again.

The committee debated the amendment at length and it was lost. Motion No. 1 which I am proposing at report stage today is somewhat of a compromise. I would hope it would meet with the acceptance of members of all Parties assembled here this morning. It does not exclude those seeking refugee status but would include them once they had been determined to be refugees. In other words, once they had landed on Canadian territory and had gone through the determination process, they would be here in this country legally at that point even though still designated as refugees.

I am not an expert on the Immigration Act and I can fully appreciate that had my original proposed amendment been accepted, it would have drastically altered, I would suggest for the better, the immigration provisions existing at the present time with respect to refugees. I readily admit we have what one might call a crisis on our hands with respect to refugees coming into Canada without proper qualifications and identification. We do not know whether they are genuine refugees or not.

Rather than hold up this Bill, because another Bill is finding rough passage through this House, I was reluctantly prepared and with some considerable regret to put forward this compromise with respect to refugees. I commend the motion to the House. I would hope that at report stage this amendment would be accepted by a majority of all Parties and that that would be as far as we could carry the refugee issue in relation to Bill C-77.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I would like to speak to Motion No. 1 and say that I agree with the Hon. Member for Brant (Mr. Blackburn) that this would be a definite plus to the Bill as brought forward. As he has stated, it may only be a compromise position but this compromise position would be an improvement on the Bill as presently structured.

I think the Government is trying to deal with immigration concerns in emergency legislation. I do not think that should even be considered by this House of Commons. I think an amendment to this Act is absolutely necessary. It is unfortunate that the original amendment put forward was not adopted, but this compromise amendment is certainly better than leaving the Act the way it is at the present time. I, too, would ask the House to adopt this motion.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it seems to me from the two interventions just made by my colleagues on this side of the House that we have here a very important principle at stake, namely of keeping immigration matters and principles standing on their own because of the highly humanitarian nature that immigration policies involve. Examples have already been given to that effect by the Hon. Member for Brant (Mr. Blackburn), reinforced by the Hon. Member for Cape Breton—The Sydneys) (Mr. MacLellan).

As the Hon. Member for Cape Breton—The Sydneys has just indicated, this amendment is a partial solution or compromise. While not perfect in itself, it would at least provide a certain degree of protection in cases of immigration situations that would have to be dealt with on their own merits and not under the over-all umbrella of this specific Bill. It seems to me that we all have a particular duty to perform in convincing the Government of the necessity and desirability of adopting this motion as a measure that attempts at least, within limits of course, to achieve the goal of being able to say: "Look. When it comes to immigration matters, we want potential immigrants treated in a fair and humanitarian manner and not under the general thrust of this specific Bill".

I hope the Parliamentary Secretary, who is well known for his sensitivity, will have a positive reply. I hope that he will be in a position to accept this particular amendment for the reasons that have been given thus far.

• (1120)

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, at the outset I would like to thank my colleague, the Hon. Member for Brant (Mr. Blackburn), for this compromise amendment. I should also point out to my colleagues in the House that the Hon. Member was extremely helpful in committee. He worked very hard for the legislation, and thus for Canadians. I believe he moved some 60 amendments, 30 of which were accepted by the committee in one form or another.

The problem with this amendment at the time was the fact that in committee we were referring to bona fide refugees. There was a difficulty in legalese with respect to defining what is a bona fide refugee. The new terminology being proposed by my colleague will ensure that Canada's treaty obligations under the 1951 UN Convention relating to the status of refugees will be respected even during emergencies.

It also conforms to the Immigration Act of 1976, and the spirit of Bill C-55. It gives people who finally have been determined to be Convention refugees under that legislation protection equal to that granted to Canadian citizens and permanent residents under the Act. The Government has given a great deal of consideration to the amendment moved by my hon. friend. We are in a position at which we can accept it.

Some Hon. Members: Hear, hear!

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 1 standing in the name of the Hon. Member for Brant (Mr. Blackburn). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 1 (Mr. Blackburn)(Brant) agreed to.

The Acting Speaker (Mr. Paproski): Motion No. 2 and Motion No. 8 are in order. They have been grouped for debate. The vote on Motion No. 2 will apply to Motion No. 8.

Mr. Jim Hawkes (for the Minister of National Defence) moved:

Motion No. 2

That Bill C-77 be amended in Clause 52

(a) by striking out lines 35 to 45 at page 25 and substituting the following therefor:

"(b) notwithstanding the maximum amount, if any, of compensation that may be paid to the person appealing, vary the decision of the Minister; or

(c) refer the matter back to the Minister for such further action as the Assessor may direct, including the calculation of compensation without regard to the maximum amount, if any, that may otherwise be paid."

(b) by striking out lines 8 to 13 at page 26 and substituting the following therefor:

"(4) Where the Assessor varies a decision of the Minister by awarding compensation or increasing the amount of compensation awarded by the Minister or the Minister, on a matter referred back for further action, increases the amount of compensation previously awarded, the Minister shall pay that compensation or increased compensation, as the case may be."

Motion No. 8

That Bill C-77 be amended in Clause 71

(a) by striking out lines 32 to 42 at page 36 and substituting the following therefor:

"(b) notwithstanding the maximum amount, if any, of compensation that may be paid to the person appealing, vary the decision of the Minister; or

(c) refer the matter back to the Minister for such further action as the Assessor may direct, including the calculation of compensation without regard to the maximum amount, if any, that may otherwise be paid."

(b) by striking out lines 3 to 8 at page 37 and substituting the following therefor:

(4) Where the Assessor varies a decision of the Minister by awarding compensation or increasing the amount of compensation awarded by the Minister or the Minister, on a matter referred back for further action, increases the amount of compensation previously awarded, the Minister

shall pay that compensation or increased compensation, as the case may be."

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the Government is placing before the House this morning 10 motions to amend Bill C-77. Although it was not our original intent to move motions at report stage, we find ourselves obliged to move these amendments to correct oversights, to clarify ambiguous language in the Bill and, in general, to add greater precision to the Bill. I can assure Hon. Members that none of these motions will change the substance of any clause in the Bill.

There is a requirement because of their wording and because of the areas to which they relate to group them into three separate groups as you have found, Mr. Speaker. However, I hope that with the explanation that I have made being kept in mind that Members will seek to deal expeditiously with all 10 government motions.

Mr. Derek Blackburn (Brant): Mr. Speaker, I intended to get up before the Parliamentary Secretary to inform him through you that these amendments are all acceptable to me. I went through them earlier this morning. In fact, they simply clean up the legal language.

While I am on my feet and on the subject of legal language, I think one of the reasons—and this is purely my own opinion—why the committee was able to work so harmoniously was twofold. First, we had a very excellent Chairman, the Hon. Member for Victoria (Mr. McKinnon). Second, there was not one lawyer on the committee. We got through the matters expeditiously. We all understood what we were talking about. I would like to suggest that we all understand what the Bill is about today, too, as a result of that.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am not sure I want to share in that comment about the legal profession.

I have read the amendments proposed to the Bill. It is our opinion as well on this side of the House that there are no substantive change made to the Bill by the amendments.

I have a question in the area of the translation. Perhaps the Parliamentary Secretary can explain to us one part of the translation of the Bill.

When we look at Motion No. 2 (b) the English words are, "notwithstanding the maximum amount". That expression usually translates and means to me, "*nonobstant le montant maximal*". I read in the motion, "*ou bien, malgré le montant maximal*". I wonder if there could be a different interpretation. Perhaps that is not the case. I bring it to the attention of the Parliamentary Secretary nonetheless. If his officials have indicated that those words that are in the motion as printed in the Order Paper are an accurate translation which will make it clear that both versions mean exactly the same thing, then I am willing to accept that.

The Acting Speaker (Mr. Paproski): Before I can recognize the Parliamentary Secretary I need to have unanimous consent. Is it agreed?

Some Hon. Members: Agreed.

Mr. Bradley: Mr. Speaker, I thank my hon. friend for raising this matter. If my memory serves me correctly, and possibly my hon. friend from Brant can confirm this for me, this became part of a discussion in committee. It was decided that these were the words that might best explain matters.

My French is nowhere near as good as my colleague's, although his English is as good as mine. If he has a concern with that, I would be willing to accept it. The note I have just been given, with efficiency, was that both English and French versions are consistent with what they classify now as the good drafting practice for that expression.

• (1130)

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motions Nos. 2 and 8 standing in the name of the Minister of National Defence.

Is it the pleasure of the House to adopt the said motions?

Some Hon. Members: Agreed.

Motions Nos. 2 and 8 (Mr. Beatty) agreed to.

The Acting Speaker (Mr. Paproski): I would like to bring to the attention of the House that Motions Nos. 3, 4, 5, and 9 standing in the name of the Minister of National Defence will be grouped for debate.

Hon. Doug Lewis (for the Minister of National Defence) moved:

Motion No. 3

That Bill C-77 be amended in Clause 58 by striking out lines 3 to 5 at page 28 and substituting the following therefor:

"(6) A motion taken up and considered in accordance with subsection (5) shall be debated without interruption and, at such time as the House is ready for the question, the Speaker shall forthwith, without further debate or amendment, put every question necessary for the disposition of the motion."

Motion No. 4

That Bill C-77 be amended in Clause 60 by striking out lines 30 to 40 at page 29 and substituting the following therefor:

"(5) A motion taken up and considered in accordance with subsection (4) shall be debated without interruption and, at such time as the House is ready for the question, the Speaker shall forthwith, without further debate or amendment, put every question necessary for the disposition of the motion."

Motion No. 5

That Bill C-77 be amended in Clause 61

(a) by striking out lines 40 to 42 at page 30 and substituting the following therefor:

"(4) A motion taken up and considered in accordance with subsection (3) shall be debated without interruption and, at such time as the House is ready for the question, the Speaker shall forthwith, without further debate or amendment, put every question necessary for the disposition of the motion."

(b) by striking out lines 8 to 10 at page 31 and substituting the following therefor:

"(7) A motion taken up and considered in accordance with subsection (6) shall be debated without interruption and, at such time as the House is ready for the question, the Speaker shall forthwith, without further debate or amendment, put every question necessary for the disposition of the motion."

Motion No. 9

That Bill C-77 be amended in Clause 73

(a) by striking out lines 37 to 39 at page 38 and substituting the following therefor:

"(6) A motion taken up and considered in accordance with subsection (5) shall be debated without interruption and, at such time as the House is ready for the question, the Speaker shall forthwith, without further debate and amendment, put every question necessary for the disposition of the motion."

(b) by striking out lines 39 to 41 at page 39 and substituting the following therefor:

"(3) A motion taken up and considered in accordance with subsection (2) shall be debated without interruption and, at such time as the House is ready for the question, the Speaker shall forthwith, without further debate or amendment, put every question necessary for the disposition of the motion."

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

Some Hon. Members: Agreed.

Motions Nos. 3, 4, 5, and 9 (Mr. Beatty) agreed to.

The Acting Speaker (Mr. Paproski): The next question is on Motions No. 6, 7, and 10.

Hon. Flora MacDonald (for the Minister of National Defence) moved:

Motion No. 6

That Bill C-77 be amended in Clause 62 by striking out lines 20 to 25 at page 32.

Motion No. 7

That Bill C-77 be amended in Clause 63 by striking out lines 33 to 36 at page 32 and substituting the following therefor:

"(2) A report of an inquiry held pursuant to this section shall be laid before each House of Parliament within three hundred and sixty days after the expiration or revocation of the declaration of emergency."

Motion No. 10

That Bill C-77 be amended in Clause 73 of the French version by striking out lines 43 to 45 at page 38 and lines 1 to 5 at page 39 and substituting the following therefor:

"37. (1) Dans les cas où le président du Sénat ou de la Chambre des communes est saisi d'une motion signée par au moins dix sénateurs ou vingt députés, selon le cas, demandant l'abrogation d'un décret d'application de l'article 11, cette Chambre étudie cette motion dans le trois jours de séance suivant la saisine."

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

Some Hon. Members: Agreed.

Motions Nos. 6, 7, and 10 (Mr. Beatty) agreed to.

Miss MacDonald (for the Minister of National Defence) moved that Bill C-77, as amended, be concurred in.

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

Some Hon. Members: Agreed.

Motion agreed to.

Hon. Doug Lewis (for the Minister of National Defence) moved that the Bill be read the third time and passed.

He said: I rise on a point of order, Mr. Speaker. There have been discussions among the House Leaders, and I think you will find that there is unanimous consent to allow the first three speakers equal time. That would give the Official Opposition and the spokesperson for the NDP equal time to the first speaker from the Government and the Official Opposition.

There are also informal discussions continuing which would lead to a division, if required on this matter, being taken on Wednesday at 6 p.m. We would like to take some time and work out an appropriate House order which would accomplish that.

Mr. Angus: Mr. Speaker, I wish to confirm the remarks of the Hon. Member that there have been discussions with regard to equal time at the beginning, and there will be ongoing discussions regarding the House order for a vote, should it be required, on Wednesday of this week.

The Acting Speaker (Mr. Paproski): Is it the pleasure of the House to adopt the motion? On debate, the Hon. Parliamentary Secretary to the Minister of National Defence.

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, last June, the Minister of National Defence (Mr. Beatty), the Minister responsible for emergency preparedness, tabled Bill C-77, the Emergencies Act, which will replace the War Measures Act legislation.

Since 1970, all Parties of the House have been on record as favouring new legislation to replace that archaic and abhorrent act. Nearly 18 years have elapsed since Canadians were promised a more enlightened approach for dealing with safety and security during national emergencies, and I am very gratified indeed to see how close we are now to fulfilling that promise.

It is time to ensure that the abuses of civil liberties committed against Japanese Canadians in World War II, and against Quebecers during the 1970 October crisis, will never happen again. Bill C-77 does this, and more.

I consider the October crisis a blot on our national conscience. As a political device the War Measures Act was tremendously effective. As an instrument for dispensing justice, it was not effective at all. We saw the disgraceful state of affairs where more than 450 Canadians were arrested and detained without charges being laid, and without being allowed to consult a lawyer. Of those people who were taken into custody, 439 were later released without being charged. To quote Ron Haggart and Aubrey Golden from their book *Rumours of War*:

> They had been placed at the worst possible legal disadvantage, denied information on what was alleged against them, denied counsel, interrogated and then "tried" in someone's office in their absence.

Going back further in our history, the War Measures Act was legitimately invoked in 1939 to permit Canada to play its proper role during the Second World War. There is no doubt that during those six difficult years from 1939 to 1945, the men and women who served in Canada's Armed Forces, and the Canadians at home whose efforts supported them, brought honour to Canada and contributed in no small way to Canada's emergence as an independent nation deserving our pride and allegiance.

• (1140)

We must also look back with sadness and regret at one aspect of the use of the War Measures Act in that period. I refer, of course, to the displacement and internment of Canadian citizens of Japanese descent and the confiscation of their property. Without wishing to make judgments about the exigencies and pressures that faced the decision-makers at that time and which led to these measures, Canadians today can only look back on those events with a good deal of national shame. The Minister was determined to ensure that the legislation which replaced the War Measures Act would be abundantly clear on at least this point, that this sort of abuse of executive power could not recur.

The Minister was very aware last summer, when he presented the replacement to the War Measures Act in this House, that because of the past events to which I have just referred the legislation would be seen as much as a civil rights issue as a means for allowing the Government to act swiftly and effectively in national emergencies. We thought we had a well considered piece of legislation, but we also knew that this time we had to be absolutely sure to get it right. After 17 years it was simply too important to the country to do otherwise.

For this reason the Minister invited all Canadians to comment on the draft legislation. The Minister and I have been impressed enormously in the past month with the care and amount of time which individuals and organizations have devoted to examining this important piece of legislation. There is something special about a country whose citizens care so passionately for individual freedom that they will devote hours of thoughtful reflection to a proposed law which may never have to be invoked.

When the Minister spoke during second reading debate, he indicated that the Government had an open mind on the detailed provisions of the Bill and would welcome constructive suggestions aimed at ensuring that when finally passed it would be the best that we could produce by working together.

At this time I would like to express the Government's sincere appreciation and gratitude to the many witnesses who appeared before the legislative committee and presented briefs which were obviously the product of a good deal of intense thought, research, and study. I would also like to compliment my colleagues in this House of all Party persuasions who worked on the Bill and gave the committee the benefit of their thoughtfully considered views.

The Bill which is the product of the committee's deliberations, and which we are now proposing for third reading and passage by this House, is similar in appearance to the original Bill and is consistent with the principle of the Bill which we approved at second reading. However, I can assure you, Mr. Speaker, that it is very different in detail. It is a much improved Bill. The amendments which the committee developed and approved and which are incorporated in the Bill we now have before us are numerous. I would hesitate to try to count the number of individual changes. They cover some three dozen distinct areas.

A point of note is that my hon. friend, the Member for Brant (Mr. Blackburn), introduced 61 amendments. Forty-eight were either adopted or incorporated in a government amendment. I would like to thank him personally for the work that he has done on this piece of legislation.

All the amendments contributed to better meeting the objective which I stated earlier in debate, that we should produce a Bill which adequately equips the Government of Canada to meet its constitutional responsibilities to provide for the safety and security of Canadians during national emergencies but does so with the minimum encroachment on the rights and freedoms of individual Canadians. The Government must be given the authorities it needs to minimize human suffering during emergencies but the legislation giving these authorities must be carefully crafted to ensure that ordinary governmental powers are exceeded only to the extent that is absolutely necessary in the circumstances. I am impressed by the manner in which the legislative committee was able to adhere to these objectives and produce a vastly improved Bill.

The changes that have been made to the Bill fall into three general categories. First, there are those which add precision to the legal formulation of what the Government is empowered to do and in what circumstances it would be given these additional powers. In this category I would include changes to the definition of "national emergency" and the definitions of the four specific types of national emergency, as well as changes to many of the specific powers granted in each of the four main parts of the Act.

Second are the changes which tighten up and enhance the supervision of the Government's exercise of the special

authorities granted by the Act, supervisions which would be carried out both by the courts and by Parliament.

Finally, there are several changes which enhance the regime for providing redress to those individuals who, in the confusion and upheaval which inevitably would accompany a national emergency, might have suffered loss or injury as a result of measures taken by the Government in dealing with the emergency.

Without in any way intending to minimize the contributions made by any of the witnesses who appeared before the committee, I would like to single out three important Canadian organizations which gave very serious thought to this Bill and submitted briefs which were clearly the result of pooling the insight and experience of many individuals, people who are genuinely concerned about the impact that this important Bill would have on the future of Canada.

These three organizations are the Canadian Civil Liberties Association, the Canadian Bar Association, and the National Association of Japanese Canadians. A comparison of the recommendations in their briefs with the specific amendments incorporated into the Bill gives clear evidence of the contribution which these three organizations have made.

I would like to review in a little more detail some of the key amendments in each of the three categories to which I referred a moment ago. I referred earlier to the legacy of shame which we share because of the regrettable action taken against Japanese Canadians during World War II. Our legal advisors assured us that with the safeguards we had built into Bill C-77, coupled with the Canadian Charter of Rights and Freedoms and the complex legal structure which has been put in place to implement the Charter, we could be 99.9 per cent sure that no conceivable situation could arise in which Bill C-77 could be used to empower a future Government to do anything resembling what was done to the Japanese Canadians.

However, I am sure that all Members of this House will agree with me that 99.9 per cent is not good enough. We want to be 100 per cent sure on this point. Hence the Government proposed, and the committee adopted, an amendment which states clearly and unequivocally that Bill C-77 does not empower the Government to make orders or regulations providing for detention, imprisonment, or internment of Canadian citizens or landed immigrants on the basis of race, nationality or ethnic origin, colour, religion, sex, age, or mental or physical disability. When Bill C-77 is passed, Mr. Speaker, we will have removed the last vestige of the legal underpinnings to that regrettable episode of Canadian history.

As correctly pointed out by many of the witnesses who appeared before the committee and by others who have commented on this Bill, the question of definitions is crucial. These have been gone over very carefully and I am confident that the definitions now in the Bill state as accurately and as clearly as can be done the intended scope of the Act in each of its four parts.

The definition of "national emergency" as now formulated captures the four elements common to all the proposals put to the committee. It represents the distilled consensus of the collective wisdom of the highly qualified people whose advice we were fortunate to receive. The four elements incorporated in a new definition of national emergency are; first, the notion of urgency; second, the temporary character of the abnormal situation; third, the inadequacy of the normal legal framework; and finally, the presence of a serious threat, either to the security of the country as a whole, or to public safety in circumstances which exceed provincial capabilities.

• (1150)

To qualify as a national emergency, all four elements must be present. In addition, the situation must meet the more detailed characteristics of one of the four particular types of national emergency as defined in each of Parts I through IV, and only those powers relevant to that class of emergency will be available to the Government. All of the definitions of the four types of emergencies have been tightened up by amendments.

With regard to the particular powers, permit me to enumerate some of the more important changes that have been made to limit more precisely the scope of the powers: Travel restrictions in Part I are now confined to those necessary for the protection of the health and safety of individuals. Use of Part I to terminate a labour dispute is now specifically excluded. Part II powers over public assembly are now confined to assemblies that may be reasonably expected to lead to a breach of the peace. Part III, search and seizure powers, are now confined only to the narrow requirements related to enforcing laws dealing with the defence contracts in order to prevent abuses, such as profiteering. Censorship is now explicitly excluded in Part III powers. All powers of Part I through III are to be exercised in a way that will not unduly impair the ability of a province to deal with a provincial emergency; and the powers of all parts are to be exercised with a view to obtaining the maximum possible concerted action with the provinces.

Let me now turn to a second general category of amendments. Several important changes have been made to enhance the manner in which the Government's use of the Act will be overseen by the courts and by Parliament. Perhaps the most important of these is the change in wording in about 20 subsections to ensure that judgments made about the necessity for exceptional measures must now be based on "reasonable grounds" rather than the unqualified "opinion" of the Governor in Council. This change means that all important decisions by the Governor in Council relating to the invocation and use of the emergency power will be challengeable in the courts.

I cannot emphasize too strongly how important this new approach is to the assurance of full protection of fundamental rights and freedoms. The continued application of the Charter,

which is also assured by the Bill, coupled with the accountability of the Governor in Council inherent in this new wording, ensures that the fundamental freedoms of Canadians will be preserved as long as the nation, its institutions and its constitution are preserved.

In addition to this very basic change, a number of further amendments have been made to strengthen the parliamentary supervision, including the following: The sunset periods after which the powers will expire, unless renewed by Parliament, have been substantially reduced. All orders and regulations to be continued past the normal sunset period will have to be explicitly reconfirmed by Parliament. One House alone will be able to revoke a declaration of emergency at any time. Parliament will have a longer time to consider whether orders and regulations passed by the Governor in Council should be revoked, and will be able to reconsider any order or regulation at any time.

The all-Party Parliamentary Review Committee, which will be established whenever the Act is invoked, will keep the Government's use of its extraordinary powers under continuous review and will report to Parliament at least every 60 days. Whenever a declaration expires or is revoked, that is, when the emergency is over, a formal inquiry will be conducted. The number of MPs and Senators required to initiate a motion to revoke either a declaration or a particular order or regulation has been substantially reduced, and the time limits on debate of the motion have been removed. Orders and regulations passed by the Government will have to be tabled with much less delay.

Finally, let me comment briefly on the third category of amendment where the many changes made to the regime for compensation will add significantly to its effectiveness. Amendments include the following: The establishment of the right to reasonable compensation for commandeered services. The provision of reasonable compensation under Part V is now mandatory rather than discretionary. The appeal process in the compensation provisions is now mandatory and will allow the appeal judge to exceed the maximum compensation when to do otherwise would be unreasonable and unfair.

I think it is quite evident from this review of a selection of the amendments made by the legislative committee that it has most effectively and conscientiously acquitted its responsibilities and that Bill C-77 is much the better for its endeavours.

I said earlier that from the beginning we knew that the protection of basic rights in a national emergency would undoubtedly become the focus for public discussion of this Bill. Public discussion has, however, unfortunately led to some misunderstandings about the constitutional and legal protection of fundamental rights and freedoms in our country, both as it applies to normal times and as the protection is further strengthened in time of national emergency by provisions in Bill C-77.

The bulwark is the Canadian Charter of Rights and Freedoms, and Bill C-77 goes to considerable length to ensure that the normal mechanisms for applying Charter protections will be upheld. The suggestion made by one of the witnesses that the Government could invoke the "notwithstanding" clause of Section 33 of the Charter, using an Order in Council pursuant to this Act, is completely without foundation. The Charter unequivocably states that to use the notwithstanding clause to override certain Charter rights, Parliament must declare the override expressly in an Act of Parliament. Bill C-77 contains no such provision. There is no doubt whatsoever that any attempt to use Section 33 through an Order in Council, should any future government be so ill advised as to try it, would be struck down by the courts.

Any limitation to charter rights a government might consider necessary in a national emergency would be challengeable on two counts. First, under Bill C-77 as I indicated earlier, the Governor in Council could be challenged in court to demonstrate that there are reasonable grounds for the necessity of the measure. Second, under Section 1 of the Charter, the Government could be challenged to demonstrate that the limitations were "reasonable and demonstrably justifiable in a free and democratic society." It is difficult to imagine, Mr. Speaker, a Government going ahead with measures if there were any doubts about its ability to justify its actions in court.

There are additional protections in the system which have been put in place to ensure that all orders and regulations are consistent with the Charter, whether they are passed in normal times or in an emergency. The Statutory Instruments Act, the Canadian Bill of Rights and the Department of Justice Act have been amended, and I might point out that these amendments were made by the current Parliament to place special responsibilities on the Minister of Justice to examine every regulation and every Bill in order to ascertain whether there are any inconsistencies with the Charter and to report such inconsistency to the House of Commons at the earliest opportunity. These responsibilities of the Minister of Justice are, in a sense, separate from his role as a member of Cabinet and confer on him a quasi-judicial role for which he is responsible directly to Parliament.

To carry out this responsibility the Minister, of course, relies on the highly qualified support of the law officers of the Crown. To suggest that a Government might attempt, for some obscure motives of expediency, to pass regulations which were knowingly inconsistent with the Charter, is to impugn the integrity not only of a Minister of the Crown but also of a major and extremely important branch of the Public Service. The emergence of such an eventuality is beyond belief, Mr. Speaker.

Much has been made of mention in this Bill of the possibility of secret orders or regulations. No one has questioned that in very rare and unusual circumstances there may possibly be a need for secrecy to protect the purpose of the action being taken. However, Bill C-77 is not the source of the authority to make secret orders or regulations. This authority stems from

the Statutory Instruments Act and is also available in normal times.

• (1200)

There is nothing in Bill C-77 which extends or alters in any way the restrictions on the use of secret orders inherent in the Statutory Instruments Act and its associated regulations. Quite the contrary. What Bill C-77 does do, Mr. Speaker, is to introduce a means of opening up such matters to scrutiny by Parliament, not only by requiring that all secret orders be referred to a parliamentary committee, but also by empowering that committee to revoke or amend such orders. Thus, Bill C-77 provides additional protection, not less, against abuse of secret orders in a national emergency.

Finally, Mr. Speaker, I should like to say a word about the confusion that has arisen concerning the requirement for warrants for search and seizure.

Protection against unreasonable search or seizure is a Charter right, and this has been interpreted by the Supreme Court to imply that a warrant is always required except in administrative inspections or in certain exigent circumstances where there is a physical impossibility of obtaining a warrant in time and where not to act would unreasonably thwart the administration of justice.

Any Act of Parliament that provided for a warrantless search or seizure would thus be inconsistent with the Charter, and of course Bill C-77 does not include any such provision.

The way in which the members of the legislative committee, those who made representations before it, and individual Canadians in general have responded to this legislation in terms of suggestions for amendment and fine tuning, has been most impressive. We have tried to accommodate all points of view as best we could.

Some things are above politics, Mr. Speaker. I think Bill C-77 falls into that category. All Canadians, wherever they live, whatever their political affiliation, whatever their occupation, have a vested interest in suitable emergency powers legislation, legislation that can meet, swiftly and effectively, any national emergency that may confront us.

We have seen some old wounds reopened in recent weeks. The publication of Mr. Jamieson's diary, with its allegations of political expediency, along with the public representations of the National Association of Japanese Canadians remind us of the horrors of the events of October 1970 and the early 1940s.

Those events are now behind us. Let us not waste more time by engaging in unfruitful accusations. The important thing now is to get on with it, and to see that such events cannot recur.

The Bill the Minister is recommending today for third reading represents the culmination of a considerable effort on the part of Canadian men and women to try to accommodate, first and foremost, the rights of their fellow citizens, while giving Government the tools it needs to ensure the safety and security of our citizenry in a national crisis.

I trust, Mr. Speaker, that the other place will view Bill C-77 as an honest attempt on the part of those of us who have the privilege of serving Canadians in Parliament to achieve that end and thus worthy of both their careful consideration and expeditious treatment.

Mr. Derek Blackburn (Brant): Mr. Speaker, I, too, am happy to participate in the debate on the motion for the third reading of Bill C-77. I am proud to say—and I think I say this on behalf of all members of the committee—that we have, at this stage, a much better Bill than that which was introduced for first reading in the House. Bill C-77, in its final form, is a Bill that is certainly acceptable to the majority of Canadians.

Parliament does work, and this is one very good example of how we can make this place work. I would hope that this can be duplicated many times over with respect to other Bills.

Looking at the history of Bill C-77, Mr. Speaker, I note that it was introduced by the Government with great fanfare last June. The Minister expected all Canadians to be grateful that we were finally moving to replace the dreaded and Draconian War Measures Act—and there was some initial support for that concept.

My own criticisms, voiced at the press conference held at the time that the proposed Emergencies Act was introduced, were extremely limited. I had not had time to go through the Bill in any detail, but I did have, even at that time, some very grave misgivings as to what was contained in it as introduced for first reading.

I think it is also fair to say, Mr. Speaker, that the Government was surprised at the strength of the criticism the Bill as originally introduced attracted. Those who took the time to read the proposed Emergencies Act were shocked. They were startled to find that a Bill to replace the War Measures Act would contain so many threats to civil liberties, and in that sense it seemed inconsistent. Criticism rained down from lawyers, from civil libertarians, and from ethnic organizations— the very groups that the Government had hoped to please.

But, to its credit, the Government, and the Minister, did not go on the defensive. The Minister adopted, instead, a flexible attitude. He showed that he was not afraid to lose face—and I am convinced that he did not, in any event. He demonstrated that he had an open mind. We managed to avoid an ugly confrontation, the reason being that so much outside advice was taken to heart. This was wise, in our view. The Government was sailing in uncharted waters in the context of the proposed Emergencies Act. We had no pattern or blueprint to guide us. We were not amending the War Measures Act; we were starting from scratch.

The most important changes made, in my view, were those made to the opening clauses of the Bill. The definition of

"emergency" was changed substantially, thanks largely to the unrelenting pressure from Canadians concerned about civil liberties. There are several requirements that a situation must meet before emergency powers can be used. The situation must be urgent, critical and temporary. It must endanger the lives, health and safety of Canadians, and it must exceed the capacity of any province to deal with the matter.

Alternatively, the emergency must threaten the Government's ability to preserve the sovereignty, security and territorial integrity of this country. And there is one final hurdle that must be cleared—and I think this is a very important one: emergency powers can only be used when the situation is so drastic that no other law of Canada can deal with the situation.

At the time of the introduction of the War Measures Act of 1970, it was strongly argued by the opponents of the proclamation of that Act that the Criminal Code could have handled that emergency in the City of Montreal, and elsewhere. But, the Government of the day chose to bring forward the Draconian War Measures Act, instead of using the Criminal Code, as many of us thought it should have done.

Looking back at that situation, the Government of the day would have had to have used the Criminal Code, because it was applicable at that time. These conditions should prevent any future Government from invoking emergency powers irresponsibly, on flimsy excuses.

The Cabinet, under Bill C-77, would be prohibited from giving itself new powers by Order in Council. The Act cannot be changed by Cabinet. This means that no Government could give itself the power to override the Charter of Rights and Freedoms in the Constitution. That opinion came to the committee from law officers of the Crown, who were giving us their professional advice and interpretation.

We have ensured that Parliament will have greater oversight powers during an emergency. Cabinet must report to Parliament more frequently and ask permission to continue emergency measures, and the maximum time allowed for emergency powers has been reduced to 120 days—and that is in time of war. So, the maximum time allowable is 120 days, and that for the most critical kind of emergency, that which is set out under Part IV, or an emergency involving Canada at war.

• (1210)

When Parliament debates whether to grant or extend a period of emergency, a full debate is now guaranteed. All references to time allocation have been removed from this Bill. Parliament also can now initiate a debate to revoke emergency powers much more easily. Now only 20 MPs or 10 Senators can force a debate. That debate can no longer be delayed, it must happen within three days. It will be a full debate, allowing all to be heard. We have doubled the length of debate to 10 hours. Neither can the Government avoid the verdict of Parliament. There will be no filibuster to extend emergency powers. A vote is mandatory after those 10 hours of debate.

A similar debate is guaranteed when Members want to challenge an unjust order or regulation. We have also removed any time limit on challenges. There is no longer a limited window of opportunity when MPs would have to decide whether or not to challenge an order. They can do so whenever an injustice or abuse takes place.

Parliament will also get the information necessary to take corrective action quickly. Orders and regulations must be tabled in the House or sent to a parliamentary review committee within two days of their passage by Cabinet. We have also placed more restrictions on the type of orders and regulations that Cabinet can make. For example, travel restrictions can be placed on Canadians only during a public welfare emergency to protect health and safety. Public assembly could only be restricted during a public order emergency if the Government could show reasonable grounds to believe that it would lead to violence. Even there, at the height of an emergency, I anticipate that in most circumstances, unlike under the War Measures Act, Canadian citizens living in Canada will be able to assemble to discuss that specific proclamation and that emergency, provided in the view of the law enforcement agencies that assembly will not by its nature result in violence.

Persons who might be conscripted to provide an essential service during an emergency can no longer be sued for any action committed under orders from the Government. The Government has to provide reasonable compensation to any conscriptee. If that conscriptee is unhappy with the compensation, he or she now has the right to appeal. We have made the appeal process mandatory, "We" meaning the committee. The same rights have been extended to people who might suffer material damage from government action during an emergency. They can also get compensation and appeal any award. No one can be exempted from seeking compensation. That provision of the Bill has been deleted. The Minister cannot be arbitrary or capricious in setting some artificial maximum compensation. He can be overruled by a Federal Court judge acting as an accessor.

Finally, Canadians will not be kept in the dark after the emergency is over. There will be no repeat of the deafening and shameful silence that followed the October, 1970, crisis. An inquiry must be held and its findings made public within 360 days. Any Government that abuses the emergency powers will certainly be made to pay the political price.

I think it is shameful that the people of Canada are still waiting for the official report on all aspects of the proclamation of the War Measures Act in October, 1970. That is almost 18 years ago. Books and articles have been written on it and diaries exposed after death, but we have never really had a comprehensive report. There are still people, particularly in the City of Montreal and the Province of Quebec, very upset that no official report has been provided to the public.

That list of amendments is by no means exhaustive. The Government has already listed others and it would take up too much of the time of the House to hear all the amendments

made since the Act was first introduced. In fact, the Bill is barely recognizable. The Speaker has been quite generous in allowing this Bill to proceed in such a different form. However, it is precisely because this Bill has changed so much that I will be recommending its support at third reading to my caucus later this week.

I do not wish to take credit for all the changes we have made. I am no lawyer and I am certainly not an expert in emergency situations. This was a collective effort. I would like to pay tribute to those organizations and individuals who provided us with their expert advice. The forceful representations of the National Association of Japanese Canadians, the Canadian Civil Liberties Association, the Canadian Bar Association, the Canadian Labour Congress, the Ukrainian Canadian Committee, the Law Union of Ontario, *La Ligue des Droits et Libertés*, Professors Maxwell Cohen and Peter Rosenthal, various provincial Governments, police forces and others deserve the thanks of this House, the committee, indeed of all Canadians.

I cannot say that all their concerns were satisfied. Neither were mine. However, they can take pride in the changes that are rooted in their contribution.

No Act of course is perfect coming from this Chamber because, as I have said on many occasions and I keep reminding myself, no one in this Chamber is perfect anyway—with some possibly notable exceptions—but nonetheless it is important to draw to the attention of my colleagues and people outside the Chamber that we really have done our co-operative best in producing what is I think a very good Bill to cope with emergencies.

In fairness, I think I should also mention some measures that might still be taken. In particular, the National Association of Japanese Canadians would like to see this Act referred to the Supreme Court. They would like a ruling that clearly states that no Charter overrides are possible under the powers of this Bill. I support that idea. We have the consensus of the executive, through Cabinet, and will soon have the approval of the legislature when this Bill passes third reading and the Senate. Why not get approval from the judiciary as well, here and now or within a reasonable period of time when the Bill is fresh in our minds and the Act becomes law? If we have done our work properly, there is nothing to fear. A Supreme Court ruling would provide a crowning touch, giving Canadians that final assurance that their rights and freedoms are secure, even in the most trying of times.

For my part, I would have liked to have seen some protection for refugees under Clause 28(g). We were discussing that earlier this morning at report stage amendments. I understand the Government's arguments about throwing open the immigration processes, but I want to avoid any chance of a repetition of that shameful incident of the 1930s when a boatload of Jews was turned away from our shores to face the concentration camps in Europe. It could be any other kind of people today given the conflict-ridden world in which we live. However, I think we should always keep in mind, and I do not want to open up the Immigration Act in this debate, the relationship between the word "refuge" and "refugee". A refugee is a person, a human being.

We may or may not have prejudices against certain groups in the world, certain races. Being human, these things unfortunately do happen. Fortunately, they are usually only temporary. However, if we keep our minds set on the understanding and meaning of the word "refuge", I would like to think that this country of ours is still big enough, still magnanimous enough and still has a big enough heart that we can say to the world's beleaguered peoples: Yes, we are still a refuge for you. They can come here to live in peace, to work and develop, provided that basic laws are upheld and the administrative process works. I must admit that these are very important considerations that other Members in other committees are currently addressing with other Bills.

• (1220)

I would have liked to see the kind of amendment to Clause 28(h) applied here as well with respect to refugees, but I can appreciate the problems that this would have caused with respect to the process of another piece of legislation dealing with refugees that will soon be back before the House. I accept the fact that my arguments failed to sway the other members in the committee's clause-by-clause discussion. Perhaps some time in the future another government and another minister may want to look at that situation again.

While I am speaking of disappointments, I have something else to say. I have mentioned those who have helped. Let me also point out that others have not. I am referring to the Liberal Party. This is not meant as a partisan cheap shot, and my colleague from Sudbury knows that I bear him no personal animosity, but he also knows that he is the third spokesman that his Party has had on this issue. None of them attended the legislative committee with any consistency. They proposed no amendments. That is very disappointing because, after all, it was a Liberal Government that last imposed the War Measures Act. His Leader was Minister of Justice at that time. That government's actions have never really been explained and a promise to replace the War Measures Act was never honoured. I hope that this legislation is not discovered to be faulty because of some oversight that might have been avoided with the help of Members of the Liberal Party.

I am also somewhat disappointed that a law of such importance got such little attention in the national press. We are dealing with the sovereignty, safety and security of our country. This Bill deals with safeguards that will protect lives, liberties, rights and freedoms of Canadians from arbitrary Government action. Yet because this debate was not as acrimonious as Question Period usually is, few people know anything about it.

The vast majority of Canadians do not know how important this work has been. It may sound strange to say, but I hope

they never will. I hope that no disaster, either natural or caused by man's weaknesses, follies or foibles, ever befalls this country and causes this law to be used. I hope that no one has to discover that the Government no longer has the arbitrary powers of the War Measures Act. But I do hope that all who have been involved in writing this legislation will take quiet satisfaction in their work. I think Canada is a better place with this Bill on the books and the War Measures Act relegated to the pages of history texts.

It was a pleasure working in the committee with my colleagues in the House. It was a pleasure listening to the briefs and it was refreshing to see a representative of a Government that has an overwhelming majority in the House accede to the wishes of many witnesses and, indeed, to Opposition Members like myself at committee stage.

I agree with the Hon. Parliamentary Secretary, who was also most co-operative, that this is a Bill of which we can all be justly proud.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, it is a pleasure to speak to a Bill of such great importance not only to our country and our citizens, but to our very way of life. Legislation such as this not only reflects the will of the Government and Parliament, but the attitudes of the people of that particular country. Not only does this Parliament wish to send such a message to other countries, we want to send it to our citizens so they may realize that not only are they protected during a time of crisis, they also have rights. The rights of Canadians are paramount.

It has been suggested that this legislation improves upon the War Measures Act, which certainly needed to be addressed. This legislation, as it is presently amended in the House of Commons, is a vast improvement over the Bill that was introduced by the Government some months ago. It is a credit to the Government and all Members of Parliament that they realized the Government had undertaken measures that even it did not quite understand.

During the debate on this legislation, there has been much criticism of the War Measures Act. Although that law has been roundly denounced, it has only been implemented three times: during the First World War, the Second World War, and the October crisis.

When one considers that the War Measures Act has been implemented on only three occasions, I am concerned that Bill C-77, the emergencies legislation, can be implemented far too often. While the number of cases in which it can be implemented have been reduced even further as a result of amendments, my Party still believes that there are occasions when this legislation can be used needlessly. We also believe that further improvements could be made to this legislation, including the provision dealing with wars which suggests that Canada does not have to be involved in such a war. It only states that this war has to be so serious as to be a national emergency. This is a very grey area that should be addressed.

The Parliamentary Secretary and the Member for Brant (Mr. Blackburn) also talked about assemblies, which are now permitted as long as they do not lead to a breach of the peace. That remains as a very grey area because the right of assembly is of paramount importance in this country. There must be nothing in the legislation that is so vague as to prevent people not only from having the right of assembly but knowing when it can occur. Witnesses who appeared before the committee also raised some of these important points. I think these have been very important, indeed.

• (1230)

I would like to mention one group which appeared, the Canadian Association of Japanese Canadians. To reiterate the injustice that was done to Japanese Canadians during the Second World War should not be considered repetitious. This is the sort of thing we must continue to talk about. To not rethink this injustice will dim our memories, giving us further inclination to allow something like this to happen again. It was a travesty, a black mark on our history. I am pleased to see the Government has made mention of it because that would indicate to me that it was in the Government's thinking as it continued to work on this Bill.

I believe it is also important at this time to mention the Charter of Rights and Freedoms which were brought forward just a little over six years ago. The Charter is absolutely fundamental to the success of a Bill such as this emergency legislation. It is now in the Constitution that Canadians have specified rights. It is in our Constitution that Canadians cannot be taken advantage of. It is in our Constitution that Canadians can rely on those rights and freedoms regardless of the expediency of Governments emergency situations.

The Parliamentary Secretary mentioned that Governments will not take advantage of expediency in cases of national emergency or other emergencies specified under this legislation. He said his Party would not do it. A short while after, he proceeded to bring up the case of the diaries of the former Secretary of State for External Affairs, the Hon. Don Jamieson. The Government could not resist bringing that up for no reason at all, using an expediency within the same speech. How is it going to be relied upon to resist expediencies in time of national crisis? It cannot be relied upon and that is a very serious situation. However, it is minimized somewhat because we do have, thanks to the former Liberal Government, the Charter of Rights and Freedoms, which underlies and, to a great extent, gives some kind of security in spite of what this Government may consider expedient at any particular time.

I was particularly dismayed at the expediency taken by the Hon. Member for Brant who himself has played a large role in the amendments brought forward. He himself could not resist the temptation to take a dig at the Hon. Member for Sudbury (Mr. Frith) who, unfortunately, was not able to be present at some of the meetings. I think that certainly minimizes the role of the Hon. Member's Party when it feels that in order to build up its particular role it has to take aim at certain Members of

Parliament. Certainly, the Hon. Member for Sudbury is very concerned about this legislation and vitally interested in the rights of all Canadians.

I think it is important that we in Parliament make a very definite commitment to the rights of Canadians. It is not something we can do just once. All of our legislation must continually show this. It is a fundamental underpinning of our whole society. The witnesses that came before the committee were not merely stating an opinion as Canadians. They were stating an experience, a belief and an education about these very important subjects. If we qualify our beliefs with respect to the rights of Canadians, we are very likely to qualify our rights on other issues as well. If we qualify our beliefs and say that a certain right can be violated in a state of emergency, regardless of the seriousness of the emergency, we are gradually starting the process of the abolition of the rights of Canadians in all aspects of our Canadian way of life.

It is important to look at this issue from an aspect of the safety and security of Canadians in times of emergency. We cannot discount that. We must also look at it within the framework of the rights of all Canadians. We must not in any sense of the word try to chip away at these rights in anticipation of solving a situation regardless of how important. By chipping away at these rights, even if we are solving a situation, we are creating a greater problem, that is eroding the rights and principles on which this country is built.

The Liberal Party supports the legislation. Granted, there are things we would like to see changed. It is not a perfect Bill, in our opinion, but it is a Bill which has been much improved. As such we give it our support. We appreciate the concerns of a lot of witnesses who appeared before the committee. These concerns are definitely concerns which, in many cases, should have been given greater consideration.

I do feel it is important that this Parliament not rely on the Supreme Court of Canada to draft our legislation. If we as parliamentarians do not have the knowledge and belief of what is right for this country, then we should turn over the whole function of law making to the Supreme Court of Canada. Parliament has a role and its role is to make the laws. The role of the Supreme Court of Canada is to interpret those laws. If we cannot believe in the laws we make, particularly in areas of such tremendous importance as emergency legislation, if we are hesitant about what we are doing, then we have no right to be here.

This is an improved Bill, although it is not perfect by any means. It falls short in many ways. But it is a Bill that has been improved. We in the Liberal Party feel this legislation will be constantly reviewed through the sunset provisions and that will mean that we will constantly examine and never lose sight of the rights of all Canadians.

• (1240)

[*Translation*]

Mr. Marc Ferland (Portneuf): Mr. Speaker, as the Minister of National Defence (Mr. Beatty) observed recently, it is not up to us to rewrite history or to delete with one stroke of the pen the story of the darkest days this country ever experienced. However, it is in our power to turn the page and write a new chapter, and we can have that satisfaction today, by adopting the third reading stage of the proposed Emergencies Act.

We, my Quebec colleagues and in fact all Members of this House, have cast a little further behind us our memories of the War Measures Act, memories that still persist in the minds of so many of our fellow citizens. When former Minister Don Jamieson's memoirs were published, it was clear from the considerable emotion they aroused that the wounds of October 1970 have not completely healed.

As a Member from Quebec and sitting on the Legislative Committee responsible for examining the Emergencies Bill, I was able to measure the depth of the suffering and fear of those who came to testify against the War Measures Act. Through the various arguments and points made by each group, the same message persisted: Never again! While listening to both the protests and the hope in the voices of these men and women, I saw in my mind other faces and the suffering and indignation they expressed.

Of course, as a Government we are proud we were able to keep a major commitment to national security and to safeguarding the individual rights of Canadians in an emergency. However, I must acknowledge the work that has been done by all Members of this House, and I give praise where praise is due. I believe this House has realized that the interests of our fellow citizens are more important than ideological differences or personal rivalry.

When the Emergencies Bill, Bill C-77, was tabled, the Members of this House, as did legal experts, the media and the general public, recognized the fact that the proposed legislation had nothing in common with the War Measures Act. In fact, everyone agreed that the latter legislation should be repealed.

Bill C-77 provides unprecedented guarantees. The Emergencies Act, which will ensure a coherent and graduated response during national emergencies, will be subject to the Canadian Charter of Rights and Freedoms and the Canadian Bill of Rights, and it will be consistent with the 1967 United Nations International Covenant on Civil and Political Rights. It will be governed by mechanisms designed to prevent abuse, and its application will be subject to very strict control by Parliament. Furthermore, it will provide for compensation in the event of personal loss, injury or damage.

Despite this undeniable progress, certain concerns were expressed about the definition of the powers the Government could be given in an emergency, the existence of effective

control over the Government's actions and the compensation of victims.

The Government did not reject this criticism but carefully examined the various points. The Minister responsible for civil defence made it clear that he deliberately tabled the Bill early last summer to give as much time as possible to those who wished to make suggestions for improvements. Very much aware of the implications of this Bill and its impact on Canadians generally, the Government felt that passage of the Bill should be based on a broad consensus.

Provincial governments, including the Government of Quebec, legal experts, civil liberties activists and representatives of Canada's various ethnic groups responded with an interest and enthusiasm we found most impressive.

As the minister responsible for emergency preparedness, the Minister of National Defence, said recently, there were many suggestions, "sometimes contradictory, but mostly constructive. Expressed as amendments, these suggestions were meant to provide a better balance in the difficult reconciliation of the exercise of a necessary power and the no less necessary protection of rights."

The text presented to us today goes far beyond the semantic or terminological changes made to it. By clarifying some concepts, it safeguards in emergency situations the freedom we have won.

With the Emergency Measures Act, the Government will be able to handle disasters and peace-time emergencies with the desired moderation. It will be able to react in a deliberate manner to situations of international tension. It will allow the Government to meet its obligation to ensure the security of its citizens in crisis situations; this obligation is rooted in the Constitution and in history.

"Never again!" Japanese Canadians told us. The Government listened to them. The War Measures Act will be repealed and the Emergencies Act will contain guarantees making a recurrence of the persecution they suffered impossible.

The National Association of Japanese Canadians made many recommendations, and they were followed. The amendments adopted by the Government are along the lines desired by this association. Further guarantees have even been added.

Thus, the Bill explicitly excludes detention, imprisonment or internment of Canadian citizens or landed immigrants for reasons of race, nationality or ethnic origin or other discriminatory reasons.

The types of situations that would justify granting emergency powers were more clearly described and defined. Reasonable compensation for loss, injury or damage will be specified in a comminatory rather that discretionary way. The section allowing for the exclusion of some groups of people was removed. All orders and regulations issued under the emergencies legislation must be directly related to resolving the crisis. Furthermore, the Government may be required to justify its reasons for such orders and regulations before the courts.

Orders and regulations will be subject to review by a Parliamentary Review Committee, consisting of Members of the various parties and acting independently from Cabinet. The Committee will be required to report regularly to Parliament on the way the Government is handling the emergency. All orders and regulations shall be tabled within two days; time limits on debate on a motion for confirmation of a declaration of emergency, for confirmation of a proclamation continuing a declaration of emergency or for the revocation of an order or regulation, have been removed.

Limits on moving a motion for revocation or amendment of an order or regulation have been removed. An inquiry following an emergency must be completed within one year.

Never again, Mr. Speaker! No more Black October in Quebec! The very structure of Bill C-77, in which the part dealing with insurrection in peace time has been separated from provisions applying in time of war, makes this impossible. This is only one of a series of guarantees that provide safeguards against abuse.

Mr. Speaker, some venues are particularly inspiring. Today, we are keenly aware of the people of this country who elected us, and of the presence in these precincts of senior Members of all parties to whom the War Mesures Act was a thorn in the conscience of honest citizens.

Mr. Speaker, I am a junior Member of Parliament, but I must say that I was very proud to work with Members of all parties on this Bill. As so many Quebecers, I experienced the events of October 1970. In Quebec, there was general astonishment that these measures were applied. We, who were there, did not have the impression of any real danger. However, the Government at the time decided to use this reactionary piece of legislation.

An Hon. Member: At the request of the Government of Quebec!

Mr. Ferland: Legislation which, I feel, did not respond to what was needed at the time. This Bill, however, will respect the individual and respect our freedom but will also allow the Government to provide for the security of all Canadians. I think that is a step in the right direction. I think that Canada and this Parliament could only be praised for voting in favour of this legislation. I hope, Mr. Speaker, that Members will vote unanimously in favour of this Bill. That would be an example for all nations on this planet. Canada could once again show that it leads the way in passing laws that protect its citizens and at the same time let them express their views instead of being rebuffed as this happened in the past.

Heaven knows the Japanese suffered when their basic rights were violated. This legislation will prevent such abominations from happening again.

This Bill will enable the police in this country to play their proper role. I remember the testimony of various representatives of police corps in Canada who appeared before the Committee and told us: This Bill will really let us do the work we are paid to do. All the groups we met, including civil rights groups, believe this is a good Bill and that it provides the kind of legislation we expect as citizens of a free country like Canada.

However, I was somewhat disappointed in the lack of participation by my Liberal colleagues. I would have liked to see them take a more active part, as did my colleagues of the New Democratic Party and the Conservative Party, in drafting this Bill. This is a non-partisan Bill. This is a Bill that really meets Canadians' expectations. I was quite disappointed with the Liberals' participation in this Bill.

My party still proposed 35 amendments to this Bill, which were adopted. The NDP proposed 61, and 48 were associated with our amendments, and we agreed to make a Bill that really satisfied the expectations of all the interested parties we met.

We heard 22 witnesses and 15 Hon. Members took part on the legislative committee. It is a great credit to all those people who gave a great deal of time to analyse and study a difficult piece of legislation. It is not easy to pass a Bill that is meant to protect people but that limits some freedoms in times of crisis.

But for the first time, we have an Emergency Measures Bill for periods of crisis where the citizen who feels his rights have been violated can appeal, seek compensation and submit the decisions rendered to a review committee. Canadians will even be able to take the Government to court if that they think their rights have been violated or that the Government has abused its powers. I do not know so many countries on earth that have such a broad piece of legislation that protects so many citizens as the one tabled in the House for third reading today. I hope that it will be passed quickly, because Quebecers and Japanese Canadians whose rights were violated expect it, as do all those Canadians, men and women, who were wronged by the former War Measures Act.

Mr. Speaker, thank you for letting me speak today and tell Canadians that I am proud that this Bill was tabled today for third reading. This Bill in fact reflects Canada and the fairness that this Parliament, this government, really want to show to all Canadian citizens in this country.

• (1250)

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I wish to take this opportunity to congratulate, in particular, the Hon. Member for Brant (Mr. Blackburn) who certainly performed heroics in getting some 41 amendments to Bill C-77, the Emergencies Act. I wish to say to the Hon. Member, through you, Mr. Speaker, that the people of Canada owe a debt to his insight and persistence in participating in this, and to those members on the committee from the government side who participated in rolling up their sleeves and tackling an issue that has been a most controversial one in modern Canadian history.

I was not an elected Member of the House at the time, but I certainly was a candidate in the wings. I remember when the New Democratic Party stood up and voted against the imposition of the War Measures Act. You could not give New Democrats away around this country, Mr. Speaker. There was this great upswell that the then Prime Minister, Pierre Elliott Trudeau, represented everything that was right in the Canadian psyche, that he was acting with the best interests of Canada at heart, that he was acting with a considerable amount of insight and depth about the FLQ problem in Quebec. There was this upswing and support within the communities, and within my community, that somehow or another the New Democrats were less than patriotic in their opposition to something that was so obviously correct, the imposition of the War Measures Act. We opposed the imposition of the War Measures Act.

Mr. Caccia: You approved it on first reading.

Mr. Rodriguez: There were 16 members of this caucus who stood up and voted against the imposition of the War Measures Act. I remember receiving many phone calls from people who felt that the New Democrats were not patriotic in doing that. I recall at that time our Leader, Tommy Douglas, put forward the argument that I regurgitated to our supporters in the area, that he had met with the Prime Minister and there was no information the Prime Minister gave him that would lead him to be convinced that other Acts could not have been used, for example, the Criminal Code. Mr. Douglas was not persuaded that there was a situation of apprehended insurrection. As history has unfolded, history has absolved the New Democrats and the position that they took at that time.

Mr. Caccia: With the benefit of hindsight. How about Pierre Laporte?

Mr. Rodriguez: In fact, even after the imposition of the War Measures Act, and now we come to 1988 and we finally have a Bill that goes a long way to correcting what was essentially a very Lucy-goosey kind of law at that time. For example, it does not state that there are not certain emergencies where the Government needs the power to do certain things. This Bill clearly defines what that national emergency is. In defining that, it clearly points out in Clause 3 that the Government must go through all the laws of the land, and the various codes to ensure that what it has to do cannot be done under those particular codes. It is only after the Government has gone through that process that it can then declare an emergency. It is only then that the Government can take steps under this Emergencies Act.

It seems to me that we all remember Pierre Trudeau as some great proponent of human rights.

Mr. Caccia: He was.

Mr. Rodriguez: Even after implementing this, he never took seriously the need to reform that emergency Act.

Mr. Caccia: Look at the Charter. He brought in the Charter.

An Hon. Member: Order.

The Acting Speaker (Mr. Paproski): Before I call it one o'clock, the Hon. Member will have 15 minutes, plus 10 minutes for questions and comments.

The Hon. Member for Cape Breton—The Sydneys on a point of order.

Mr. MacLellan: Mr. Speaker, the Hon. Member for Nickel Belt (Mr. Rodriguez) seems to be getting away with a lot of innuendoes. He made an inference that former Prime Minister Trudeau let everyone believe that he was seriously interested and seriously concerned. I want to know from the Hon. Member for Nickel Belt if he really doubts the sincere concern that Mr. Trudeau had at that time.

The Acting Speaker (Mr. Paproski): The Hon. Member may wish to put that question during questions and comments.

It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—HELSINKI PROTOCOL—CALL FOR UNITED STATES SIGNATURE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, instead of using metaphors on acid rain the Prime Minister (Mr. Mulroney) should be to the point with President Reagan and make Canada's position clear once and for all, namely, that the U.S. Government should sign the Helsinki Protocol as 21 other nations have done so as to join in the global effort to cut SO2 pollution by at least 30 per cent by 1993 based on 1980 emission levels, and that the United States Government should, by 1994, cut sulphur pollution by 50 per cent using 1980 as a base year.

The Prime Minister should also ask the President of the United States to explain why only one per cent of the $5 billion Clean Coal Technology Program announced in 1986 has so far been spent.

Finally, the Prime Minister should notify the President of the United States that the Government of Canada will seek yearly compensation payments for the damage caused by transboundary air pollution, beginning with compensation for damage to our maple syrup farmers who have already started to quantify their yearly damage.

* * *

ENVIRONMENTAL AFFAIRS

DESTRUCTION OF AMAZON RAIN FORESTS

Mr. John Oostrom (Willowdale): Mr. Speaker, major development projects in Third World nations are threatening our planet's future. In Brazil the rain forests are being decimated daily. The Polonoroeste Project has been responsible for the destruction of an area of the Amazon forests the size of Great Britain. The Carajas Project threatens to destroy another 58,000 square miles of rain forests in just three years. That is the same area as our Maritime provinces.

Destruction of rain forests, which provide the majority of the world's oxygen supply, is continuing on the same scale in other nations. Since the majority of these projects are funded by the World Bank, and since Canadian taxpayers provide one-third of a billion dollars through the World Bank via our Government, we must use this opportunity to voice our concerns over the destruction of the environment. Canada must assume a leadership role or we can become unwilling accomplices to an environmental disaster which will envelop our planet.

* * *

INCOME TAX

NORTHERN RESIDENTS TAX ALLOWANCE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the Minister of Finance (Mr. Wilson) must not persist in trying to side-step the growing protest from many remote areas of the country against the inequitable application of the Northern Residents Tax Allowance. Things have reached such a pass in my riding, for example, that the Fort Frances Chamber of Commerce has retained a lawyer to prepare a legal case against the Minister for his Department's misguided action in denying the allowance to Fort Frances residents while extending it to all the adjacent communities.

Meanwhile, the Minister has refused to meet with several elected leaders of affected communities, leading 12 of them to sign an invitation to him which, 10 days after delivery, still awaits a reply.

Meanwhile, the Parliamentary Secretary appeared at the adjournment proceedings to advise, again, that a review commission will be appointed "soon". Well, Mr. Speaker, how

soon is "soon", and why, in our democratic society, does the Minister display such an obdurate disdain for the reasonable requests of elected municipal leaders?

* * *

[*Translation*]

VOLUNTARY ORGANIZATIONS

TRIBUTE TO VOLUNTEERS

Mr. Claude Lanthier (La Salle): Mr. Speaker, I should like to repeat the comments made last week by my hon. colleagues in praise of our dedicated Canadian volunteers.

Polls carried out over the past year indicate that 32 per cent of all Canadians are involved in some sort of volunteer work.

For the millions of Canadians men and women who devote their time and effort to charitable work the satisfaction of improving the living conditions of their fellow human beings is their only reward.

Mr. Speaker, all these volunteers operating within the framework of community organizations, devote their spare time to recreational activities, such as the Laurendeau—Dunton, as well as cultural and church activities. They provide institutionalized and hospitalized patients, as well as the aged with comfort. A great many of them are also involved with new Canadians, young people, as well as individuals faced with legal or mental problems.

Mr. Speaker, volunteer work is the very backbone of social life within our Canadian democracy.

Good luck to all these Canadian men and women volunteers!

* * *

[*English*]

CHILD CARE

CALL FOR WITHDRAWAL OF GOVERNMENT PROGRAM

Ms. Sheila Copps (Hamilton East): Mr. Speaker, hundreds of parents, child care workers, and interested people have joined in Ottawa this week to send a message to the Conservative Government. The so-called national child care package of the Government is simply not going to work and should be withdrawn. The message came through loud and clear that parents want to be able to have available spaces, and safe spaces, so that their children might be well looked after when they are outside of their own care.

This morning all three Parties had a chance to meet with representatives of the child care movement across the country and to make a commitment so that we will have a move toward a universally acceptable child care system that ensures a safe atmosphere for every child across the country. It is a crime that in today's society in a country as rich as Canada our most precious resource is left oftentimes as latchkey children in unsafe spaces, and outside the care of a really good situation.

• (1405)

We call on the Government—it has a last chance to recant on the road to election—to bring in a national child care strategy that really deals with child care.

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WESTERN GRAIN STABILIZATION ACT

ANNOUNCEMENT OF INTERIM PAYMENT TO FARMERS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, in 1985 our Government amended the Western Grain Stabilization Act to provide for interim payments to be made in time for spring seeding. Under Western Grain over $500 million was paid out in 1985, $859 million in 1986, $1.398 billion last year, and now the Minister of State for Grains and Oilseeds (Mr. Mayer) has announced an interim payment of $695 million for the current crop year.

In the Province of Saskatchewan, 61,000 producers will share some $380 million. A final payment will be made in the fall once complete figures for the current crop year are available.

The Prime Minister (Mr. Mulroney) has said that the Government will spare no effort in assisting the farm community during these times of low international prices. These payments constitute further concrete tangible evidence of this Government's commitment to the Canadian grain and oilseeds sector.

This Government has delivered time and time again for Canadian agriculture, and it will continue to deliver.

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SOCIAL AFFAIRS

POVERTY STATISTICS—SITUATION OF CHILDREN

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, in today's *Toronto Star*, Leonard Shifrin writes "Poverty in Canada has a new face—the face of a child".

In the 1981 census people over the age of 65 had the highest incidence of poverty, but the poverty rate for seniors has now dropped, thanks to increases in the Guaranteed Annual Income Supplement, and seniors were able to organize and fight off the Mulroney Government's dishonest attempt to deindex their pensions.

But who speaks for children in Canada today? Twenty-one per cent of Canadian children under six years of age live in poverty. For children six to fourteen years of age the rate is 19

per cent, and for young people 15 to 24 years of age the rate is 20 per cent. Poverty is twice as common for families with one or two children as it is for childless couples.

If the Government cares about our future it must address child poverty. It should restore full indexation to family allowances, provide income tax exemptions that take into account the real cost of raising children, and provide a child tax credit that is more than a token.

* * *

CANADIAN SECURITY INTELLIGENCE SERVICE

DELAY IN PROCESSING SECURITY CLEARANCES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the nominal lead time for security clearances to be processed through CSIS is an amazing nine months. There is a huge backlog.

These interminable delays are causing undue hardships to other government Departments and also to contractors working on projects such as the North Warning System. Individuals are having to wait for months before they can take up promised jobs.

The situation is close to intolerable, and I call upon the Solicitor General (Mr. Kelleher) to take immediate corrective action.

* * *

CANADA POST CORPORATION

VICKERS HEIGHTS POST OFFICE

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, the post mistress of the Vickers Heights Post Office will soon be retiring. Canada Post wants to close this post office and replace it with group mailboxes, supermailboxes, or a retail outlet if it can find one.

On April 20 Canada Post invited all Vickers Heights residents to a meeting to "review their options". However, this meeting was a complete sham. Canada Post had no intention of reviewing the only option the residents wanted, to keep the post office open.

Canada Post officials claimed at the meeting that they have to reduce their deficit, and they have decided to do this by closing down post offices. However, they flatly refuse to say whether or not the Vickers Heights Post Office has been losing money. They simply were not prepared to explain why it was not possible to retain the Vickers Heights Post Office. We can only assume they don't have a reasonable answer.

The 200 residents who attended this meeting got up and angrily walked out, and rightly so. This meeting was supposed to be a consultation with the residents, but it was nothing of the kind. Canada Post already had its mind made up.

It is time that Canada Post stopped patronizing Canadians in small communities with its arrogant and hypocritical approach. It is time Canada Post focused on service to the Canadian people instead.

* * *

[*Translation*]

POLITICAL PARTIES

LIBERAL PARTY'S DEBT

Mr. Gilles Bernier (Beauce): Mr. Speaker, I want to echo an editorial by Frédéric Wagnière in *La Presse* of April 16 and quote some news items entitled "Party for Sale." The financial area that calls for the most imagination and creativity, Mr. Speaker, is undoubtedly the financing of political parties. Even in this sometimes so fanciful area, we have never heard such a preposterous idea as the one expressed by Mr. Iseman, former president of the Ontario wing of the Liberal Party of Canada.

This party has a debt of some $6 million and two creditor banks have refused to lend any more. Mr. Iseman feels that other banks should take over. "The country needs the Party," he said. "The banking industry needs the Party. The whole industrial world needs the Party." Such talk is unworthy of a great Party. Let us admit that the banks are lending it all the money they need, Mr. Speaker. How does the Party intend to repay them? Would it be with special favours at the next revision of the Bank Act? How does this Party show that it is serious and credible? What does the Hon. Member for Laval-des-Rapides (Mr. Garneau), a former banker from Quebec, say about this? I ask the Right Hon. Leader of the Opposition (Mr. Turner), how do you intend to run the country when you cannot even run your Party!

* * *

• (1410)

[*English*]

WESTERN GRAIN STABILIZATION ACT

ANNOUNCEMENT OF INTERIM PAYMENT TO FARMERS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, the Western Grain Stabilization interim payment announced last Friday is indeed good news for participating producers. It makes the fourth year in a row that this payment will be in the producers' hands, to assist with the cost of seeding the current year's crop, and it comes as a direct result of the amendments our Government made to the Western Grain Stabilization Act in February of 1985.

This interim payment, along with strengthening grain prices, is a reason for optimism among western grain producers, although unfavourable weather conditions have prevailed since last fall.

The lack of spring runoff is particularly evident throughout most of central Saskatchewan, and could be crucial to livestock producers, as a continued shortage of water on grazing land could require the movement of large numbers of livestock.

Hope does spring eternal from the human breast, and Saskatchewan people realize only too well that, although we are dependent on the weather, we have never lost a crop in April, and particularly one that is yet to be planted.

* * *

CHILD CARE

CRITICISM OF GOVERNMENT PROPOSALS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, along with many Members of the House I had the opportunity, earlier today, to meet with the members of the Child Care Advocacy Association, the representatives of which were on the Hill today to talk to Members of Parliament. In addition to the sympathy that I would normally provide to such a group, I have a special interest in that I, too, have a child in day care. As well, I am a member of the board of a child care institution.

An Hon. Member: A conflict of interest!

Mr. Axworthy: In terms of sympathy for the concern expressed by the Child Care Advocacy Association, I felt that I was on their side of the table. The concern, of course, is that the present proposals on child care are totally inadequate to meet the need. There is no more vital responsibility on any parent than the handing over of the care of one's child to another person for six or seven hours of the day. That is a function that demands the best of care, the best of facilities, and the best of education.

Given the low wages in the child care field, and the sometimes spurious conditions under which child care is offered in this country, we must do much better than we are doing now, and much better than is proposed.

I stand today in the House not only to support the case made this morning by those very strong and very eloquent advocates of child care in this country, but to say that it is time that we went back to the drawing board for the purpose of coming up with a much more effective child care program than that which is being offered by the Government today.

S. O. 21

FEDERAL-PROVINCIAL RELATIONS

ASIA-PACIFIC INITIATIVE—PARTICIPATION OF FEDERAL AND BRITISH COLUMBIA GOVERNMENTS

Mrs. Mary Collins (Capilano): Mr. Speaker, if one relied only on the media, one might think that the federal Government and the Government of British Columbia engage more in confrontation rather than co-operation. In fact, the opposite is true. A shining example is the Asia-Pacific Initiative, jointly established and funded by both levels of government and chaired by a Minister from each Government, and involving over 100 volunteers on its various committees.

The Asia-Pacific Initiative is working on proposals to make British Columbia flourish as a Pacific centre for trade, commerce and travel. One proposal already announced is a business and environment conference and trade show, to be held in Vancouver in March, 1990. This conference will contribute to establishing British Columbia as a world-class environmental centre of excellence.

Last Friday the Pacific Council of Ministers, a unique council composed of Ministers from both levels of government, announced agreement to work toward the transfer of the management and development of the Vancouver International Airport to a local authority.

It is this kind of co-operation between the two Governments which will ensure promotion of economic opportunities for British Columbia, and a bright future for all British Columbians.

* * *

THE ECONOMY

INTEREST RATES—EXCHANGE VALUE OF DOLLAR—EFFECT ON FARM EXPORTS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, this Government's persistent policy of high interest rates is hurting people in rural Canada. The Government says that it has to strengthen the dollar and increase interest rates. Yet, this is a policy which creates great problems in respect of farm products that are exported, at least those exported from my part of the country. These products are sold on the basis of American dollars, and as we strengthen our dollar the value of those exports drops.

High interest rates, together with the lower value of the product, force land prices down.

The Minister of Finance (Mr. Wilson) says that his policies are aimed at fighting inflation. Yet, in my region of the country, in the last four years, land prices have decreased to approximately half of what they were when this Government took power.

How much further does he have to drive land prices down before he is satisfied that he has fought inflation to the ground?

• (1415)

ORAL QUESTION PERIOD

[*English*]

AIR CANADA

ACQUISITION OF NEW AIRCRAFT—DATE OF ANNOUNCEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister and concerns Air Canada. The Government is wheeling and dealing in a transparent and blatant attempt to manipulate the Manitoba election—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): —and to deceive once again the people of Manitoba as it did on the CF-18.

Will the Deputy Prime Minister confirm that Air Canada's negotiations to replace its 727 fleet have been completed? Will he also confirm that an announcement to that effect by Air Canada was scheduled for March 30, but the federal Government intervened to delay that announcement because of the effect it would have on the Manitoba election arising from the loss of jobs at the Air Canada maintenance facility in Winnipeg? Will he also confirm that the delay was a result of the pleading of the Manitoba Conservative Leader, Gary Filmon?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, what we are witnessing here on the floor of the House of Commons is the final act of desperation by the Liberal Party to help their Leader who is sinking as quickly as a stone. I am rather surprised at the Right Hon. Leader of the Opposition because, at the time of the CF-18 decision, the Liberal Party, as I recall, took a position in favour of that decision.

Mr. Axworthy: Pardon me?

Mr. Mazankowski: Some Members excepted.

Unlike the Liberal Government when it was in office, this Government does not interfere with the decision—

Some Hon. Members: Oh, oh!

Mr. Mazankowski: —on fleet acquisition. That is a decision made by Air Canada based upon the criteria, the technical requirements, the mission and mandate for a particular aircraft which it has to fulfil. This is an issue resolved by the management and board.

I see the Right Hon. Leader grinning. He will recall that the last time there was any interference was in 1979 when the Liberal Government of the day wanted to overturn a decision made by Air Canada which supported the Boeing purchase. The Liberals wanted an Airbus acquisition.

Mr. Turner (Vancouver Quadra): Mr. Speaker, let it be noted that the Deputy Prime Minister did not reply to the question as to whether the Government intervened in the decision to postpone the March 30 announcement.

WINNIPEG MAINTENANCE BASE—REQUEST FOR LEGISLATIVE COMMITMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister of National Health and Welfare, who is presumably in Manitoba today, said over the weekend that Cabinet decided two weeks ago that a guarantee to keep the maintenance base in Winnipeg would be included in the legislation to privatize Air Canada.

I want to quote what the Deputy Prime Minister told the House of Commons on April 12 as reported at page 14363 of *Hansard*:

> The provisions of the legislation and/or the articles of incorporation of the new company will ensure that the location of the corporate headquarters remains in Montreal—

A legislative guarantee for Montreal, but no mention of Winnipeg.

If, as the Minister of National Health and Welfare claims, a guarantee was given to Winnipeg that the maintenance facility would remain in Winnipeg by legislation, why was that not stated in the same announcement where the Deputy Prime Minister guaranteed Montreal the corporate headquarters? We are delighted with the legislative commitment to Montreal, but why not Winnipeg? Why did the Deputy Prime Minister not give Winnipeg the same legislative commitment he gave to Montreal two weeks ago in this House when he made the statement?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, first may I just reiterate, in response to the first question, the fact that the Government does not make the decision on what kind of aircraft to buy. The Government's responsibility is to approve the corporate plan. That is consistent with the Financial Administration Act. The mandate of Air Canada is to manage and choose the airplane it believes is best suited to meet a particular mission and mandate. Those are the facts.

With regard to the second part of the question, it is unfortunate that the Right Hon. Leader of the Opposition does not quote the whole statement. Rather, he chooses to quote very selectively. If he will read page 14363, I said this:

> While full details of this initiative will be contained in the legislation and will be developed by the Board of Air Canada over the coming months, I wish to inform the House further today of a few of the most important provisions under which this initiative will proceed.

• (1420)

I went on to cite a number of them with respect to the broad ownership of shares, with respect to individual ownership, with respect to foreign ownership. Then I said, in the seventh point:

> The major operational and overhaul centres which have been built up over the years in Montreal, Toronto, and Winnipeg are sources of great pride for Air Canada and fundamental to the success of this airline. No centres will be degraded. The overhaul base in Winnipeg will continue as a prominent and integral function of Air Canada and an aircraft fleet will continue to be maintained there.

That is all under the section of the guidelines and the commitment to legislation. I said it then, and I say it again today.

Some Hon. Members: Hear, hear!

SALE OF SHARES—GOVERNMENT COMMITMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the citation just given to us by the Deputy Prime Minister is a commitment from Air Canada that the Government will be unable to enforce because it is selling off the shares and has transferred to the private sector shareholders the voting rights of even the shares retained by the Government. It cannot fulfill that commitment.

The commitment the Deputy Prime Minister just read does not have legislative authority.

Mr. Mazankowski: Read it.

Mr. Turner (Vancouver Quadra): It is not included in the series of legislative commitments, beginning with the corporate headquarters in Montreal, the two official languages, the employment equity. That commitment to Winnipeg does not have legislative backing and the hon. gentleman knows that. They are two different sections of the speech.

The Deputy Prime Minister's answer is absolutely incredible. It is just about as incredible as the statement by the Minister of National Health and Welfare over the weekend. According to the *Winnipeg Free Press*, the Minister said that the reason Winnipeg was not given the same legislative guarantees as Montreal—at least he admitted it—was that: ". . . there wasn't time to get it into the release". To quote the words in the *Winnipeg Free Press*: "Epp said there wasn't time to get it into the release".

There was time to get the legislative commitment to Montreal into the release, but not Winnipeg. Why was that legislative commitment not given then? Why was there not time to put it in the release? Is it that much harder for the Deputy Prime Minister to spell Winnipeg than it is to spell Montreal?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Right Hon. Leader of the Opposition, aided and abetted by the Member for Winnipeg—Fort Garry, is acting very pathetically and silly. That is really unfortunate.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Minister.

Mr. Mazankowski: What could be more clear than when I said:

> While full details of this initiative will be contained in the legislation and will be developed by the Board of Air Canada over the coming months, I wish to inform the House further today of a few of the most important provisions under which this initiative will proceed.

That condition is laid out very clearly, as has been done in other privatization initiatives on which I have elaborated in the House on many occasions.

REQUEST FOR INCLUSION OF WINNIPEG MAINTENANCE BASE IN LEGISLATION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, we still do not have an answer from the Deputy Prime Minister. In the statement to which he is referring, he is talking about legislative entrenchment only for the corporate headquarters in Montreal. When I asked him on April 12 whether he would include Winnipeg as part of that legislative protection, he refused to answer.

Why did they keep it a secret on April 12? Why did they not include Winnipeg as part of the legislative protection, as the Minister of National Health and Welfare now says they thought they would do? Why were they keeping it a secret then?

Who is playing games with this issue? Are we to take the word of the Deputy Prime Minister or of the Minister of National Health and Welfare? Obviously they are singing from a different songbook and are simply trying to scramble their way out of a situation that will put the Air Canada maintenance base in Winnipeg in deep jeopardy.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we have just heard another Fort Garry fabrication of the truth. The facts are very clear. As I said, these are the items that will be enshrined in legislation. I also said that with respect to other items such as Montreal being the head office, and official bilingualism, there will be provisions in the legislation and/or articles of incorporation. I was clear then and I am clear today.

• (1425)

As I said, no centres will be degraded. The overhaul base in Winnipeg will continue as a prominent and integral function of Air Canada. The commitment I made then was to put it in legislation and/or articles of incorporation, and I do so here and now, right today, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Two weeks too late. Come on, Don!

Oral Questions

MAINTENANCE WORK FOR PROPOSED NEW AIRCRAFT

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Deputy Prime Minister is quickly learning the art of the double backward flip-flop. I think what we want to do is come back to this issue. In his statement the Deputy Prime Minister mentions only one centre, and that is Montreal. He now says he has changed his mind. Specifically, will the Government today give a guarantee, that's all—he can clear up the confusion—that with respect to the replacement aircraft for the 727, the over-haul and maintenance work on that replacement aircraft will be done in the Winnipeg overhaul facility?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member wants to talk about flip-flops, but we have to question the sincerity of this gentleman's commitment to western Canada because of what he said on March 1. He took issue with the fact that the Western Diversification Office was going to be located in Edmonton. He wanted it located here in Ottawa.

Mr. Axworthy: Answer my question.

Mr. Mazankowski: With respect to the Hon. Member's question, it is clearly pointed out—he does not believe me. Will he believe Air Canada?

Mr. Axworthy: No, I don't.

Mr. Mazankowski: On March 24—

Mr. Axworthy: Give us a guarantee.

Mr. Mazankowski: On March 24—

Mr. Axworthy: No guarantee. Okay!

Mr. Speaker: The Hon. Minister has the floor and should be extended the appropriate courtesies.

Mr. Mazankowski: Assurances, Mr. Speaker, are given in two ways. The March 24 Air Canada press release stated as follows:

> Regardless of the aircraft type which is eventually selected as the replacement for Air Canada's B-727 fleet, the future of the Air Canada maintenance base in Winnipeg is not in question, says the airline Vice-President of Maintenance and Engineering, Bernard Gillies.

Furthermore, as part of the conditions upon which the privatization process will be proceeded with, I said:

> No centres will be degraded. The overhaul base in Winnipeg will continue as a prominent and integral function of Air Canada and an aircraft fleet will continue to be maintained there.

What could be more clear than that?

ALLOCATION OF MAINTENANCE WORK

Mr. Les Benjamin (Regina West): Mr. Speaker, we will have to try again. Air Canada has looked at bids from three companies for those replacements of the B-727s, and, of course, it is in the process of getting rid of DC-9s. According to the President of Canadair Limited of Montreal, the Airbus Limited bid is linked to future work for his company, which effectively eliminates Bristol Aerospace in Winnipeg. That is what the President of Canadair in Montreal said.

Can the Minister give us a guarantee that Bristol Aerospace in Winnipeg will get at least a fair share of any construction, repair, or maintenance of the Airbus?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not sure of the allegation the Hon. Member is making, but I recall the President of Bristol Aerospace totally denying and categorically refuting the allegation made by the Hon. Member, as well as that made by the Leader of the New Democratic Party in Manitoba. The fact is that I do not know what the connection is.

I repeat again, the Government of Canada does not choose the aircraft that Air Canada will use for its purposes. It has established the criteria, the technical requirements, and the mission and mandate which that particular aircraft has to fulfil. It will be making the best decision. I am sure the Hon. Member would take issue with us if we were to interfere in any way, shape or form.

Mr. Benjamin: Of course, Mr. Speaker, we do not expect him to pick the aircraft. He wouldn't know the difference between a Tiger Moth and a 747.

Some Hon. Members: Oh, oh!

Mr. Benjamin: But there is a difference between picking the aircraft and picking the time of the announcement.

Some Hon. Members: Right on!

TIMING OF ANNOUNCEMENT

Mr. Les Benjamin (Regina West): Mr. Speaker, a senior Boeing official in Canada has told us that he believes the deed is done. A senior sales official of Boeing in Seattle informs us that his company's offer expired March 30. Air Canada did not ask Boeing to renew it.

• (1430)

A similar story comes from a Canadian official at McDonnell-Douglas who tells the same story.

I want to ask the Minister whether or not the Government is waiting until the Manitoba election is over before letting the Air Canada cat out of the bag, and whether or not Bristol Aerospace will be guaranteed a fair share of the work.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is rather strange, when the NDP are running third, that there are some

rather interesting and strange questions in the House of Commons.

Mr. Blackburn (Brant): You should know; you have been in third place for a year and a half.

Mr. Mazankowski: The responsibility and the obligation of the federal Government are to approve the corporate plan. The former Minister of Transport knows that. That is a process that has to be followed through consistent with the provisions of the Financial Administration Act. I am advised that that corporate plan has not yet been approved.

Obviously, the announcement of April 12 wherein it was the announced intention of the Government to proceed along the lines of public participation in the ownership of the airline will have some effect upon the future and the health of the airline.

The Government has a responsibility and an obligation to ensure that it remains healthy and strong in the interests of a good airline system, and in the interests of the employees. That is exactly what we are doing.

FUTURE OF WINNIPEG MAINTENANCE BASE

Mr. Les Benjamin (Regina West): Mr. Speaker, the Government four times still has not answered whether or not it is aware of a decision on the Airbus having been made.

The Minister said that there will be no degradation of any of the maintenance and repair depots. He is asking us to believe the unbelievable.

Air Canada is getting rid of its DC-9s, and its 727s, which make up a great majority of its fleet. It will have a handful of 747s and 767s left. Without the Airbus how can it not help but be a degradation of the maintenance and repair centre at Winnipeg? Who is the Minister trying to kid?

Mr. Nystrom: The Manitoba voters.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member can take issue with the recommendations and the management decisions of Air Canada. He can do that here in the House, or he can do that directly with management.

I regret that he disagrees. He obviously has more expertise in the management of an airline than Mr. Claude Taylor or Mr. Pierre Jeanniot. I will put my money on Mr. Taylor and Mr. Jeanniot any day before I would on the Hon. Member.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: The fact of the matter is, Mr. Speaker, that I have laid out the conditions, the commitment, and the requirements under which this privatization process would proceed. I said that it would be put in the form of legislation and/or articles of incorporation. I said it then. I say it today. When the legislation comes out Hon. Members can see for themselves.

[*Translation*]

DAY CARE CENTRES

ABSENCE OF GOVERNMENT REPRESENTATIVE FROM ANNUAL MEETING OF CCCAG

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Prime Minister. Last week, the Prime Minister stated that before an election was called, three priority issues had to be dealt with: Meech Lake, free trade and day-care. Mr. Speaker, I wish the Prime Minister would explain, if day-care centres are so important to the Conservative Government, why that Government refused to meet the Canadian Child Care Advocacy Group last Friday. Why did no one from the Government attend the group's annual meeting? Is the Government's absence a reflection of the kind of priority the Conservatives have set on day-care?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first, let me say that, yes, this Government and this Prime Minister regard child care as a priority, unlike the previous Government which, despite the fact that child care was declared an urgent problem in 1970, did nothing for 14 years. Within two years we produced a national child care strategy.

Neither the Prime Minister, my colleague the Minister of National Health and Welfare, nor myself have at any time refused to meet people to discuss this issue.

We have all had meetings with different women's groups across Canada, and with other groups, to discuss this important topic. We are very anxious that it move ahead as planned in our strategy which will add 200,000 child care spaces.

Mrs. Pépin: Why was there no representative of the Government last Friday at the conference? There was not one representative of the Conservative Government at that conference.

[*Translation*]

AMERICAN DAY CARE CENTRES IN CANADA—REQUEST FOR ASSURANCE SUBSIDIES WILL NOT BE PAID

Mrs. Lucie Pépin (Outremont): Mr. Speaker, since last January, the Government has been saying that day-care services are not mentioned in the free trade agreement. That does not mean they are excluded, certainly not!

I therefore wish the Prime Minister would promise the House that no subsidies will be paid to American businesses that come to Canada to open for-profit day-care centres.

Can the Prime Minister give the House the assurance that none of these companies will be subsidized, either through the entrepreneurship program or in some other way?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, we have introduced our national

child care strategy, in co-operation with the provinces, which will ensure high standards of child care in Canada.

Let me say as well, with respect to this nonsense about not meeting with people, that we offered on Friday to have the Parliamentary Secretary to the Minister of National Health and Welfare meet with the group. It did not want that. It wanted the Minister. I can understand that because I have met them many times. However, there was an offer for representatives of this Party to be there. So I am not taking that kind of nonsense from the Hon. Member.

We will be putting in place a child care strategy for the first time since it was declared an urgent problem. It will have its own legislation. It will meet the needs of communities of different sizes and different objectives all across Canada. That is what the people of Canada want. That is what the women of Canada want. They have said that themselves by the thousands, not 200 marching on the Hill.

[*Translation*]

PRIME MINISTER'S POSITION

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. Unfortunately, the Prime Minister was not here this morning when over 200 delegates to a conference condemned the Conservative strategy on day-care. Their message was clear: The national strategy proposed by this Government is not an acceptable solution to the problems related to child care.

My question is this: Will the Prime Minister now admit that his Government has only one choice, which is to withdraw its program and completely revise it?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, we reviewed the child care situation in Canada very carefully before we introduced this strategy by looking at all the material that we had on hand. In addition, a parliamentary committee went across Canada to talk to different women and different individuals in different communities. It responded to the family needs that were presented in the strategy that we brought forward.

Our negotiations with the provinces continue. Clearly, the provinces have a strong role to play in this. They are continuing. The funding will be put in place as soon as those negotiations are completed.

I would like it to have been done instantly, but it is not possible. We are setting up a brand new strategy under a brand new body of legislation. That takes longer than we would like, and longer than the Hon. Member would like. But it is going to be done, and it is going to be done right.

GOVERNMENT POLICY—NUMBER OF DAY CARE SPACES

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, it is clear that the people of Canada are not satisfied with that type of strategy, a strategy that really says that there will not be more child care spaces in the country.

Did the representatives of the Minister's Government tell the people today that fiscal responsibility was more important and that reducing the deficit was more important than our children? Is that why there is a strategy that is not increasing spaces?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, there were 10 Progressive Conservative MPs at the event today. It was well attended by this Party, and by representatives of the Government.

When this plan is over we will have 200,000 new subsidized spaces in Canada. There are about 100,000 now, thus we are tripling the number of subsidized spaces.

At the end of the initial period of this strategy, of course we will be reviewing it to see what comes next. However, we are going to get it up and running and working for the parents of Canada and for the children.

This debate is about children, not just about women's groups. That is the most important thing that we have to remember. We are adding 200,000 spaces for children. At the end of that time we will review it to see what the needs are at that time.

* * *

• (1440)

AIRPORTS

VANCOUVER INTERNATIONAL AIRPORT—TRANSFER OF MANAGEMENT TO LOCAL AUTHORITY

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is directed to the Minister of State for Transport.

The announcement last Friday in Vancouver that the federal Government was prepared to proceed with negotiations to transfer the management and development of the Vancouver International Airport to a local body was indeed welcome, as it will help the airport to fulfil its potential as an economic generator.

Could the Minister tell the House if there are criteria established by his Department for this transfer, and an anticipated time frame for the completion of such negotiations and the establishment of an appropriate local authority?

Hon. Gerry St. Germain (Minister of State (Transport): Mr. Speaker, following discussions with the provincial Government there has been a consensus that Vancouver International Airport remain a federal asset. A negotiating group will be appointed shortly to deal with the possibility of turning the airport over to a local authority. The negotiating group will proceed along the lines of the federal Government's April 1987 policy. If there is a recommendation, first and

foremost the negotiating group will be responsible for satisfying the criteria for the transfer of employees—

Some Hon. Members: Author, author!

Mr. St. Germain: —and we will be proceeding immediately?

Mr. Speaker: The Hon. Member for Humber—Port au Port—St. Barbe.

* * *

AIR CANADA

MAINTENANCE WORK IN WINNIPEG

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is for the Deputy Prime Minister. When it comes to the Government and the manner in which it handles important questions in western Canada, it is obviously true to say that you can't teach an old dog new tricks.

This is the same Government that last year withheld information on the awarding of the CF-18 maintenance contract until a provincial election was over, notwithstanding all kinds of unconfirmed reports at the time of what action was to occur.

The same Government is now in the process of doing the same thing with respect to Air Canada, its sale, its acquisition of new aircraft, and the impact that this will have on Winnipeg.

My question to the Deputy Prime Minister is a very straightforward and clear one. Can the Deputy Prime Minister tell the House of Commons today, and through the House the people of Winnipeg, Manitoba, and indeed of all western Canada, that when Air Canada announces within days, perhaps within a week or two of the election campaign in Manitoba, what aircraft will be purchased to replace the 727, that that aircraft will be maintained in the city of Winnipeg? Can the Deputy Prime Minister give that simple, clear assurance today?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as westerners we certainly do not have to take any lessons from the Hon. Member, or from any Liberal Member of Parliament as to how the West should be treated.

We have the bitter memories of the National Energy Program, we have the bitter memories of 25 per cent interest rates, and we have the bitter memories of the confiscation of $60 billion out of western Canada into the coffers of the federal Government, so we certainly know that, Mr. Speaker.

Air Canada has given the Hon. Member the assurance he wants. I have quoted it, and I will requote it. I have given assurances. I have indicated it would be enshrined in legislation and/or the articles of incorporation.

I ask Hon. Members to reread page 14363 of *Hansard*. It is all there. I stood by it then, I stand by it today, and I will stand by it in the future.

MAINTENANCE WORK ON NEW AIRCRAFT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, we in the Liberal Party, and those of us from Newfoundland, believe that Canada belongs to all of us from border to border, and I make no apology for expressing a concern about western Canada, or for asking questions about issues of importance to western Canada. I want some westerners to pay more attention to Newfoundland in the process.

The Deputy Prime Minister says that he has a bitter memory. His memory has failed him, because he did not answer my question. I repeat it. It is a simple and clear question. It is a litmus test for the weasel words that are being issued today.

Can he give a clear assurance today that whatever aircraft is chosen to replace the 727 it will be maintained fully in Winnipeg, totally in Winnipeg, as the 727 is today? Anything less than a clear answer is an indicator that it is the CF-18 nightmare all over again for western Canada.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we can certainly see the acts of desperation in the hands of the Liberals. I have given an answer on many occasions. I stand by that answer. I stand by the statement that I made in the House. I stand by the statement of Air Canada. It is clear for everyone to see.

Mr. Axworthy: What is the answer?

Mr. Tobin: The answer is no.

* * *

CANADA POST CORPORATION

RESIDENTS AGAINST MAILBOXES—OPPOSITION TO SUPERMAILBOXES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister who is responsible for Canada Post.

Mr. Blackburn (Brant): Irresponsible.

Mr. Rodriguez: Irresponsible, perhaps is the appropriate word.

This weekend 30 groups of Canadians from across the country banded together to form Residents Against Mailboxes, or RAM for short. This group represents over 1 million Canadians. One million Canadians are saying to the Government that they are not satisfied with the second-class service they are receiving when they have to go to supermailboxes.

I wish to ask the Minister if he is now prepared to stop treating Canada Post in this type of fashion where it has to cut back service to Canadians? Is he now prepared to withdraw those supermailboxes and reintroduce the high level of door-to-door service in urban centres across the country?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, let me deal with some of the inaccuracies. First, on what happened on the weekend, as I understand it the Letter Carriers' Union flew in a lot of people from around the country to hold a press event, which they did quite successfully. I compliment them on their ability to control the CBC.

But the fact of the matter is that nobody who receives group mailbox service had door-to-door delivery taken away from them. In 1974 or 1976, because then it was a Department of government, the Government decided that door-to-door delivery would not be extended into new areas, new subdivisions, and so on, and the Post Office as a Crown corporation, with the unanimous consent of every Party in the House, is operating in a fiscally responsible way.

If it is the desire of the New Democratic Party that door-to-door delivery be given to everybody who now receives mail in group mailboxes, general delivery, and so on, is the New Democratic Party also prepared to be honest enough to admit that it is willing to see a 60-cent stamp, because that is what it would cost?

MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is the following. In light of the fact that yes, while everyone in this House, this Party included, wanted the Post Office Department to be turned into a Crown corporation, Canada Post, the fact remains that the Government handed to Canada Post a business plan which forced Canada Post to cut back services to millions of Canadians across the country, rural Canadians and urban Canadians.

Does the Minister think it is fair and just that, in an urban community, on one side of the street Canadians receive door-to-door delivery, and pay the same taxes as those who live across the street, and those who live across the street have to walk down to a supermailbox, and have the values of their properties reduced by having these monstrosities parked on their lawns? Does the Minister think that that is fair?

Mr. McDermid: It has always been that way, John. Where have you been?

Mr. Rodriguez: In no city has it been that way.

Mr. McDermid: Always in my city.

Mr. Speaker: The Hon. Minister has the floor.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, nobody has had door-to-door delivery taken away from them, so the Hon. Member is simply making a false assertion.

Mr. Rodriguez: You have set up a two-class system.

Mr. Andre: The Hon. Member talks about two classes of citizens. Ever since Canada Post was formed there have been four or five ways for the mail to be delivered, door to door, group mailboxes, general delivery, or rural route. So, to use the NDP's definition, there must be four classes. That has been in existence for over 100 years. There has always been that distinction. No one has had a service taken away from them. Services have been improved. To do what the Hon. Member suggests is possible; it would only require an additional $1.3 billion. If the Hon. Member wants that money to be borrowed so that future generations pay for the cost of delivering a letter today, let him have the integrity to say so openly.

* * *

• (1450)

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—REQUEST THAT GOVERNMENT COMPENSATE GRAPE GROWERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. Last week we learned of the first victim of the free trade deal, an Okanagan grape grower. Today we learn that some 15 of the grape producers in Ontario have had to walk off their farms because of the free trade deal.

Will the Government make a commitment right now that there will be direct emergency compensation provided to the grape growers who are being devastated by this free trade deal?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am a little bit concerned. I question the accuracy of the Hon. Member's observation. I indicated in response to a question last Thursday or Friday that we have had problems in the grape industry, particularly in Ontario, for a good number of years. The Hon. Member should realize that we have purchased surplus grapes eight years out of ten. He must also realize that the most devastating effect on the industry is, of course, the GATT ruling.

We recognize that there is going to be some pressure on that industry. That is why we moved as quickly as December 4 last year to establish a federal-provincial and industry task force. That group has worked diligently since that time. I indicated on Thursday that it provided me with its report about 10 days or two weeks ago. Along with the provinces we are assessing it. As I said on Thursday, we will be making certain recommendations to Cabinet in the very near future.

Mr. Foster: Mr. Speaker, one of the Tory Members called those honest, hard-working farmers "quitters". They are certainly not quitters. They are being destroyed by the Government.

REQUEST FOR GUARANTEED LINES OF CREDIT

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister has written to the head of the Bankers' Association asking the bankers to provide credit. Clearly the banks and credit unions are not able to provide credit to these producers because they know that their businesses are going to be destroyed.

Will the Government give guarantees to those banking institutions and credit unions for a line of credit so that these producers can continue to operate their farms and vineyards? Surely that is the least it can do if it is not prepared to come forward with a direct compensation program immediately.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's interest in the subject but he must realize that you cannot just snap your fingers and come forth with a fair and equitable adjustment package. He must also realize that there will have to be negotiations with the provinces as far as the cost-sharing aspect of the package is concerned.

I wonder whether the Hon. Member has forgotten where this problem started. The problem with GATT really started with provincially established trade barriers and provincial pricing mechanisms which the provinces signalled to our GATT partners at the last round of GATT that they were going to move away from. Of course they did not move away from them, and that is the basis for the difficulty in which the wine and grape industry finds itself today.

BRITISH COLUMBIA GRAPE GROWER

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is also for the Minister of Agriculture. Many British Columbians were disturbed to learn, in writing, that Fred Somer was going to lose his home and his vineyard in British Columbia as a result of the Mulroney-Reagan deal. That was made very precise and very specific in the letter to him from the financial institution.

What precise steps is the Minister of Agriculture going to take today, this being the time of year that grape growers go to get their loans? What steps is the Minister of Agriculture going to take?

The Government can find $500 million for the Reichmanns to buy Husky Oil. What is it going to do to help the grape growers in Canada?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it is obvious that the Hon. Member has no appreciation or understanding of the difficulty involved in putting an adjustment package of this kind together in such a way that it contains the components of fairness and equity.

The farmer in question is quoted in the *Vancouver Province*:

"People took risks to grow grapes" said the 61-year-old farmer. "The bureaucracy must take its time on this."

We have moved expeditiously, but we are going to take the time to get the program right so that it is fair and equitable to all producers.

Mr. Fulton: Mr. Speaker, I meant to say Gulf when I said Husky a moment ago.

Mr. Clark (Yellowhead): That was only one of the errors. Tell the whole truth.

Mr. Fulton: Perhaps the Secretary of State for External Affairs could take a breath of air. It would double his IQ.

Mr. Foster: He needs more than oxygen.

Mr. Speaker: Perhaps all Hon. Members would notice the time and put their questions briefly.

LOANS SOUGHT BY GRAPE GROWERS

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Minister of Agriculture. Brian Nash, the Chairman of the Ontario Grape Growers Marketing Board, said that he was not surprised to hear about the woes of Fred Somer, but that in fact the problem is three times as bad in Ontario as it is in B.C.

Grape growers in Ontario and in British Columbia, particularly in the Niagara region and in the central interior of B.C., would like to know what steps the Government is going to take now. In March, April, and May the grape growers go to get their loans. What steps is the Minister of Agriculture proposing as they go to financial institutions to get loans to get the grapes growing on the vines again?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, as a result of the meeting that we had on December 4 certain commitments were given. I had the opportunity to communicate our feelings on behalf of the grape industry to the Bankers' Association. In most cases most of the financial institutions have been quite responsible. However, we have encountered some individual cases and we are obviously making representations on their behalf.

* * *

AGRICULTURE

DROUGHT IN SOUTHERN SASKATCHEWAN AND ALBERTA

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is for the Minister of Agriculture who will know that the southern areas of Saskatchewan and Alberta are experiencing the second driest winter and spring in 102 years. This has resulted in soil erosion, and at least one community is already trucking in water. However, the

immediate concern is for livestock producers who are suffering from a lack of spring run-off water.

Has the Minister, notwithstanding that it is early in the spring, had an opportunity to discuss contingency plans with his provincial counterparts in the event that this drought worsens?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the question. The short answer to the question is definitely yes. In fact we have been communicating and working with the provincial Governments of western Canada and many farm organizations since March.

As was observed over the weekend by the Minister of Indian Affairs and Northern Development from Saskatchewan, and also by the Member for Moose Jaw, we have not lost a crop in April yet.

Let me utilize this opportunity to remind producers that we sent out a notice on April 20 reminding western producers that their deadline for crop insurance is April 30.

* * *

THE ECONOMY

EXCHANGE VALUE OF DOLLAR—EFFECT ON EXPORTS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of State for Finance. In view of the fact that Adam Zimmerman of Noranda has said that an added penny to the value of the Canadian dollar against the U.S. dollar means about $15 million in lost revenue, and that a spokesman for Falconbridge has said that a rise of one cent in the dollar chops about $7 million from that firm's annual export revenues, does the Minister agree with the statement made last week by the Minister of Finance that a firm which cannot make money with the dollar at its present rate has something wrong with it?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the dollar that the Government believes in is a dollar that moves within a narrow range at low levels, unlike a dollar which gyrates wildly between 95 cents and $1.05 as it did from 1970 to 1984.

• (1500)

PROPOSED UNITED STATES LEGISLATION—MANIPULATION OF CURRENCY EXCHANGE RATES

Miss Aideen Nicholson (Trinity): Mr. Speaker, my supplementary question is for the same Minister. A paragraph in the U.S. omnibus trade Bill states that when another country "manipulates" its currency exchange rate, the U.S. President shall intervene.

Will the Minister tell the House what the definition of "manipulate" is? For instance, does it include what he has just said about a narrow range? We would like to hear the definition of "manipulate", which would allow the U.S. Government to control our monetary policy.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I think it is impossible to allege with credibility that the U.S. Government has controlled our monetary policy in any way in the last four years.

Miss Nicholson (Trinity): That is not the point. It is what is in the Bill.

Mr. Hockin: The Government of Canada, in fact, through its interest rate policy, through its reduction of the deficit four years in a row, has decreased the burden of government on the financial markets. This has kept the Canadian economy strong and the Canadian dollar strong.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S FORTHCOMING MEETING WITH UNITED STATES PRESIDENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Right Hon. Prime Minister. Later this week he will be meeting with President Reagan in Washington. I want to ask him about the acid rain situation.

According to some of the reports of the last few days, the Prime Minister appears to have given up on his friend Ronald Reagan to assist him on the question of acid rain abatement in this country. I want to know whether or not the special relationship between the Prime Minister and Mr. Reagan was there only for a dance, a shuffle, and a photo op? What indeed now is the situation with acid rain? Is it on the agenda? Is it still a priority of the Government? What is going to happen?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed acid rain is very much on the agenda between Canada and the United States.

We have made some progress in regard to this important matter, but certainly not as much as we would have wanted. I acknowledge that readily on behalf of all Canadians.

The fact of the matter is that, as my hon. friend knows, responsibility while that of the administration is also that of Congress. The Democrats and the Republicans are quite capable of initiating their own legislation in the Congress to deal with this blight of acid rain. We, for three and a half years, have been pursuing both the administration and the Congress.

Acid rain indiscriminately is destroying the environment of Canada and the United States, and the evidence is overwhelming that it is very much in the interest of Canada and the United States that it be cleaned up immediately.

I will be back at the matter both with the President and the leadership of Congress to take actions that are not in any way doing Canada a favour. When the Americans are cleaning their environment and fulfilling their responsibilities to Canada as a neighbour, they are not doing us a favour; they are fulfilling their fundamental obligations to themselves.

Mr. Speaker: A short supplementary.

[*Translation*]

ACID RAIN—GOVERMENT POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I think that the Prime Minister is aware of the fact that, according to Gallup polls, the acid rain issue ranks now ahead of free trade as a major concern for all Canadian men and women.

Because he referred to the Congress of the United States, could the Prime Minister advise the House of the Federal Government's new strategy to convince the U.S. Congress to share Canada's views concerning acid rain? What argument is the Canadian Government going to use to try and convince its American counterpart?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will have a series of meetings with the leadership of the two U.S political parties following the speech I am scheduled to make before that American Congress. We are going to pursue most vigorously all the initiatives, because we have supporters in the Congress. There are leaders among these two political formations there who actively support the Canadian Government's initiatives in this vital area.

I call the attention of my honourable friend to the fact that while preparing the speech I will make next Wednesday before the U.S. Congress, I looked at the last speech made by a Canadian Prime Minister before the U.S. Congress in 1977. I noted that in that major address the words "acid rain" are not even mentioned.

* * *

[*English*]

POINT OF ORDER

REQUEST THAT MINISTER TABLE DOCUMENT—SPEAKER'S RULING

Mr. Speaker: I wish to report to the House on a point of order raised by the Hon. Member for Regina West (Mr. Benjamin).

On March 28 and 29, 1988, the Hon. Member for Regina West raised a point of order contending that, in response to a question asked by the Hon. Member for St. John's East (Mr. Harris) during Question Period on March 28, the former Minister of Transport, now the Minister for International

Trade (Mr. Crosbie), cited a document when he referred to "CN's studies" and, therefore, that he should be required to table in the House the rationalization studies of Canadian National Railways the Moncton shops.

The Chair is appreciative of the arguments put forward by the Hon. Member for Regina West and the Minister's unequivocal response to the point of order.

The rule which guides the House and the Chair on this matter is very clear and precise. It is found on page 433 of *Erskine May's Parliamentary Practice*, Twentieth Edition, and repeated in Citation 327 of Beauchesne's Fifth Edition, as follows:

> A Minister of the Crown may not read or quote from a despatch or other state paper not before the House, unless he is prepared to lay it upon the Table. Similarly, it has been accepted that a document which has been cited by a Minister ought to be laid upon the Table of the House, if it can be done without injury to the public interest.

[*Translation*]

Beauchesne's citation goes even further:

> The principle is so reasonable that it has not been contested; and when the objection has been made in time, it has been generally acquiesced in.

In fact, in their observations, the Hon. Member for Regina West (Mr. Benjamin) and the Minister did not question the rule. They just raised the question as to whether the Minister had actually "quoted" from the "CN Studies", thus creating an obligation to table them, according to a recognized and accepted rule and tradition of the House.

[*English*]

The Hon. Member for Regina West very ably gave the House several definitions of the words "cite" and "quote" to substantiate his arguments. Though he was very convincing in his approach, the Chair must nevertheless refer to past practice and rulings in determining what interpretation has been given procedurally to those words. Essentially, as there is general acceptance of the rule itself, there is also general unanimity in the interpretation given over the years by various Speakers. For there to be an obligation on the Minister to table a document, it has to have been actually quoted from.

For example, on November 16, 1971, Speaker Lamoureux said as recorded at page 922 of the *House of Commons Journals*:

> In fairness, looking at the matter as objectively as I can, I do not see how it is possible for the Chair to make a ruling at this point that a document that has simply been referred to but has not been directly quoted should be tabled in debate. I find it difficult to rule otherwise . . . If a document has been actually cited or quoted in debate by a Minister of the Crown, it has to be tabled. If only reference is made to it, I do not see how there is an obligation to table it.

Further, on April 8, 1976, as can be found at page 12612 of the *House of Commons Debates*, Speaker Jerome gave the same interpretation when he ruled that the obligation to table a document:

> —certainly has never been held to apply to a situation in which a Minister has simply been asked a question about a document and given an answer.

Finally, in a case similar to the one now before the House, Speaker Bosley confirmed numerous rulings by his predecessors when, on November 14, 1984, he said, as reported at page 220 of the *House of Commons Debates*:

> It seems to me that when a Minister is specifically questioned about a document and he refers to that document in the course of his reply, it would be difficult to find that he was attempting to influence debate.

[*Translation*]

Although the Hon. Member for Regina West contended that there are reasons to establish a precedent on this point, I do not intend to move away from the uniform interpretations of my predecessors and to give the term "cite" a new procedurally different meaning.

[*English*]

As to whether the Minister actually quoted from a document, the Minister's statement on March 29 that he has no such study, that he did not quote from any such study and that he has nothing that he could table, stands on its own and, according to our tradition, the House must accept his word.

I therefore must conclude that, since the Minister has not actually quoted from the "CN's studies", he is not obliged to table the document in question.

I thank the Hon. Member for Regina West for the opportunity to clarify this important aspect of our procedure, but I also say to the Hon. Member, having listened very carefully to both the question and the answer and having considered very carefully the argument of the Hon. Member for Regina West, I think it might be fair to observe that Ministers perhaps could avoid applications of this kind by being very careful not to leave in the minds of questioners that there may be a document which, naturally, anybody asking questions in the House would seek to have tabled. I thank both the Hon. Member and the Hon. Minister for their interventions.

• (1510)

GOVERNMENT ORDERS

[*English*]

EMERGENCIES ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Beatty that Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, be read the third time and passed.

Mr. Speaker: I should advise the House that when the House rose at 1 p.m., the Hon. Member for Nickel Belt (Mr. Rodriguez) had the floor. I now recognize the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) on a point of order.

Mr. Angus: Mr. Speaker, there have been discussions among representatives of all Parties, and I believe you will find unanimous consent to allow the Member for Spadina (Mr. Heap) to complete the time allocated to the Member for Nickel Belt (Mr. Rodriguez).

Mr. Speaker: The House has heard the proposition of the Hon. Member. Is there agreement?

Some Hon. Members: Agreed.

Mr. Speaker: The Hon. Minister of State (Mr. Lewis) on a point of order.

Mr. Lewis: Mr. Speaker, there have been discussions among representatives of all Parties, and I think you will find consent for the following motion to go forward immediately:

> That, when the debate on the motion for third reading of Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, has been concluded, the said debate shall stand adjourned until 6:00 o'clock p.m., Wednesday, April 27, 1988, at which time, Mr. Speaker shall put every question necessary to dispose of the third reading stage of the Bill.

Mr. Speaker: Before proceeding with debate, I shall hear the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: On a point of clarification, I take it the Government is also agreeing that it will not invoke Standing Order 9(4)(a) at any stage in this debate.

Mr. Speaker: The Hon. Minister, in reply.

Mr. Lewis: Mr. Speaker, there has been excellent co-operation on the part of all Parties on Bill C-77, with the result that we see no necessity of going that route on this particular Bill.

Mr. Speaker: The Hon. Member for Thunder Bay—Atikokan (Mr. Angus).

Mr. Angus: Mr. Speaker, I just wish to confirm our support for the motion. We think it is an appropriate way of dealing with this matter.

Mr. Speaker: The House has heard the motion. Is there agreement?

Some Hon. Members: Agreed.

Mr. Speaker: The House has heard the suggestion that the Hon. Member for Spadina (Mr. Heap) be now heard in debate. Is there agreement?

Some Hon. Members: Agreed.

Mr. Speaker: The Hon. Member for Spadina (Mr. Heap) on debate.

Mr. Dan Heap (Spadina): Mr. Speaker, at the outset I wish to thank Hon. Members for accommodating me as I have a plane to catch later in the afternoon. I regard Bill C-77 as an

important piece of legislation, and as such I wish to participate in the debate.

When I studied Bill C-77 as introduced, I was very much concerned about it. It contained very broad, if not loose, definitions of emergencies; very broad, if not loose, declarations of powers to be declared, or statements of powers, and rather narrow safeguards on the application of those powers. On reading Bill C-77 as introduced, I was led to wondering about the intentions of the Government in this regard.

It is not enough to say that Bill C-77 is better than the War Measures Act, or not as bad as, on the ground that it restricts the powers of the Government in respect of the first three classes of emergency. It is not enough to say that, to some extent, the Charter will continue to govern, even in respect of the fourth and highest class of emergency.

As has been pointed out by a number of concerned members of the public, the proposed Emergencies Act can be used far more easily and far more frequently than the War Measures Act could be used, simply because it has less threatening grades of emergency, with less threatening grades of power incorporated into it.

The feeling has been expressed that the proposed Emergencies Act could be used too freely, and used in an atmosphere of fear of strangers and outsiders, or perhaps with the effect of exacerbating an atmosphere of fear of strangers and outsiders.

I had discussions with members of the public who are more experienced in this area than I, and I was glad to have the opportunity, on a few occasions, to sit in on the deliberations of the committee, either replacing the Member for Brant (Mr. Blackburn) when he was unavoidably called away or accompanying him. I was encouraged by the actions of the committee, and particularly by the actions of the Parliamentary Secretary to the Minister of National Defence (Mr. Bradley).

The legislative process has led to considerable improvement of Bill C-77, and it, in itself, is an improvement over the War Measures Act in as much as use of this legislation in respect of the first three grades of emergency will carry with it clear restrictions on the powers of the Government, thus leading to less temptation for its use.

Many of the improvements have already been touched upon by previous speakers. The first that I find very encouraging is that the Cabinet must have reasonable grounds to invoke the emergency powers. It is no longer just the opinion of the Governor in Council. There must be reasonable grounds, which I understand to mean that the Government will have to prove to the court that there were in fact reasonable grounds. And the grounds must seem reasonable, not just to the Governor in Council, but to the court. That is an important advance over the Bill as originally introduced.

I am also pleased to see that the powers of the Government, at least in respect of a public welfare emergency, cannot be used to break a strike.

I am not quite clear how freely this Bill could be used in a public order emergency, or an international emergency, to break and strike. I have some concern about that. But, for the time being, at least, on the lowest grade of emergency, we are assured that it cannot be used for that purpose.

We are now assured that those whose services are commandeered for emergencies will be paid for their work, and will be paid at a reasonable rate. As well, people whose property is damaged as a consequence of any action taken in an emergency will be eligible for compensation.

These are important clarifications to the legislation. We are also assured that censorship will not be used during peace time. That is of extreme importance.

The second most important, if not the most important, improvement is that having to do with the definition of an "emergency". It is a critically important improvement in the Bill as currently drafted. Bill C-77, as currently drafted, states:

> 3. For the purposes of this Act, a "national emergency" is an urgent and critical situation of a temporary nature that
>
> (a) seriously endangers the lives, health or safety of Canadians and is of such proportions or nature as to exceed the capacity or authority of a province to deal with it, or
>
> (b) seriously threatens the ability of the Government of Canada to preserve the sovereignty, security and territorial integrity of Canada—

Those are very important concrete criteria, and I am glad that they are in the legislation in those terms, although I will have a word or two to say about the second of those two criteria later in my remarks.

• (1520)

However, to continue, it also provides, and this is very far-reaching, that these events or dangers "cannot be effectively dealt with under any other law of Canada." As has been pointed out, had a definition of that sort been operative in 1970, the application of the War Measures Act would have been ruled out. The only concern I have with it, and one of the previous speakers raised the question of vagueness in the definitions and I have some concerns there, but this is as far as we could get, when you say "preserve the sovereignty and security of Canada", those words can be very subjectively judged. Dictator Pinochet in Chile does many terrible, unjustifiable things, by our standards, in the name of security. Security is an elastic word and I could not think of any way to clarify it further, but that may be an item we have to consider further in future years.

Sovereignty is also a rather vague and often rhetorical term. I do not think it is the most reliable basis for law, but given the final clause concerning no other law being sufficient to meet the matter, I think the vagueness is limited a little bit.

I also wish to point out a very important amendment proposed by the National Association of Japanese Canadians. We now have the guarantee that the Cabinet could not give itself new powers or override the Charter of Rights and Freedoms. I understand that in 1945 the Cabinet did exactly

the first of those things. It gave itself a power that did not exist under the original War Measures Act. The original Act was due to terminate or be terminated after the war, but before that could happen the Cabinet gave itself the power to extend its power beyond 1945 respecting Japanese Canadians. In fact, it held them, exiled from their homes in British Columbia, for four years. I admire the Japanese Canadians. They warned us that we must make sure that in the excitement of wartime the Cabinet is prohibited from enlarging its powers under this Act. I am very pleased that the committee recommended that and the Government adopted it.

The Bill contains restrictions on the power to restrict public assembly, but only to be used for events that are apparently leading to violence. Again there is a little uncertainty there. There is left a judgment to be made by someone, and of course we cannot at this point know exactly who, that if a meeting is considered to be leading to violence, then it can be prohibited or restricted. I suppose there would be a requirement to show evidence that that was likely to happen or a reasonable person would see that as likely to happen. The Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) feels that is not tight or not clear enough. I have some uneasiness of the same sort. I wish the Member had assisted the committee in improving on the wording. He did not offer an amendment today. It may be that he has the same difficulty as I do, that he does not know how to improve it. However, it may be an item we will have to improve in future.

A good deal has been said about the proposal to refer this legislation to the Supreme Court. I do not believe it would demean the status of this House or the Government, given such an extremely important Bill, to ask the Supreme Court for its comments when we have done our work here. It is not that we have not done our work, it is not that we have not tried, it is not that we have not had some very excellent advice from experienced members of the public on this Bill. In as much as nothing is perfect, we do not know how imperfect or in what way it might be imperfect.

When this legislation is used, if it ever must be used, it will be very difficult to go back and correct it. It is not enough to try out sort of one experiment and say we will do better next time. The stakes are much too high. I think, therefore, it would be very appropriate, not with every Bill but with this Bill, to ask the Supreme Court to give us its advice. If it did and asked us to improve some things, I believe this Parliament and Government would probably accept the advice gladly.

There was one amendment made with respect to refugees and I am very glad of it. They will not be expelled. Those who are refugees in the legal sense and not prohibited in any other legal sense will not be expelled under the powers given on page 16. However, there is a lack of clarity as to the admission of refugees. I think, because of the unfinished state of Bill C-55, the Government is taking an overly cautious position there, so I would hope that is another point that can be cleared up later on.

In my final couple of minutes I want to say that in my experience we owe a very considerable debt of gratitude to those Japanese Canadians who have formed the National Association of Japanese Canadians. There are many other groups that helped in this. My colleague, the Hon. Member for Brant, listed them this morning. However, the Japanese Canadians are a small group, a group singled out for an attack such as no other group has suffered in our time in this century, a group still crippled in their association by the results of that attack, financially and emotionally.

That group has single-mindedly, to my knowledge, for at least 15 years campaigned to have the War Measures Act repealed or revised. It is a small group, one of the smaller ethnic groups in Canada. As I say, it has been much hurt by the events of the 1940s particularly. However, not solely for themselves but for all Canadians, they have insisted that we make sure that what was done wrongly to them—not an excess in wartime as Prime Minister Trudeau tried to excuse it—done wrongly for wrong reasons to them under the guise of war measures, can never be done to anyone again. I think they have done a great service to this country in that respect.

Finally, I want to congratulate my colleague, the Hon. Member for Brant, for very steady, patient and effective work on this Bill, considering, as was remarked, that there is much less public interest in it than I would have expected. I also wish to thank the Government for its willingness to revise its own Bill not once, not twice, but several times in accordance with suggestions from the public or the Opposition. I do believe this Bill is vastly better than it was last June.

The Acting Speaker (Mr. Paproski): Questions or comments?

• (1530)

Mr. Caccia: Mr. Speaker, I rise to ask a question of the Hon. Member for Spadina (Mr. Heap) who shared the time with the Hon. Member for Nickel Belt (Mr. Rodriguez). I listened to both of them very attentively.

Perhaps the Hon. Member for Spadina could tell the House what he would have done in 1970 when the Quebec Minister of Labour had been kidnapped and no one knew of his whereabouts, and when the United Kingdom High Commissioner had been kidnapped and no one knew of his whereabouts. Furthermore, the Government of Quebec asked Ottawa to invoke the War Measures Act.

I want to ask him, without the benefit of hindsight, whether he would have invoked the War Measures Act under those circumstances. If not, what would he have done?

Mr. Heap: Mr. Speaker, I remember the occasion. Of course, I was not in Ottawa then and did not have either the advantage or disadvantage of being on the Hill.

I remember my feeling then, which has been sharpened by recent information, that it was overkill, that we have a

Criminal Code, laws on treason and sedition. We have the RCMP, the local police forces and the Army.

I believe that the imposition of the War Measures Act was unnecessary. I think the experience showed that. I think the general understanding of what happened is that the successes that were achieved in apprehending the small groups that were causing the violence were achieved not because of the War Measures Act but irrelevantly to it, that is, by the normal operation of the law and the forces of the law.

I think it was grossly destructive that several hundred people were arbitrarily arrested, held without charge for a number of weeks, and most of them released without charge. I think that induced a sense of panic.

Perhaps the Government was in a panic, but I have been told by Members of this House at that time and who are still here today that they were promised evidence of an apprehended insurrection and that that evidence was never brought to them.

I do not know how the then Prime Minister answers for such a vital promise broken, but I believe that raises a long-standing question as to the wisdom of using that Act.

Mr. Caccia: Mr. Speaker, the Member for Spadina perhaps might wish to comment on the following excerpt from a letter written by the Mayor of Montreal at that time, when he wrote to the federal Government and said:

> The Chief of the Montreal Police—

I am reading this passage because the Member for Spadina made reference to the adequacy of the municipal police forces:

> —has informed us that the means available to him are proving inadequate and that the assistance of higher levels of Government has become essential for the protection of society against the seditious plot and the apprehended insurrection in which the recent kidnappings were the first step.

Would the Hon. Member like to comment on that?

Mr. Heap: I would be very glad to comment on that because that same mayor of Montreal has a long established reputation for being quite a dictator, not a democrat in his conduct. In fact, it is interesting to know that there was an electoral movement of opposition to him, the FRAP, organized in Montreal, about to contest the municipal elections, which was completely shattered and made ineffective by the use of the War Measures Act.

It may be true in a sense that the mayor felt he was faced by things he could not control, but it is not clear that it was the kind of thing that the War Measures Act should be dealing with. If he cleaned up his own act as mayor of Montreal he might not have had to make such an overreaching demand.

The Acting Speaker (Mr. Paproski): I will allow another supplementary.

Mr. Caccia: Would the Hon. Member for Spadina apply the same criteria to the Premier of Quebec at that time for being a dictator? He wrote and made a request along the following lines:

> Under the circumstances, on behalf of the Government of Quebec, I request that emergency powers be provided as soon as possible so that more effective steps may be taken. I request particularly that such powers encompass the authority to apprehend and keep in custody individuals who, the Attorney General of Quebec has valid reasons to believe, are determined to overthrow the Government through violent and illegal means. According to the information we have and which is available to you, we are facing a concerted effort to intimidate and overthrow the Government and the democratic institutions of this province through planned and systematic illegal action, including insurrection. It is obvious that those participating in this concerted effort completely reject the principle of freedom under the rule of law.

That was the Premier of Quebec. Does he also qualify as a dictator or unduly elected representative of the people?

Mr. Heap: Mr. Speaker, my knowledge about the mayor of Montreal is more specific than my knowledge about the then Premier of Quebec, although I had lived in Quebec previous to that and I have had experience, directly and indirectly, with the dictatorial concept of a former Attorney General of Quebec, the inventor and user of the padlock law, which fortunately was a thing of the past at the time we are speaking of.

I would say, about the time we are speaking of, that the proof of the pudding is in the eating. If the Premier of Quebec thought that the several hundred artists, performers, social workers, lawyers and other professional people were somehow or other an armed band going to overthrow the Government of Quebec, then he clearly did not have the judgment which his office requires and his letter was clearly a foolish letter.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, first I want to congratulate my colleague, the Member for Davenport (Mr. Caccia), for the excellent questions he just raised in the House.

I was not going to raise the issue of the imposition of the War Measures Act in 1970, but because of the replies that have just been given by the Member for Spadina (Mr. Heap) to the questions asked by my colleague, I believe this issue should be raised in the House now.

Of course, no one looks back on 1970 with pride. It was a very regrettable situation in the history of our country. However, we have survived as a nation and we can at least look back upon the year 1970. I suppose it is fair for anyone in the House to criticize the Government of the day for the actions that were taken to invoke the War Measures Act in 1970, with the support of a majority of the Official Opposition, as I understand it. It is not simply a situation where a Government acted unilaterally with anyone's input, consent or support. Of course, hindsight is 20-20 vision, especially if one is a New Democrat, but I remind this House, as did my distinguished colleague, the Hon. Member for Davenport of a letter sent by the Premier of Quebec at that time. Whether one agrees or

disagrees with him, he certainly held office for three terms and his Government was elected again very recently with a substantial majority vote. Presumably, that Government enjoys the respect of the population of that province.

• (1540)

In 1970 the Premier of Quebec wrote to his federal counterpart asking for assistance. I remind the Hon. Member for Portneuf (Mr. Ferland), who spoke a little earlier today about unilateral actions taken by the federal Government against Quebec, of an excerpt of the letter which reads:

> Under the circumstances, on behalf of the Government of Quebec, I request that emergency powers be provided as soon as possible so that more effective steps may be taken. I request particularly that such powers encompass the authority to apprehend and keep in custody individuals who, the Attorney General of Quebec has valid reasons to believe, are determined to overthrow the Government through violence and illegal means.
>
> According to the information we have and which is available to you, we are facing a concerted effort to intimidate and overthrow the Government and the democratic institutions of this province through planned and systematic illegal action, including insurrection. It is obvious that those participating in this concerted effort completely reject the principle of freedom under the rule of law.

That is a very strong letter written by the Premier of Quebec at that time, sharing with his federal counterparts the opinion not only of himself but that of his Attorney General. A letter written by the Mayor of Montreal has already been read in part into the record. The Mayor of Montreal, with probably the largest or the second largest municipal police force in this country, said at that time:

> The Chief of the Montreal Police has informed us that the means available to him are proving inadequate and that the assistance of higher levels of Government has become essential for the protection of society against the seditious plot and the apprehended insurrection in which the recent kidnappings were the first step.

We all know which kidnappings were referred to in that letter. It referred to the kidnappings of a prominent provincial cabinet Minister and the British Trade Commissioner in Canada. Those activities, eventually led to a manifesto being read on television. We all remember that. It was read by the media which at that time certainly felt that what was happening was so intimidating that it must read the upsetting FLQ manifesto on air.

Those people who were not living in the Province of Quebec at the time and those who pretended that nothing had happened then, could moralize today. I suppose that is their right. But at least they should remember what happened then.

[*Translation*]

Mr. Speaker, I myself am a native of Quebec and represent a Franco-Ontarian riding; the border between Ontario and Quebec, where I live in my riding, is mostly the Ottawa River. I remember crossing the bridge between Grenville, Quebec and Hawkesbury, Ontario the evening that the late Mr. Laporte was found dead in the trunk of a car. I remember waiting three hours that night to cross Perley Bridge into Hawkesbury, something that should have taken about 45 seconds. We all remember those days. But as a Canadian that night, Mr. Speaker, I certainly felt some frustration when I had to wait to cross the Perley Bridge to return home. I was coming back from work in Quebec, where I used to work on the weekend, and still I think that all of us who were waiting there knew—or at any rate, believed—that the measures that had been taken were necessary.

[*English*]

It is important to remember that the letters written by the Premier of Quebec and the Mayor of Montreal, who was responding to a request of the Chief of the Montreal Police, referred to acts of apprehended insurrection. The Premier requested powers encompassing the authority to apprehend and keep in custody individuals who, the Attorney General of Quebec had valid reasons to believe, were determined to overthrow the Government through violence and illegal means. So the federal Government at that time used the tools it had.

Today, of course, we will have a better law or, at least, a law which we hope will be better. Heaven forbid that this new law will ever be used, but in the unfortunate event that it is used, will we look at it and say what a blunt instrument it is and how inappropriate? That was the only law available to us to do the job we had to do, given what we knew at the time. So I remind all Members about those facts.

Enough about that part of our history. We should really address the new Bill which, of course, is one all Members of this House will agree is better than the one we had, as it should be better. If the new Bill is not going to be better than what we had before, we would really have to question the work of all Members of Parliament, the legislative draft persons, and so on, all those who assisted us with the drafting, amending, correcting and passage of the legislation. I just want to remind the Parliamentary Secretary about the speech he gave us a little earlier today. In large measure, it was a fairly good speech.

Mr. Blackburn (Brant): Just fairly good, Bud.

Mr. Boudria: Well, we can say it was a good speech, in large measure. I want to remind the Parliamentary Secretary, as I reminded members of the New Democratic Party, to the imposition of the War Measures Act of 1970. The Parliamentary Secretary said earlier today: "Some things are above politics. I think Bill C-77 is one of them". He further stated, we have seen some old wounds reopened in recent weeks. Publication of Mr. Jamieson's diaries with their allegations of political expediency and public representations made by the National Association of Japanese Canadians has reminded us of the horrors of the events of October 1970 and the early 1940s.

• (1550)

I suggest to the Parliamentary Secretary that he should remind whoever it is who prepared his notes that these two paragraphs should be used together in a speech to lecture

someone else. To say that something is above politics and then to enter two lines later into political diatribe is somewhat inappropriate in my considered opinion.

Notwithstanding all of that, I am happy that we have this Bill. I am pleased with the amendments that have been proposed. I know of a text which was written for a publication entitled *The National* in its March, 1988 edition. The article is entitled "Committee Outlines Problems in Emergency Measures Bill". This publication is published by the Canadian Bar Association, and I quote from it:

> It is our submission that the definitions of the various classes of emergencies need "tightening up" . . . As it presently stands, this legislation could permit the government to invoke sweeping public order emergency powers to combat such problems as unemployment and inflation.
>
> For example, a "public order emergency" could be declared under the legislation in order to regulate a situation of rising unemployment and inflation.

Indeed, there have been other countries which have used similar legislation to deal with such matters as labour strikes and so on. Of course, we do not want that in Canada, or least I do not want that. I do not think that any Member of the House wants that.

I am glad that the amendments which were proposed and adopted earlier today were worded in such a way as to tighten up the language of the Bill. They remove some of the confusion that could have otherwise been there so that a situation whereby this legislation could be used in such a way has been avoided. I am not suggesting that the Government ever wanted to use the legislation in a situation of strike or anything else. I am not saying that. However, it is important as well that the legislation be perceived as being fair and just. The proposed amendments will give that appearance and will make Canadians generally feel better about the Bill, notwithstanding the good intentions of the people who proposed the Bill in its original form.

As Hon. Members will know, I did not sit on the parliamentary committee that dealt with this Bill. However, judging from the debate earlier today it seems obvious that the committee was not only a very good one but that it was also very well chaired and organized. I congratulate the Members of the House on all sides who participated in the committee and who have proposed the amendments which were carried earlier today.

It is quite obvious that when the Government agrees to adopt amendments of opposition Members and when members of the Opposition unanimously agree to adopt government amendments that means that there was indeed a good spirit of co-operation on the parliamentary committee which dealt with the Bill. I underline that point, along with my other colleagues who have done so. I congratulate the Members of the House who worked on this Bill at the parliamentary committee level.

With those few words, Mr. Speaker, I want to thank you for allowing me to participate in the debate on this Bill. It is my hope that it will become law very soon.

[*Translation*]

Mr. Ferland: Mr. Speaker, I may have a small question for my colleague from Glengarry—Prescott—Russell (Mr. Boudria).

He said a moment ago that in my speech I had referred to the federal Government's unilateral action. I do not believe I said that in my remarks. However I listened carefully to what he said concerning the requests of the Quebec Premier in 1970, and the way he read the document my understanding was that at the time the Quebec Premier sought the assistance of the federal Government but, unless I am mistaken, he did not specifically ask that the War Measures Act be invoked.

Now in light of Mr. Jamieson's statements which, to some extent, were confirmed recently by certain people who were in Cabinet at the time, it would seem much more probable that the then federal Liberal Government had indeed wanted to resort to the War Measures Act for what we Quebecers have understood to be a means to get Quebecers to toe the line. It was much more a means of retaliation of the federal Government against the people of Quebec than an attempt to respond to a request for assistance on the part of the Premier of Quebec, as my colleague from Glengarry—Prescott—Russell has suggested.

I wish he would shed some light on the documents he has been reading, because the way I see it it was simply a request for assistance and not for the implementation of the war measures.

[*English*]

Mr. Boudria: Mr. Speaker, I will be glad to respond to my colleague who just asked a question of me. I want to refresh his memory with respect to the contents of the letter. I quote in part the letter from the Premier of Quebec which states:

> —I request that emergency powers be provided as soon as possible—

That is the first point. The next sentence states:

> I request particularly that such powers encompass the authority to apprehend and keep in custody individuals who, the Attorney General of Quebec has valid reasons to believe, are determined to overthrow the Government through violence and illegal means.

I remind the Hon. Member of what the Mayor of Montreal said after consulting with his Chief of Police. He said that he needed the assistance of "higher levels of government". He also said that it has become essential for the protection of society against the seditious plot and the apprehended insurrection in which the recent kidnappings were the first step. Those are not my words, those are the words of the Mayor of the city and of the Premier of the province, a Premier who is in office today as we are speaking.

Something else I wish to say to the Hon. Member is that if he thinks and feels that his Party would have done differently in 1970, and if that was so bad, then why did his own Party support this measure at that time?

Mr. Blackburn (Brant): Mr. Speaker, I wish to clarify a point that my Liberal colleague made at the outset of his speech this afternoon when he made reference to the fact that with the wisdom of hindsight vision is 20-20, or words to that effect. In other words, he was implying that because we are looking back some 18 years it is easy to be critical of what the Government of the day did.

I wish to put on the record once again, and I wish to remind my hon. friend, that at the time in the autumn of 1970 some 16 members of my Party out of, I believe, 19 Members, voted against the imposition of the War Measures Act. So I did not stand here in my place today with the wisdom of hindsight and 20-20 vision. My Party voted against its imposition and took a terrible beating in the popular opinion polls at the time for having done so. I just want to clarify that point and not leave the misconception on the record.

Mr. Boudria: Mr. Speaker, I agree with the Hon. Member for Brant (Mr. Blackburn). Unlike the Tories who said yes at that time, members of the Hon. Member's Party were divided on the issue. There was division within the NDP caucus. Some said yes and some said no, that is quite true.

• (1600)

Mr. Kilgour: Not all Tories supported the measure in 1973, some of us, the Hon. David MacDonald, and others actually published a book opposing the use of the War Measures Act in 1970.

Has the Member read the book entitled *The Politics of Racism: The Uprooting of Japanese Canadians During The Second World War* by Ann Gomer Sunahara, who happens to be a constituent of mine, about the internment of Japanese Canadians?. If the Hon. Member is aware of those events, and he may not be because it is a long time ago for both of us, would he tell us whether he thinks that the Right Hon. Ian Mackenzie, the British Columbia Minister at the time in the King Cabinet, to put it mildly, was not guilty of racism for what he did in British Columbia? Does the Hon. Member have a comment on that?

Mr. Boudria: The Hon. Member for Edmonton—Strathcona (Mr. Kilgour) is quite correct when he says that I was not around at the time. In my opinion, the internment of Japanese Canadians was an absolutely abhorrent act, just like the deportation of the Acadians.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. On debate, the Hon. Member for Esquimalt—Saanich.

Mr. Patrick Crofton (Esquimalt—Saanich): Mr. Speaker, I appreciate the opportunity to offer a few thoughts on Bill C-77. As a member of the legislative committee, I can attest to the diligence and sensitivity with which all Members from various Parties in the House debated the matter. In particular, I would like to single out the excellent chairmanship of my colleague, the Hon. Member for Victoria (Mr. McKinnon) and the very fine contribution made by our colleague, the Hon. Member for Brant (Mr. Blackburn). To me it was the spirit of Parliament debating a serious issue seriously in the best possible tradition. Consequently, I believe Parliament should make the proposed Emergencies Act the law of the land, for the protection of all Canadians, young and old, and to do it now.

The Bill is flexible. It is responsible, and it is responsive. It is yet another example of a promise made and a promise kept. It is legislation that is long overdue. For the past 18 years, Canadians, and representatives on all sides of the House, have been saying, "The War Measures Act must go".

The Emergencies Act, this replacement for the War Measures Act, is finely tuned legislation, considered with care to deal flexibly with four different types of national emergencies. First, public welfare emergency caused by serious natural disaster, disease, accident, pollution, or breakdown in services; second, public order emergency caused by serious threats to the security of the country; third, international emergency caused by serious acts or threats of intimidation or coercion against Canada or our allies; and finally, war emergency caused by actual or imminent war or armed conflict involving Canada or our allies.

This is legislation which vitally affects the rights of young children, senior citizens, disabled persons, the sick, and everyone who, in an emergency, might depend entirely on the capacities, resources, protection, and the sense of responsibility of the Government of Canada.

I think I can rightly say that each of us in this House is most concerned with three basic issues: the completely unsatisfactory legislation we have had in the past; the compelling need to deal effectively and fairly with national emergencies in the future; and the carefully constructed and remodeled Bill which the Government proposes today.

Thoughtful citizens in each of our constituencies across this country, realize that Parliament must create now a new legal framework to deal with national emergencies, and one that safeguards the civil rights of its citizens. They recognize that the law must provide, on the one hand, authority for prompt action by the Government to protect all Canadians as a nation, and on the other hand, safeguards for our basic rights and freedoms, to protect each Canadian as an individual.

Preparation of this legislation required a just, careful balancing between the interests of the public and the freedoms of the individual person. We are assured that this legislation will be subservient always to the Charter of Rights and Freedoms. I believe we can agree that leaders of the Government, Public Service advisers, members of the legislative committee, representatives of many associations, individual citizens and, most certainly, Members of the House, can all take satisfaction from having contributed to this endeavour. Many perceptive, prudent people have invested time and effort in this Bill as it was prepared, debated, discussed, and now

amended. Our fellow citizens in each of our constituencies now expect us to weigh, to decide, and to act on this legislation.

We are fortunate to have had the time and opportunity, now, in conditions of peace and calm, far removed from the relentless pressures of a compelling emergency, to reflect, to discuss, and to prepare for the future.

Sadly, we need merely watch the news on television, or read newspapers and magazines to see every day people and Governments around the world struggling with war, revolt, famine, and disasters. They certainly are reminders of how fortunate we Canadians are.

This has not always been the case in Canada, as we know to our sorrow. One of the darkest episodes of Canadian history took place in my own province. After years of official and unofficial harassment, the ill treatment of Japanese residents of British Columbia reached a new low in February, 1942, when the Government of Canada issued an executive order under the War Measures Act. It decreed the forced removal from their homes of more than 20,000 men, women, and children who were citizens or permanent residents of Canada. They were to be sent to camps and towns at least 100 miles from the Pacific coast.

In the climate of the time the public did have good reason to be concerned. The world was at war. In a sudden peacetime attack on Pearl Harbour, Japanese Armed Forces had just sunk 19 ships of the United States Navy. They had killed and captured hundreds of Canadian troops defending Hong Kong. They were about to launch a successful landing on the Aleutian Islands of Alaska. Japanese submarines were scouting the Pacific coast.

Nevertheless, the local commanders of the Canadian Armed Forces and the Royal Canadian Mounted Police advised the Government that Japanese Canadians, permanent residents, citizens, and people born in Canada, posed no threat to security. In fact, the Government never did charge any Japanese Canadian with disloyalty.

Instead of following reasoned, professional advice, the Government reacted to prejudice and fear. Thousands upon thousands of Japanese Canadians were rounded up and interned. The Government then proceeded to sell their fishing boats, automobiles, farms, businesses, homes, and even their personal belongings at less than true value. All this took place under powers provided by Parliament when it passed the War Measures Act in 1914.

This disgraceful treatment of our fellow citizens by the Government of Canada over 40 years ago is most relevant to the provisions of the Emergencies Act which we have before us today. It underscores the need for Parliament to consider such a serious issue in a period of calm away from the attentions of an emergency situation, in order that we can have on the legislative books a reasoned, proper, fair, and legal method for dealing with emergencies, so that these sad occasions of the past will never be repeated.

Over the past six months, the Minister and the Government have listened to, and acted upon, many of the suggestions of the National Association of Japanese Canadians, the Canadian Civil Liberties Association, the Canadian Bar Association, and others. This Bill explicitly rules out detention, imprisonment, or internment of Canadians citizens or permanent residents, on the basis of race, national or ethnic origin, or other discrimination.

The types of situations that would justify emergency powers have been narrowed and defined more clearly. Reasonable compensation for loss, injury, or damage will be mandatory, rather than at the discretion of the Government. Emergency orders and regulations must be related directly to remedying the particular emergency, and citizens may challenge these in the courts. Orders and regulations are to be reviewed by a special all-Party parliamentary committee. This independent committee is to report regularly to Parliament on what the Government is doing and why. The Government must table orders and regulations within two days. The Bill now specifies no time limits on debate of a motion to confirm or continue a state of emergency or to revoke orders or regulations. A Member of Parliament may raise a motion to revoke or amend an order or regulation with no time limit now specified in the Bill.

• (1610)

As the result of the contributions of many organizations and citizens, these are safeguards of the rights of the individual and the rights of Parliament which have now become part of this legislation.

There are many other important amendments which greatly improved the Bill. The legislation, as has been pointed out, also reinforces provincial authority and explicitly provides for federal participation by request of a provincial Government.

For example, one seismologist told an interviewer on *The Journal*, the CBC television program, that we might have an earthquake along the coast of B.C. as big as the one which broke the southern coast of Chile in 1960. Five thousand people died there. He said that we must also take seriously the possibility of a much bigger earthquake, as big as any in the world in the last 1,500 years. It would be completely off the Richter scale.

This is a prediction that no one wants to hear, but in B.C. we have to face it. As experts have explained, an earthquake is like having a whole series of disasters all at once. Some day the following, God forbid, could occur suddenly and simultaneously: hundreds of deaths; thousands of injuries; thousands trapped, including the very young, the elderly, and the sick; hospitals swamped; homes destroyed; buildings demolished; bridges collapsed; highways closed; power cut; communications cut; gas mains broken; water mains broken; many fires out of control; massive floods; and streets full of debris and closed to rescuers.

This is the terrible situation that the Emergencies Act is designed to help in recovery. This will be a national emergency crying out for and demanding a national response. This legislation provides the framework and allows for the regulations required by the Government of Canada to carry out its mandate, its responsibilities, if a national emergency arises. Unfortunately we must say, realistically, "when a national emergency arises".

We must respond with a sense of urgency to these circumstances. Our past legislation has been completely unsatisfactory. We have a compelling need to deal effectively and fairly with national emergencies in the future. The Government has now proposed a carefully constructed and remodeled Bill. This is legislation which vitally affects all Canadians. We must now join the ranks of the other western democracies which have had modern legislation to deal with emergencies in place for years.

This is a meritorious Bill. We have had debate in the House. We have had qualified advice from knowledgeable witnesses who appeared before the committee. We have had careful review in committee. We have had cogent, incisive amendments which the Government has accepted and adopted as needed improvements.

The Government made a promise. The Government has kept that promise. The time has come for us to act. Canadians across the country in each of our constituencies are waiting for us to put in place the law we need to deal with national emergencies.

I am confident, Mr. Speaker, that Members on both sides of the House feel that we can now come together, in unity of purpose, and make the Emergencies Act the law of the land, for the protection of Canadians, young and old.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the course of this very interesting debate today the Parliamentary Secretary, the Member for Haldimand—Norfolk (Mr. Bradley), stated, in introducing the legislation, said that it is intended to prevent abuse of the executive power or, in other words, to ensure that abuse of executive power will not recur. That seems to me to be the nub of this Bill and the principle behind its concept, at least in good part.

In the case of the Japanese Canadians, history has already amply demonstrated that there was abuse of executive power at that time. As was shown on a television program recently, the same happened to Americans of Japanese descent. Twice on this continent in the same period of history there occurred the phenomenon of executive power taking action with respect to citizens in their own country.

I refer to Canadians of Japanese descent and, south of the border, to Americans of Japanese descent. They were removed to camps from their homes, villages, towns, and from their property. This blatant infliction of injustice on them on a personal basis as well as a collective basis remains with us today, and other Members have quite rightly referred to it.

We disagree, however, in this debate on the assessment of what happened in 1970 in Montreal. It may be that not enough time has elapsed for everyone to have developed a sufficient detachment from the occurrences of that time. If you agree with me, Mr. Speaker, that there is a role for the state on behalf of society in cases of kidnappings to protect the collective rights and at the same time to resolve the serious and tragic predicaments of individuals in that society, you will understand why I reject the intervention made earlier by the Member for Nickel Belt (Mr. Rodriguez) and elaborated upon by his colleague, the Member for Spadina (Mr. Heap).

Either they are misguided, their historical memories are short or, as I suspect, they are historically wrong, their facts are incorrect and they are trying now to appear to be on the side of the angels, namely, on the side of individual rights, forgetting what was going on at that time both in this House and in Quebec, particularly in Montreal.

Therefore, I object strenuously to the statements made by the Member for Nickel Belt and the Member for Spadina because they seem to forget that at that time not one but two residents of Quebec had been kidnapped. I would like to ask them rhetorically what they would have done if they had had the responsibility to govern. Evidently they have never had the responsibility to govern.

It is interesting to remember that the NDP was split on the vote, as was indicated to us earlier by the Member for Brant (Mr. Blackburn). Two Members in their group voted for the legislation at that time. Evidently those two were able to put themselves, intellectually and politically, in the position of the Government of the day.

The conclusion at which I must arrive is that no Party in power at that time, considering the situation, would have been able to reject the requests of the Mayor of Montreal and the Premier of Quebec to invoke certain measures.

• (1620)

I do not object at all to the role and the responsibility of the Opposition to disagree and even to criticize the Government for certain actions, but it is important to put that historical situation into the right context to understand why certain steps were taken. Bill C-77, as I understand it, has been an important step. I congratulate the Members involved who evidently have worked very well together, but it is not a measure to be used to prove that executive powers in 1970 were abused by the Government of the day. As I said, I would challenge anyone in this House at any time to deny that to reject the request made of the federal Government by the then mayor of a city and the Premier of the province involved—one of its partners in Confederation—would be an act of indifference.

What is in the process of Confederation, I ask, if in circumstances of tragic need the Government in charge of Confederation is not available and does not come through in answer to a request of one of its partners in Confederation? It would be a very serious blow to the cohesion of Confederation in a

moment of such dire need as expressed by two individuals who happened to be at the same time not appointed individuals but elected individuals.

The argument was made by the Hon. Member for Spadina that the Mayor of Montreal was either not very popular, a tyrant or whatever, but the fact remains that he was an elected official. Evidently his request had to be considered within that light. The request was reinforced not in a vacuum but by the request of another elected official who happened to be the Premier of the province involved.

I submit to you, Mr. Speaker, that the combination of these two factors is pretty powerful and such that no executive at the federal level could take the request lightly, disregard or not accede to it.

The principle, of course, is one in which I believe. In a civilized society one has to protect individual rights and at the same time ensure that collective rights have their place and are respected. The two are not exclusive of each other but complementary. There are times in emergencies when collective rights of a society may have to be given precedence over individual rights, which is abhorrent for anyone who believes strongly in individual rights. Nevertheless, in certain circumstances you may have a situation like that emerging in a civilized society where a Government acts for the sake of the common good and for the sake of the collective good. In a way it is the mandate given by the population when it elects a Government.

There may be times when, with the benefit of hindsight, criticism arises for actions that were perhaps exaggerated far too strongly and perhaps not warranted by the circumstances. But in Montreal in 1970, two individuals had disappeared and neither the local authorities nor the provincial authorities were able to cope with the situation and they sought the help of the senior level Government. What would you do in that position, I ask, Mr. Speaker?

It is important that we come to grips with the principles embodied in Bill C-77. They are extremely important. I suppose a lot of thought and consideration was given by Members to this principle in committee. It is extremely important to ensure that there is no abuse by the executive power and that such instances do not occur in a civilized society like Canada, but that the past, particularly the situation in Montreal in 1970, be analysed through the optic of the responsibility that falls upon those who are in power, with the full knowledge and understanding of the intervention, massive as it may have been as a result of a request made by elected officials at both junior levels.

Mr. Kilgour: Mr. Speaker, I have great respect for the the Hon. Member for Davenport (Mr. Caccia) but I differ with him fundamentally. I will say why and then I will ask him for a comment.

I realize the Hon. Member is not a lawyer, but the Criminal Code contains plenty of search and seizure provisions which could have dealt with the situation in October, 1970. I think most lawyers and historians now agree that that is the case.

The Member takes refuge in the fact that two people were kidnapped. Unfortunately people are kidnapped all too often and we do use the Criminal Code, the police and normal civil liberties to deal with such situations. The Hon. Member is saying, in effect, that the Mayor of Montreal and the Premier of Quebec at the time could make such a request, and therefore that made the action right. Probably the best argument we will hear today as to why we need Bill C-77 is because of the abuse that took place then. As well, because of the abuse that took place in 1942, we are now bringing in a new Bill, no thanks to the Government which my friends supported over many, many years.

I remind the Hon. Member that the Mayor of Vancouver also used the War Measures Act to arrest hippies on the beach in Vancouver. I think that there there were more than 600 Quebecois who were arrested and held without charge and, in large measure, I put it to the Hon. Member from Davenport, that the election of a separatist Government in Quebec in 1976 was helped by this enormous abuse of power by the Liberal Cabinet of the day here in Ottawa. Of course it was a tragic and a difficult period, but to say that we should have suspended civil liberties in Canada for the kidnapping of two people is, in my respectful view, Sir, simply wrong.

Mr. Caccia: Mr. Speaker, briefly, in response to the Hon. Member for Strathcona (Mr. Kilgour), the key words in his question are that most lawyers now agree that sufficient remedies exist in criminal legislation. Yes, after the fact, with the benefit of hindsight, we can all look back and draw certain conclusions. But in the situation as it was being experienced at that time, even the legal community was divided on this issue. The decision was one that had to be made in the light of circumstances that had to be judged and assessed quickly, upon requests coming from junior levels of Government. Two persons had been kidnapped, had disappeared.

• (1630)

The Hon. Member for Edmonton—Strathcona may, in his value judgment, feel that the invocation of the War Measures Act in the circumstances which then existed was not warranted. Given that the local authorities seemed to be impotent in dealing with the matter, to me seemed sufficient reason to act.

Evidently, our value judgments differ—and it is probably something that has nothing to do with our politics. Nevertheless, it seems to me, in hindsight, that, in the lack of specific knowledge of the extent of the perceived insurrection, the invocation of the War Measures Act was warranted at the time of the October Crisis.

What other measure was available to the Mayor of Montreal and the Premier of Quebec? Their only recourse was to run to the senior level of Government, and evidently they had some reasons to do so. Their political judgment, in light of the circumstances at that time, prompted them to approach the

senior level of Government to act, and the response from Ottawa was not slow in coming.

[*Translation*]

The Acting Speaker (Mr. Paproski): The period for questions and comments has now expired. Debate. The Hon. Parliamentary Secretary to Minister of State (Science and Technology) has the floor.

Mrs. Suzanne Duplessis (Parliamentary Secretary to Minister of State (Science and Technology)): Mr. Speaker, I am grateful for this opportunity to deal with Bill C-77, the Emergencies Act. I suggest that the proposed legislations will provide fundamental guarantees, both collectively and individually.

Members of this House who have travelled abroad or who simply watch the daily news realize just how lucky we are in Canada. Every day, we can see on television pictures of unfortunate people in a country somewhere in the world attempting to fight against flood, earthquakes, massive chemical leaks or hunger, or a suffering people whose civil and individual rights are being violated.

Over the past fifty years in Canada, we have witnessed very few incidents of political nature which could have had serious national consequences.

Yet, in Quebec, a particular event caused the Government of the day to take a step which was both revolting and shameful, and which struck a blow at the integrity of each and every Canadian.

In October 1970, following the kidnapping in Montreal of James Cross and Pierre Laporte, the Government proclaimed the War Measures Act. Over 450 men and women were arrested in their homes and then held without being charged. Deprived of their rights to seek the advice of a lawyer, they spent days and weeks in prison before being allowed to go free. Arresting these 450 people was particularly wrong, as none of them was ever found guilty of any offence against the War Measures Act.

It is the responsibility of this House to make sure that civil liberties are never again trampled on the way they were in 1970.

Bad laws give poor results and make our living conditions intolerable. The fact that so many groups were interested in and responded to the introduction of this Bill proves that we must pass a law which recognizes explicitly the state's responsibilities as well as individual rights and freedoms.

Many Canadians with a lot of experience in that area gave their advice, suggestions and warnings to the Legislative Committee and the Minister responsible for Bill C-77.

In that regard, I would like to point out the tremendous amount of work done by the Canadian Bar Association, various lawyers, the Civil Liberties Union, the Canadian Civil Liberties Association and the National Association of Japanese Canadians.

Obviously, the Committee and the Minister have generally followed their advice. We looked at the list of amendments which include:

—more explicit definitions of emergency situations;

—better provisions for lawsuits;

—better protection of civil rights such as the right to call meetings and freedom of speech as well as protection against arbitrary search and seizure;

—better compensation for requisition, theft or loss of goods and services.

I am sure that as Members of Parliament, we appreciate all the changes to the Emergencies Act provisions which provide Parliamentary control.

The time during which emergency powers can be exercised without being renewed by Parliament has been reduced. Orders in council and regulations passed by the Government must be laid before the House sooner, and Parliament will have more time to ascertain whether or not they should be revoked. The Parliamentary Review Committee will report on the situation to Parliament at least every 60 days. Furthermore, once the emergency is expired, it will be followed by an official inquiry. This will allow for effective representation by all members of the House of their voters.

I was municipal councillor in Sainte-Foy, Quebec, and also chairman of a Red Cross sector. As such, I am fully aware of the need to put in place a legal structure and to take the necessary measures thus enabling local authorities to deal with emergency situations brought upon by floods, tornadoes, major transportation accidents or chemical spills.

This legislation allows for effective action on the part of provincial and municipal officials in carrying out their duties. Mayors, municipal councillors and public services like the Red Cross must know where they stand legally in an emergency situation. Thanks to the emergency measures bill, they know they will have the legal means to take swiftly the necessary measures.

We can certainly imagine the difficulties a mayor and a municipal council are faced with in our own riding: in an emergency situation, they bear all the pressure and we expect them to act wisely and swiftly. They must be aware of what federal and provincial governments have the power to do.

Mr. Speaker, those of us who have lived in certain remote regions of our country appreciate the peace, the freedom and the wide-open spaces which characterize our small towns and our countryside. But we also appreciate knowing that in case of a disaster, a tragedy or a conflict, major national resources could be mobilized to come to our help as a community or as a nation. This bill established the legal foundation upon which Canada can fulfil its obligation to guarantee peace, order and good government.

For close to 18 years, Mr. Speaker, Canadians have been waiting for the repeal of the dangerous War Measures Act, a piece of legislation which has been hanging as a threat over our heads all that time. Never again should innocent people be treated like criminals as was the case of 450 of our fellow Canadians, including artists, writers, lawyers or members of groups which were not a threat to anyone.

Even criminals are entitled to be duly charged, to get legal advice, and to communicate with their families.

I think that Canadian from coast to coast share the view that time has come to do something about the War Measures Act. Mr. Speaker, I urge Hon. Members on both sides of the House to give full consideration and swift passage to this Bill. We can be sure that people in every riding are following the proceedings and are anxious to see the Emergencies Act on the statute books of this country, for it amounts to a tradition, a legacy, a pledge against tyranny in Canada. The kind of terrible abuses to which we are the sad witnesses practically every day in foreign lands ought never to happen again here.

The Emergencies Act explicitly and carefully defines the particular and exceptional conditions wherein the needs of the state may temporarily take precedence over the rights of citizens.

• (1640)

Mr. Mike Cassidy (Ottawa Centre): First of all, Mr. Speaker, I want to congratulate my colleague, the Hon. Member for Brant (Mr. Blackburn) for an excellent job. On behalf of the New Democratic Party, he participated very actively in the Committee proceedings on Bill C-77.

I suggest that the minimal interest shown by the Liberal Party for this Bill was demonstrated by the fact that none of its Members could be found to attend the Legislative Committee meetings on a regular basis. The Government has demonstrated some flexibility by accepting, nearly 50 out of the 60 amendments the New Democratic Party had proposed, through my friend the Hon. Member for Brant, which accounts for a much improved Bill.

I think that we should also emphasize the participation of a number of groups for the defence of rights and freedoms which, through their direct or indirect participation, have contributed to the improvement of this Bill.

Before reviewing the new legislation, Mr. Speaker, it is necessary to replace the whole issue in its proper perspective specifically the October 1970 crisis, because without it, I doubt seriously that we would be dealing with it now.

It is a fact that the War Measures Act, the legislation which Bill C-77 is meant to replace, was excessively drastic. It is also a fact that this infamous legislation was a source of abuse, including the jailing without warrant in 1970 of innocent citizens, most of them nationalists or leftist militants active in so-called "subversive" organizations such as the Parti québécois. Denial of their right to consult a lawyer, in fact denial of the presumption of innocence through long emprisonment of people such as singer Pauline Julien and poet Gerald Godin who were kept in custody without any justification or explanation other than the power of the War Measures Act.

Mr. Speaker, I remember the presence of Armed Forces personnel everywhere in Quebec, and even here, in the National Capital area.

The City of Ottawa looked like an armed fort, ready for an invisible aggressor, which only the federal Government at the time seemed to see.

Mr. Speaker, unfortunately, there was no apprehended insurrection, and the Liberal Government at the time, especially its Prime Minister, never at any moment had information on the basis of which one could conclude the existence of apprehended insurrection. That is clear today. However, it was the existence of such a threat that was the main reason for implementing the War Measures Act.

Only the New Democrats spoke out against the declaration of this horrendous legislation. The Conservative Official Opposition voted with the Liberals in favour of suspending individual liberties, but they did so on the basis of assurances given by the Government—assurances that were ill-founded, Mr. Speaker.

I agree there was a crisis in Quebec in October 1970. The kidnappings of James Richard Cross and Pierre Laporte are unfortunate events in the political history of Quebec and Canada. In a liberal democracy, we cannot tolerate violence and terrorism as a means to a political end.

That being said, violence and terrorism should not be used as a pretext for unbridled and useless violence by the State. Both are unlawful and both are a threat to the democratic foundations of our political system.

Wrongfully resorting to the use of police and security forces is even less legitimate when there is no evidence, and that was the case in October 1970, that military occupation of and the resulting suspension of liberties will in some way contribute to a peaceful solution of the problem. We know that sending in the army did not in any way contribute toward a peaceful solution of the crisis and or prevent its tragic outcome.

Why, once the dust was settled and the crisis was over and done with, didn't the Liberal Government immediately abolish the War Measures Act and replace it with legislation more in keeping with our democratic traditions?

Mr. Speaker, quite frankly, I am very disappointed in the fact that in today's debate, the Liberals here in the House tried to justify what was done in 1970, instead of saying they were sorry for what happened at the time and agreeing with the need for legislation that is far more moderate and more respectful of civil rights, like the legislation we have now in the form of Bill C-77, as amended in committee during the past few weeks.

Mr. Speaker, the silence of the then Minister of Justice in October 1970 and the Liberal Leader today is also very disturbing. One would expect more political courage on his part.

Mr. Speaker, unfortunately, I am running out of time, because I had further comments to make. Perhaps I could let the debate proceed with questions and comments and have a chance to give my remaining comments on the amendments during this period.

[*English*]

Mr. Blackburn (Brant): Mr. Speaker, would my colleague care to comment on what he considers to be some of the very significant amendments we were able to gain during committee hearings and clause by clause study, particularly with respect to civil liberties and the oversight power Parliament will now have with respect to these extraordinary measures the Government still needs in order to face an emergency, if one should arise?

[*Translation*]

Mr. Cassidy: Mr. Speaker, I thank my friend for his questions. I believe that we New Democrats in the Opposition have been very consistent. We spoke out against the War Measures Act in 1970 and we worked hard in 1988 to get rid of that law and to replace it with a more responsible one that would protect and preserve individual liberties as much as possible.

It is true that the first version of Bill C-77 was unacceptable. It was roundly condemned by the Human Rights League and organizations concerned with respect for individual liberties.

But I believe that it is due to the spirit of Parliamentary reform that prevailed in the legislative committee that many of the principles that we proposed in our amendments were accepted by the Government.

Indeed, these changes helped ensure, for example, that the Cabinet must have reasonable grounds for invoking emergency powers. That is an improvement. That the powers would not be used to break a strike. Very important. That citizens whose property was damaged in an emergency situation would be compensated. That censorship would not be used in peacetime. Finally, that provincial jurisdiction would be respected.

Mr. Speaker, even after the first series of amendments, groups concerned with rights and freedoms again insisted that the Bill be improved. As a result, new amendments were proposed. They include: A new definition of national emergency that is more specific and less likely to lead to excesses; guarantees that the powers provided by Bill C-77 will only be used if current laws are inadequate to deal with the situation; restrictions on prison sentences and fines; the right to appeal for compensation; the creation of an all-party committee to review situations involving confidentiality; a compulsory after-the-fact inquiry on the circumstances of the emergency.

That, Mr. Speaker, is very important. It means that if the Government decides to invoke the new law, within a year, a Parliamentary committee will have to review it and look again to see whether or not the use of these powers was justified. Mr. Speaker, the Parliament of Canada did not have the opportunity or the ability to check and see whether invoking the War Measures Act in October 1970 was justified or not.

We are assured that prison camps for civilians will not be established.

Those are some of the amendments that were accepted. There are others too, Mr. Speaker. I can comment on that if my hon. friend wants more information.

• (1650)

[*English*]

The Acting Speaker (Mr. Paproski): Since there are no more questions or comments, and there being no Hon. Members rising to speak in debate, pursuant to order made earlier this day I therefore declare debate on the motion for third reading on Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, adjourned until six o'clock, Wednesday, April 27, 1988, at which time the Chair shall put every question necessary to dispose of the Bill.

* * *

BUSINESS OF THE HOUSE

Mr. Bradley: Mr. Speaker, considering the hour, may I suggest that the House be suspended until five o'clock, the start of Private Members' Hour?

Mr. Caccia: Mr. Speaker, we concur with that suggestion made by the Parlimentary Secretary.

SITTING SUSPENDED

The Acting Speaker (Mr. Paproski): Is it the wish of the House to suspend until five o'clock, at which time we will proceed to Private Members' Business?

Some Hon. Members: Agreed.

At 4.53 p.m. the sitting of the House was suspended.

[*Translation*]

AFTER RECESS

The House resumed at 5 p.m.

The Acting Speaker (Mr. Paproski): It being 5 pm., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS–MOTIONS

[*English*]

FINANCIAL INSTITUTIONS

ADVISABILITY OF INFORMING DEPOSITORS WHEN DEPOSITS ARE UNINSURED

The House resumed from Monday, February 29, consideration of the motion of Mr. Riis (Kamloops—Shuswap):

> That, in the opinion of this House, the Government should consider the advisability of co-operating with the provinces in establishing a system whereby those individuals who deposit money in financial institutions not covered by deposit insurance be required to sign a waiver form indicating that they are fully aware that their deposits are not insured in the event that the institution goes bankrupt.

The Acting Speaker (Mr. Paproski): When the motion was last before the House, the Hon. Member for Mississauga South (Mr. Blenkarn) had the floor.

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, when the motion was last before the House on February 29, I was dealing with the current problem in the Province of Alberta where the Code Commission has been looking very seriously at the problems created by the Principal Group of companies for citizens right across the country.

That group of companies was composed of one company, Principal Trust, which was supervised by the Department of Insurance here. Bob Hammond was our Superintendent of Insurance. He is now the Deputy Superintendent of Financial Institutions. He was on top of that trust company starting back in 1983. However, the group of companies had several other emanations. In other words, there was a mutual company, a real estate company and various classes of investment companies in the securities field, all of which were generally categorized as Principal companies.

My friend, the Hon. Member for Kamloops—Shuswap (Mr. Riis) has put this motion after looking at the problems that developed in the Principal matter. He suggests that we make sure that everyone signs a piece of paper, as if people signing a piece of paper will, all of a sudden, bring about the great nirvana. You and I know, Mr. Speaker, what happens when people sign pieces of paper that they have not read. We would not have had the inquiry we have just completed, or in the process of getting ready to report, with respect to bank service charges, if people who dealt with banks read their agreement with the bank on opening an account in which they agreed that the bank could charge them anything it wanted to. That became the agreement, and that is the express agreement, and any changes were perfectly all right because they agreed to it. To give some person a piece of paper where they agree they are not insured by Canada Deposit Insurance Corporation is just so much drivel in terms of something to stop the abuse or problem.

The problem can be stopped, and would have been stopped and will be stopped, if we are able to get rid of competing regulations in this country. Right now the Government of Canada supervises trust companies generally in most parts of the country through the Superintendent of Financial Institutions, but the Government of Canada does not supervise mutual funds or investment funds or co-op funds, that kind of thing. Who supervises them? Provincial supervisors, and the provincial people in Alberta knew about the problems because our people told them about the problems, but they did not do anything about it. They allowed, by their lack of regulation and supervision, by their attitude toward supervision, those problems to develop in the Principal Group.

The fact that someone signs something is not going to help. It is getting a sense of supervision that is the same across the country, a standard requirement of management across the country. That is the answer. That was the answer presented to this House in the report of the Standing Committee on Finance that reported on the Green Paper in November of 1985. It called for a national supervisory agency. The Hon. Member for Kamloops—Shuswap was part of that committee.

I am sure the Hon. Member remembers that particular discussion of the kinds of problems we were then faced with and with which we are faced today and with which we will continue to be faced as long as we have the supervision of financial institutions all over the place. There is a necessity for having unified supervision. That is the only way we can come to grips with the problem.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I listened to the Hon. Chairman of the Finance Committee, and while I would agree with him that there is a need for co-ordinating regulations across Canada, that they probably need to be dealt with on the level of regulations, I cannot agree when he suggests that the motion put forward by my colleague, the Hon. Member for Kamloops Shuswap (Mr. Riis), would not be a very helpful addition to the regulations as they now stand. If this proposed amendment had been in place it would have prevented some of the heartache and financial tragedy we have seen in the last few years, particularly with the collapse of the Principal Group.

I want to commend my colleague, the Hon. Member for Kamloops—Shuswap, for bringing this motion forward. One of the most difficult things, as you know, Mr. Speaker, with which a Member of Parliament deals are constituents who lay out a case that clearly indicates they are innocent victims, that through no fault of their own, they are victims of some situation that has left them drained of their life savings. I met with one such couple and had them write a letter detailing their experience with the Principal Group. The husband was a recent immigrant. They were people who worked hard and saved because they saw their savings as the future for their children. I would like to read part of the letter this woman wrote: It says:

> All our money was invested in First Investors Corporation, a member of the Principal Group. Every last penny my husband and I have earned and saved all these years through hard work and budgeting, even my children's family allowances and birthday gifts are involved. We have been working and saving for the future, for a good education and better opportunities for our children,

and now we have nothing to show for all those years and hard work. It hurts so much each time I think about it.

We had a total of approximately $200,000 in various accounts, including RRSPs. Now we have nothing but the weak assurances that some of the money (our own money) will be returned to us eventually.

We invested our moneys with the First Investors Corporation because we were repeatedly told by their agents, . . . that the moneys were 104 per cent guaranteed. We asked each time we invested and were told each time that if anything ever happened we were guaranteed 100 per cent refund plus 4 per cent interest. On the back of each contract we signed is written "Under the Investment Corporation Act (Alberta), assets equal to 100 per cent of certificate liabilities are maintained on deposit with a Canadian chartered bank".

Where were the government people who are supposed to check on these companies to see if they are abiding by the rules? Why were these people allowed to mislead their clients? Why wasn't closer watch kept on these institutions?

While I can agree with the previous speaker that we need to clean up the regulatory framework all across Canada to bring some kind of co-ordination and a systemizing to that framework, I also think that had the motion presented by my hon. colleague been in effect, people like my constituents, who received assurances time after time after time that their investments were firmly secured by insurance, having to read it and sign it, would not have been in the position in which they now find themselves.

In my constituency I had a great many teachers who had invested at different times in the B.C. Teachers' Investment and Housing Co-operative. This began back in 1951 as a small group of teachers who decided that a good way in which they could help one another to buy houses was to put some of their money into a housing co-operative that would allow other teachers to draw out of it and thus get a downpayment and their mortgage moneys. Over a period of time this housing co-operative expanded and went into other markets. It kind of grew like Topsy without people always being fully aware of what was involved. Like so many other institutions in western Canada it became involved in some real estate transactions. When the real estate market fell apart in western Canada the B.C. Teachers' Investment and Housing Co-operative suffered. In 1985 it had to go into receivership. These people were lucky to get a few cents on the dollar. They lost very substantially. Some of them, again, had put almost their total life savings into this one co-operative. Others had more of a mix.

• (1710)

Mrs. Lillian Holeton, who is the Chair of the special committee appointed by the B.C. Retired Teachers' Association, made a submission to the Standing Committee on Finance and Economic Affairs. She pointed out that the question of insurance or guarantee has been constantly apparent since the federal Government instituted legislation in 1967, that is, the Canada Deposit Insurance Corporation Act, covering deposit insurance for banks and trust companies, while the provincial Government enacted similar legislation covering some trust companies and credit unions.

The B.C. Teachers' Investment and Housing Co-operative made overtures to the provincial Government in 1977, 1978 and 1979 up to and into its insolvency in January of 1986 asking that the question of its status and insurance guarantee position be clarified. There was no response to these requests on the basis that the Teachers' Investment and Housing Co-operative by its formation did not fall under any current legislation.

Here again we have a situation in which people were concerned to try to get information about the insurance status of their organization. They were not given any kind of clarification. When the market collapsed and it reverberated back to the Investment and Housing Co-operative, it was placed in receivership. These people lost a great deal of their investment.

Again, as I said, some teachers who had been working hard all their lives and trying to save for their retirement lost their total life savings. I know some of these people. Some were already retired and they lost substantially from their life savings.

The motion put forward by the Hon. Member for Kamloops—Shuswap is something very simple. It is that the federal Government, in co-operation with the provinces, institute a regime by which federal and provincial Governments would require that whenever anybody made a deposit that would not be covered by insurance, they would have to sign a waiver clearly indicating that this was so. Obviously, there are some people who, seeing the possibility of perhaps greater gains at greater interest rates would want to take a chance and invest even when there is no insurance. That is their choice. It should be a matter of choice. It should not be a matter of deception. If they choose to invest when there is no insurance, they know that they are taking a risk.

What bothers us in this Party and what bothers me when I sit down with constituents is that there are those who thought that they were making an investment that was guaranteed only to find out that there was no guarantee.

I urge Hon. Members to adopt this motion and then go on to adopt other measures as well. This recommendation would require a waiver. It would require the knowledge of the people involved. It is a good motion. I urge all Hon. Members to support it.

Mrs. Mary Collins (Capilano): Mr. Speaker, I too am pleased to have the opportunity to speak on this motion. As has been indicated, this motion would require financial institutions or those involved in taking deposits to have a form available which an individual would have to sign if a deposit is not to be covered by CDIC or an equivalent institution. It is obviously an attempt to increase consumer protection and to prevent people from being misled, either intentionally or unintentionally. I certainly support those goals. I think they are laudable.

In light of the fact that on the Finance Committee we have been dealing recently with the issue of bank service charges

and the disclosure provisions around them we have had some interesting evidence about just how much people are aware of when they give their money to banks or trust companies. I would like to see a lot more education of consumers about what is involved in the whole financial area so that they can make those types of decisions with a more informed approach.

However, the proposal of the Hon. Member requires some further consideration to ascertain whether or not it is practically feasible. One of my concerns is whether it would imply, for example, that, if one had not signed a waiver, one's deposit would be covered automatically by CDIC or an equivalent institution at the provincial level. As the Hon. Member for Kamloops—Shuswap (Mr. Riis) pointed out in his speech, there are a number of types of deposits which are not covered. A great many people might be surprised to learn that, for example, foreign currency accounts are not covered by CDIC. The contents of one's safety deposit box and investment products with terms of more than five years, including certificates one may buy from a bank or a trust company, are not covered. Stocks, bonds, mutual funds and deposits in excess of $60,000 are not covered.

There are some practical problems that I am not sure of in each of these cases of a person signing a waiver stating that, for example, they are aware that, because they had $63,000, the additional $3,000 would not be covered by CDIC. We could get ourselves into a sort of bureaucratic morass.

We have to look at another fundamental matter. How far should we go as a Government to protect people? Again, I come back to the importance of education and increased awareness. I do not think we can legislate perfect protection for everyone. There is an important role for the Government in consumer protection. Through CDIC we are doing a great deal of work, as well as through present legislation and regulation. But we cannot take over the responsibility of an individual to make decisions and to live with the results.

The Government itself cannot ensure that there is no fraud, no attempt to mislead or to conceal. There is a limit, I am positive, to how far we should go in writing laws that so circumscribe us that our personal responsibility begins to be eroded.

As well, we must look at what is already in legislation, for example, through Bill C-42 which was debated in the House last year. Even prior to the reforms presented in Bill C-42 there was a prohibition against anyone other than a member of the Canadian Deposit Insurance Corporation representing itself as being insured by the CDIC. It would be against the law for anyone to imply that they were covered when they were not.

As you will recall, Mr. Speaker, Bill C-42 added three other provisions dealing specifically with this kind of issue. The first provision deals with the question about the extent of the existing ban on unauthorized representations of insured status of member institutions or deposits received by them. It is now clear that this ban applies both to the institution and to all persons acting as its agents.

The second element of the Bill dealt with the provision that had been in the regulations but it was brought back in to legislation to give it real clout. It is a requirement that institutions which accept deposits not insured by CDIC indicate it clearly and distinctly in writing in the deposit contract. I know that it has been brought to the attention of the House from time to time that perhaps the writing is too small or that there is just a stamp on the back of the contract indicating that it is not covered by CDIC. Perhaps we need to look at this to make sure that the writing, the information to the consumer, is made more clear on the face of the contract so that it is something that a person cannot miss.

The third element in Bill C-42 was a new requirement which makes it an obligation for financial institutions seeking investment funds on behalf of their own security subsidiaries or other institutions which are not members of the CDIC to notify expressly the depositors that these corporations or subsidiaries are not members of CDIC, therefore, the funds invested are not insured by the CDIC. This is quite clear and very consistent with what the Hon. Member is attempting to achieve in his motion.

• (1720)

Having sat through the Finance Committee hearings recently with respect to the provisions of "expressly notify" or "express notice" in the Bank Act, I have some reservations about the meaning of those words. It may be that we have to revisit Bill C-42 at some time to see how the words in that Bill are being interpreted. I hope they are not being interpreted as loosely as the words under the Bank Act have been interpreted with respect to the consumer and the prices that the consumer is having to pay for bank services charges.

We have those provisions. They are new provisions, and perhaps we should give them some time to work and see if they are working. We must not forget that we did not deal with Bill C-42 in isolation last summer. We considered it in tandem with Bill C-56, and provisions in that legislation will also protect consumers, this time in an area where people are not making conventional deposits, but are in effect using deposit-like instruments. Bill C-56 will make it easier to create protection plans in the insurance industry. That industry has become more and more involved in these deposit-like instruments.

The Government has been working with representatives of the industry to develop annuity and policy holder protection plans along the lines of the CDIC protection, in order that this type of thing can be extended in the future.

There may indeed still be room for confusion on the part of depositors. It is appropriate that the Government ensure that their interests are well served. Confusion will only arise, and depositors' interests will only be in danger in certain circumstances. The Government's proposals for reform of the trust

and loans companies legislation which were released last December make clear that the supervisory authority will be vigilant to protect conflicts of interest or the unclear auditor's function, and the other factors which would allow a company to deliberately mislead or confuse.

There is a larger dimension to this question. If we are creating a new type of financial sector, as we are with the changes in deregulation with new instruments and a new combination of services, then we need a new type of supervisory authority. To a large degree, this need is also being met at the federal level under the various pieces of legislation that have been and are being presented.

There is a great deal of work going on in this whole field to ensure the interests of the consumers and to work with the provinces. As my colleague, the Hon. Member for Mississauga South (Mr. Blenkarn) pointed out, we have to work very closely with the provinces and try to see as much as possible that our provisions are in concert, so that people are not further confused because one group is under federal jurisdiction and living by one set of rules, and another group of financial institutions is under provincial jurisdiction with a different set of rules. We should also be working towards a more co-ordinated effort in this respect.

I believe that the intent of the motion of my colleague is very meritorious. It certainly deserves our full examination. But we should be cautious to ensure that any new provisions do not add unnecessarily to the bureaucratization and the potential confusion on the part of the consumer.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am pleased to have the opportunity to participate in this debate this afternoon on the motion presented to us by my colleague, the Hon. Member for Kamloops—Shuswap (Mr. Riis). I differ in opinion with the Member who spoke to us moments ago. The Hon. Member indicated that she did not feel that this was an appropriate resolution, or one that we should be considering favourably. She also indicated, if I can paraphrase what the Hon. Member said, that perhaps this would be difficult to administer in terms of forms and so on.

I have received letters from constituents who invested in the Principal Group of companies. I have one such letter here, and I will not disclose who signed it because I have not consulted with my elector. It is important that the House and all Canadians know of some of the hardships created.

This letter states: "A television news clip on an exchange in the House of Commons yesterday regarding income taxes charged to the losers in Principal Group prompted my writing you today. I was an investor with the Principal Group of companies. On June 30, 1987 when the Treasury Department of Alberta revoked the licences of two of their subsidiaries, I held eight guaranteed term certificates and fixed term certificates with First Investors Corporation. The total Principal amount deposited with FIC was $95,000. My total evaluated claim on June 30 was $100,000 which included interest owing to that date and calculated by Coopers & Lybrand, court appointed managers of FIC. I have received $30,000 which represents 30 per cent payment on the total claim. To date I have lost $70,000".

The voter goes on to describe the income tax provisions which have since been corrected, or at least we are led to believe have been corrected for the time being.

The purpose of my raising this letter is to indicate that all of us in the House have been affected, or have constituents who have been affected by the failure of the Principal Group of companies. This leads us to conclude, I would hope, that we have to change the ways of doing business of the financial institutions in order that Canadians are made aware of just what it is that they are investing in.

Today, I had someone pick up leaflets from various financial institutions concerning investment vehicles. I have one here from the Bank of Nova Scotia. That bank advertises its investment certificates. This leaflet states:

> With a minimum investment of $5,000 GICs are available in $100 increments for terms of: 1-10 years with interest paid monthly, semi-annually or annually.

This is under the grand title of "Guaranteed Investment Certificates". The banks may call some of those investment certificates "guaranteed", but the word "guaranteed" does not really mean much. For instance, according to this suggestion if someone were to invest for 10 years, I would suggest that the guarantee has nothing to do with the Canada Deposit Insurance guarantee. In fact, it is a verbal or written guarantee or otherwise a guarantee of the financial institutions, which says, "We guarantee this to you". I do not know how valid that guarantee is. It depends on the financial viability of the financial institution in question. I suppose in some cases, it is a little like saying "cross my heart", and in other cases it probably has values which are a little more tangible.

I have another leaflet from the Canadian Imperial Bank of Commerce which states, "Get us working for you! with the CIBC GIC". There is a little mark beside GIC and an explanation in fine print, because GIC stands for guaranteed investment certificate, and it states, "CIBC guaranteed investment certificates (CIBC GIC's) are issued by CIBC Mortgage Corporation and unconditionally guaranteed by Canadian Imperial Bank of Commerce". If one reads the fine print, one finds that it is not guaranteed by the Canada Deposit Insurance Corporation. It is only guaranteed by the bank itself. Canadians are not always given all the information.

• (1730)

I have another one here from VG National Trust. This is the only document which I have secured today, which actually says:

> A risk-free, secure investment backed by one of the largest trust companies in Canada and also covered by Canada Deposit Insurance Corporation (CDIC). Debentures, that are the same as GICs, provide an additional $60,000 CDIC protection.

This document talks about Canada Deposit Insurance Corporation protection because, of course, that is what they are offering. The other investment which I described a while ago in the Scotia Bank, and the one from the CBIC Mortgage Corporation, did not refer to that.

Yet, when you enter the doors of any of those financial institutions you see displayed very prominently, usually right on the door, "Canada Deposit Insurance Corporation Member" and so on. Canadians think that investments they make there are automatically covered. When they buy a guaranteed investment certificate in a place insured by the Canada Deposit Insurance Corporation they naturally assume that that guaranteed investment certificate is guaranteed by the Canada Deposit Insurance Corporation, which is advertised there. However, that is not so. I have just given examples of where that is not necessarily the case.

There is certainly a need for that which the Hon. Member for Kamloops—Shuswap is proposing to us. Any investment made in an institution covered by the Canada Deposit Insurance Corporation which is not thereby covered should indicate such by way of waiver. The Hon. Member for Capilano (Mrs. Collins) said that this would be difficult to administer. If you have ever rented a car you will have noticed that if you decide not to buy the insurance you must sign the form indicating that you waive the privilege of having insurance. That is pre-printed on the form.

Similarly, when you buy an investment vehicle in an institution covered by CDIC there should be a pre-printed area on the forms for the constituent to initial his recognition that the particular investment he is purchasing is not covered by the Canada Deposit Insurance Corporation, be it a six-year term deposit, a so-called guaranteed investment certificate in a mortgage subsidiary of the banking institution, or any other investment vehicle.

All banks are covered by CDIC, but trust companies and other corporations which advertise that they are covered by CDIC, should be required to provide a waiver in the manner proposed by the Member for Kamloops—Shuswap.

I am not going to propose an amendment to this motion, Mr. Speaker, but it should be obvious that we are only talking about financial institutions with which the Canada Deposit Insurance Corporation does business. In other words, within the CDIC institutions any investment vehicles which are not covered by the CDIC should include that waiver form.

I hope Hon. Members will give their support to this motion presented to us by the Member for Kamloops—Shuswap.

[*Translation*]

Mr. Gilles Bernier (Beauce): Mr. Speaker, as some of my colleagues have already done and as others will before the end of this debate, I wish to thank the Leader of the New Democractic Party for providing us with an opportunity to address the issue of consumer protection in their dealings with financial institutions in Canada. This issue is of major concern to us, as Members of the Progressive Conservative Party.

I agree with the Hon. Member that it would be preferable for financial institutions to better inform their customers of deposit insurance schemes available to them. But, as it has already been stated, our Government is taking steps to reach exactly the same goals as those of the motion moved by the NDP Leader.

I suggest also that the measure contemplated in the motion or a similar motion deserves to be examined thoroughly and responsibly by financial institutions regulatory authorities on both levels of Government. It should be emphasized, however, that these authorities should also take into account several points which could make the implementation of such a measure more complicated. I will explain. Before we can insist on institutions informing customers that a deposit is not insurable, we should see how difficult it might be for an institution to identify such a deposit.

Let us consider now the case of an institution which is a member of the Canada Deposit Insurance Corporation, the so-called CDIC. Deposits over $60,000 made by private individuals, or deposits automatically excluded from the definition of insurable deposit under another provision of the act, such as foreign currency deposits or others whose term exceeds five years, are not really a problem at this time. But what happens in the case of a customer who has several accounts, particularly if such accounts have been opened in different branches of the same institution? Then it is much more difficult for the institution to determine whether the total of these deposits exceeds $60,000.

It is also necessary to provide a more specific definition of the words "insurable deposits" because there are many deposit insurance organizations including, for example: the system set up pursuant to the federal legislation governing the CDIC; Quebec's Régie de l'assurance-dépôts which, like the CDIC, covers deposits in trust and loans companies and caisses populaires; the Corporation de fonds de sécurité de la confédération Desjardins, for instance, which also insures deposits in caisses populaires throughout Quebec; there are various stabilization funds and various investment and deposit insurance companies offering similar coverage in credit unions or caisses populaires in other provinces; the new compensation systems for people covered under pension schemes or life and general insurance policies.

Deposit insurance plans therefore vary from one institution to the next, be it a bank, a caisse populaire, an insurance company or what have you, just as they do depending on the government level, either federal or provincial. This has to be taken into consideration.

In addition, with the development of sales network agreements for financial products throughout the entire financial sector as provided for in the Government's new policy, financial institutions will soon be able to offer their clients a wider range of deposit and investment instruments. It could be

for example instruments delivered by institutions covered by a different insurer.

Therefore, the universal requirement that depositors be informed of their uninsured deposits should not be limited to individual deposits and investments not covered by CDIC. Several options should be examined, for example requiring the institution to indicate the insurer's name on all deposit instruments or to inform depositors or investors only if their deposit or investment is not covered by any of the previously mentioned institutions.

To avoid any confusion, I believe that it would be advisable that all plans have similar insurability standards, specially with regard to the definition of insurable deposits and limits of insurability. It would also be necessary to make sure that the various deposit insurance plans be sufficiently guaranteed in order that all depositors really be afforded comparable protection.

The legislation which is now before the House is indeed desirable, but its implementation raises the difficulties which I have indicated. However, I urge federal as well as provincial regulatory authorities to work together in resolving these difficulties and improving the information available to consumers on deposit insurance.

• (1740)

[*English*]

Mr. William C. Winegard (Guelph): Mr. Speaker, thank you for giving me the opportunity to speak to this motion this afternoon. I would like to congratulate the Hon. Member for Kamloops—Shuswap (Mr. Riis) for bringing this motion to the attention of the House. It is a subject which is of great concern to all of us.

As you know, the reform of the financial sector has been an important part of this Government's economic agenda for the last three years. We have more legislation still to come and we have passed a great deal already. We attach importance to consumer protection because of the events of the last two years when many financial institutions were in some difficulty. People are concerned now about the safety of their deposits and their investments in some of these institutions. One such incident about which we have heard spoken in this Chamber today, very much in the minds of Members, is what is called the Principal Group affair. Unlike other incidents in which the federal Government was clearly involved, the Principal Group is a provincial matter. We must be careful to avoid jurisdictional problems where there is a provincial responsibility, and the federal Government would do well to follow what the province wants in some of these matters.

As I have said earlier, we have done a great deal over the last three years to strengthen financial institution management. For example, for some time now there has been a prohibition against anyone or any institution, other than a member of the Canada Deposit Insurance Corporation, representing itself as being insured by the CDIC. Except in cases of outright fraud or deliberate misrepresentation, this rule goes a long way toward protecting consumers.

There has also been a long-standing CDIC requirement that uninsured deposit instruments offered by CDIC member institutions must be clearly stamped as such. In addition, the new provision added to the CDIC Act by Bill C-42 allows institutions and their agents to indicate that deposits are insured. Taken together with other matters, these provisions would seem, at least to me, to allow the CDIC to introduce measures very similar to the one being proposed to us today.

Bills C-42 and C-56 passed and proclaimed last July clarified and strengthened many of the consumer protections in the existing law. For example, the requirement to indicate in writing on the contract that a deposit is not insured under CDIC became part of the Act itself rather than simply part of the CDIC by law.

Because other people in this Chamber want to speak to this motion this afternoon, let me come to the part that disturbs me most of all. I say again that I concur with the spirit of the motion. I do not, however, think that we can accept the motion as it now stands. It has implications for legislation relating to financial institutions. Even the complexities of these were outlined by the Hon. Member who introduced the motion himself on February 29, 1988. If one reads his comments, as recorded at page 13240 of *Hansard*, they are enough to cause each of us to pause and think again. The Liberal Member who spoke a few moments ago said that he wished he could amend this motion. Why, Mr. Speaker? So that we would know what institutions we were really talking about.

If we have that kind of confusion, and again looking at the comments made by the Hon. Member from Kamloops—Shuswap, recorded as I said on page 13240 of *Hansard*, what we have here is a motion that purports to make something simple which, in fact, is a very complex matter. Entering into negotiations with the provinces is not the way we should be heading. We should first be asking what institutions we are trying to control in this way, what kind of investments, insurance and other matters. Then we should decide where to take it.

I cannot support this motion, despite approval in the sense of what I know the Hon. Member wants, because it leads us into a complexity which I think is masked by the simplicity of the motion.

Mr. Les Benjamin (Regina West): Mr. Speaker, I feel compelled to say something for three or four minutes on this motion. I want to say to my hon. friend, who concurs in this motion but cannot support it, that if it is such a great motion—

Mr. Winegard: It is the spirit of the motion.

Mr. Benjamin: There are spirits and there are spirits.

Some Hon. Members: Oh, oh!

Mr. Benjamin: Here is the ghost of bankers past.

Mr. Winegard: It is the NDP ghost.

Mr. Benjamin: If Members like the spirit of the thing, since this is only a motion, legislation to implement the motion will implement the spirit. I do not want to be paranoid because there are too many people on the government side, but the very fact that in non-election years the five major banks in Canada give $25,000 to the Conservative Party and $25,000 to the Liberal Party whereas in an election year, that amount is doubled makes me suspicious. I have a terrible suspicion that "them that pays the pipers calls the tuné".

Surely depositors have a right to know when they make a deposit by putting their money in a savings, a chequeing or a term deposit account—I would not worry about buying shares because very few ordinary people do. They don't have enough money for that—whether or not they are covered under the Canada Deposit Insurance Corporation. Banks avoided, and have avoided for years, telling people whether or not they are covered. All this motion does is to ask the Government to consider, just consider, requiring—

Mr. Winegard: You don't even know what the motion means.

Mr. Benjamin: It is very carefully legally worded. If it had been my motion, it would have been worded a lot tougher and meaner than this one. But my colleague from Kamloops—Shuswap is more of a gentleman and more statesman-like than I am.

The hon. gentleman who just spoke, supports the lovey-dovey finance and banking companies. But if you want to collect the insurance you have to be struck by lightning at high noon on a Tuesday in front of City Hall in the company of your dog and your lawyer in order to collect.

• (1750)

How anyone with any real interest in the welfare and the wellbeing of those who trust financial institutions with their savings, with their pay cheques, could not support this motion, I do not know. And it is only a motion; it is not a piece of legislation.

Depositors in financial institutions should not be led to believe that they are covered by some kind of deposit insurance when they are not. We have had at least six instances in the life of this Government where thousands and thousands of people have lost most if not everything that they had. Surely it is only natural justice to require every financial institution to declare to depositors what is and is not insured. If the provinces will not co-operate, we can at least require any financial institution operating under a federal charter to declare to the depositor what is covered and what is not, and the degree to which deposits are covered.

Frankly, the present level of coverage is, in my view, inadequate. The $200,000 or $300,000 that an individual gets on the sale of his business or farm represents that individual's pension fund. If he or she turns around and deposits the proceeds of the sale into term deposits and savings accounts in a financial institution that goes belly up, that individual loses everything.

Mrs. Collins: In that circumstance, the proceeds should be divided among various institutions, bearing in mind that the deposit insurance covers only the first $60,000.

Mr. Benjamin: If the financial institutions will not voluntarily make such a declaration to depositors, this Parliament should require them to do so. There are simply no "ifs, ands or buts" about it.

An Hon. Member: The Member opposite said to split it.

Mr. Benjamin: I do not know who the Hon. Member opposite wants to split it with. She wants the depositor to lose half. Who is going to lose the other half—the Government?

Mrs. Collins: Given that only $60,000 is insured, the proceeds should be deposited in various institutions.

Mr. Benjamin: We have five chartered banks in this country which, for many years, have not paid a nickel's-worth of income tax, corporate or otherwise—and that notwithstanding that they have taken millions and millions out in profits.

I can remember being told by a CPR auditor that, rather than depositing my money into a savings or chequing account in the bank, I should buy shares in the bank. In that way, my money would be safe. So, withdraw all of your money out of chequing accounts, savings accounts, term deposits, and buy shares in the bank. In that way, you become a part owner of the bank.

Under the theory of market forces and free enterprise, once you have shares, you are part of the action. You are right in there with the financial establishments of Bay Street and James Street. You are in there like a burglar. You are a big-wheel capitalist. You have shares.

So, my advice to all of the people of Canada is that they take their money out of savings accounts, term deposits, and what have you, and buy bank shares.

Mrs. Collins: And then you nationalize the banks. What happens then?

An Hon. Member: What shares do you recommend?

Mr. Benjamin: I have only ever bought shares in what is called a people's bank, a credit union. I do not go near the chartered banks. When I needed money, back in the days when I was a railroad employee, they were not interested in lending it to me. Because I did not own any property, they weren't interested. However, once I had gained some modest amount of prominence in the community, all of a sudden they were practically dragging me in off the street, wanting to lend me money.

Where the heck were they when I needed them? Where were they?

An Hon. Member: Tell me what bank it is. I want to get my money out.

Mr. Benjamin: I had both the Bank of Montreal and the Royal Bank of Canada refuse to make me a loan at that time. Would you believe, all I wanted was $700!

An Hon. Member: And what did you want it for?

Mr. Benjamin: I was buying a car. I had $2,000 in cash, and needed another $700.

An Hon. Member: Do you still have the car?

Mr. Benjamin: No, I do not. The point is, the depositors and subscribers to bank instruments, with the exception of those involved with credit unions, are being had, and certainly they were had in the case of the bankruptcy of the Principal Group.

It is my hope that in the remaining four minutes, we pass this motion. The ball will then be in the Government's court, and it will be up to the Government to decide whether or not it wishes to act on it. But surely this is an appropriate time for the Members of this House to make it clear that there has to be mandatory protection for depositors in financial institutions under federal jurisdiction in the form of a requirement on the part of those financial institutions to inform depositors as to the existence and level of deposit insurance.

Hon. Allan B. McKinnon (Victoria): Mr. Speaker, it has been an entertaining afternoon. I listened with interest to the plea on the part of the Hon. Member for Regina West (Mr. Benjamin) to Canadians to take their money out of banks and buy shares—

An Hon. Member: Bank shares.

Mr. McKinnon: While I hope no one takes him seriously, if he feels keenly enough about that proposition, perhaps he would see me once the House adjourns. I have a few shares that I have been using as wallpaper in my bathroom that I might be persuaded to part with at cost.

Mr. Benjamin: They are probably of the Farmers' Bank of Canada. The "Dirty Thirties".

Mr. McKinnon: I might be persuaded to part with those shares at cost, just to help him end up with the security that he so dearly wants.

I assumed, at the outset, that the Hon. Member did not understand the motion—and I have some sympathy for him in that respect. The motion runs to 63 words in one sentence, including an absolutely novel way to spell "institutions".

Given the wording of the motion, I can well understand even people smarter than the Hon. Member for Regina West being somewhat confused.

I cannot understand how the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) saw a relationship between the situation of the couple that had invested $200,000 in Principal Trust and the situation in respect of deposit insurance. I do not believe that what is contemplated by this motion would have in any way prevented that couple from losing their money. They wanted to put that money into Principal Trust. Had they been told that Principal Trust was not covered by CDIC and had complained about it, I am sure the salesman would have simply pointed out that the assets of the Principal Group were sufficient to cover up to 104 per cent of the amount of moneys borrowed.

I see that you are signalling me, Mr. Speaker. Call it six o'clock.

The Acting Speaker (Mr. Paproski): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 36(2), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*English*]

CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed from Friday, April 22, consideration of the motion of the Minister of Finance that Bill C-118, an Act to amend the Customs Tariff, be read the third time and passed.

The Acting Speaker (Mr. Paproski): The Hon. Member for Thunder Bay—Atikokan (Mr. Angus) on a point of order.

Mr. Angus: Mr. Speaker, I rise on a point of order. There has been discussion among the Parties, and I think you will find, in respect of Bill C-118, which was to be the subject of a deferred division at this time, that there is all-Party agreement to proceed to third reading without calling in the Members, with the consequent disruption of committees, and what have you.

If you will check with the House, I think you will find a disposition to adopt the Bill on third reading at this point.

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, I agree that the division bells not be rung and that, with the unanimous consent of the House, Bill C-118 be given third reading at this point.

The Acting Speaker (Mr. Paproski): The Hon. Minister of State (Mr. Lewis).

Mr. Lewis: Mr. Speaker, we are in agreement with the suggestion made by the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), and as agreed to by the Chief Whip of the Liberal Party, the Hon. Member for Ottawa—Vanier (Mr. Gauthier). It is my understanding, on the basis of the agreement, that the Bill can be given third reading without the necessity of a division bell.

The Acting Speaker (Mr. Paproski): Accordingly, the motion of the Minister of Finance (Mr. Wilson), for third reading of Bill C-118, an Act to amend the Customs Tariff, is adopted.

Motion agreed to, Bill read the third time and passed.

The Acting Speaker (Mr. Paproski): It being six o'clock p.m., this House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Tuesday, April 26, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour to present a petition pursuant to Standing Order 106 on behalf of a number of constituents. The petitioners are very concerned that the trade deal negotiated with the United States will have a fundamental impact on our ability as a country to pursue economic, cultural and political independence. The petitioners believe that the agreement will result in the loss of many, many jobs in various sectors of the economy as well as various regions of Canada. Therefore, they ask the Parliament of Canada to obtain a clear mandate from the Canadian people through a national debate on this issue during a national general election.

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I too have a petition that has been certified correct as to form pursuant to Standing Order 106. The petitioners are residents of the riding of Thunder Bay—Atikokan, particularly in the Westport area. They believe the trade deal would deny Canada the policy freedom to determine its own economic future and would undermine our ability to build a society distinct from that of the United States. The petitioners humbly pray and call upon Parliament to dissolve, and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

• (1110)

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Jim Jepson (London East): Mr. Speaker, it is my pleasure to present a petition from hundreds of Londoners in the ridings of London East and London West, as well as London—Middlesex, who are calling upon Parliament to ensure that Canada has a strict abortion law that recognizes foetuses from conception as Canadian citizens, entitled to the same legal protection as all other Canadian citizens.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Les Benjamin (Regina West): Mr. Speaker, as a result of a public rally the other evening in Regina, I was presented with the following petitions from citizens of that city and other communities in Saskatchewan. It states that whereas the Government of Canada's willingness to enter into a trade agreement with the United States, and whereas the proposed trade agreement will have significant negative impacts upon Canada, and whereas the Prime Minister of Canada (Mr. Mulroney) will soon be meeting with the President of the United States, the undersigned petition the Parliament of Canada to express opposition to the proposed trade agreement, and that the Government of Canada inform the President of the United States that further action on this agreement will be discontinued immediately.

I have three further petitions on the same subject but which are worded differently in which, as usual, the undersigned petitioners from the City of Regina and from other such places as Shaunavan and Eastend, Saskatchewan, petition that whereas the proposed trade agreement denies Canadians secure access to the U.S. market, which was a key objective in these negotiations, and threatens the loss of hundreds of thousands of Canadian jobs, the undersigned, your petitioners, pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, question No. 276 will be answered today.

[*Text*]

FINANCIAL BENEFITS OF CALGARY OLYMPICS

Question No. 276—**Mr. Scott (Victoria—Haliburton):**

1. What is the government's estimate of the (*a*) direct financial benefits of the Calgary Olympics to the Calgary area (*b*) indirect benefits to (*i*) the rest of Alberta (*ii*) each of the other provinces?

2. What are the corresponding figures for the Montreal Olympics?

3. What was the cost of the (*a*) Calgary (*b*) Montreal Olympics to each taxpayer?

Canada Labour Code

Hon. Jake Epp (Minister of National Health and Welfare): 1. (a) (b) (i) and (ii) The Economic Impact Study of the XV Olympic Winter Games dated July 31, 1986, prepared by the Bureau of Management Consulting of Supply and Services for the Federal Olympic Office states the following:

"The economic stimulus due to the direct expenditure of about $875 million on the Games generated an appreciable amount of economic activity in Canada; the most important aspects of which were:

(1) the contribution of about $1.3 billion to Canada's Gross Domestic Product (GDP); fully 68 per cent of which is comprised of direct spending on facilities, operations and tourism.

(2) the creation of approximately 27,400 person-years (PY) of employment in Canada during the 1980s.

In the neighbourhood of 70 per cent of the above employment and GDP estimates accrued to Alberta. The study did not differentiate as between Calgary and the rest of Alberta.

Economic benefits to the rest of Canada, representing approximately 30 per cent of the total impact, occurred principally through the "leakages" from Alberta that occur from the induced economic effects of the Games; the most important of which are the sourcing of materials and services for construction, operations and visitor catering services."

2. The Government of Canada did not undertake an economic impact study for the Montreal Games.

3. (a) The Government of Canada contributed $200 million (1982-83 non-taxable dollars) to the Calgary Games. This contribution was broken down as follows:

These moneys were attributed to payment from the provinces to the federal Government for getting out of the lottery field, sales of Olympic commemorative coins and incremental seignorage on the $1 circulating coin.

It is still too early to quote a dollar figure for essential services required at the Calgary Games. Security, customs, etc. costs have not yet been tabulated by the respective departments.

(b) It is quoted in the Malouf Report of the Montreal Games that the Government of Canada's total contribution to the Summer Games for services was $142 million. Revenues of $115 million were derived from the sale of Olympic coins and stamps and $235 million was attributed to the Olympic lottery.

[*Translation*]

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

Mr. Speaker: The question enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADA LABOUR CODE

MEASURE TO AMEND

Hon. Pierre H. Cadieux (Minister of Labour) moved that Bill C-124, an Act to amend the Canada Labour Code, be read the second time and referred to a legislative committee.

He said: Mr. Speaker, I rise today to address the House concerning the Bill which I recently introduced which would make necessary changes to legislation dealing with the all important subject of occupational safety and health. These changes, while minor in themselves, will help make the Canada Labour Code a more flexible and efficient instrument for the protection of Canadian workers.

The first of these changes is a series of amendments to Part IV of the Code which have general application. The second relates only to the federally regulated coal mines in Cape Breton.

[*Translation*]

Mr. Speaker, as Minister of Labour I have always considered the promotion of occupational safety and health to be one of the most important tasks in my department's mandate. Mr. Speaker, I would ask Hon. Members on both sides of this House to co-operate in giving expeditious approval to the proposed amendments, for the sake of the working men and women whose lives and well-being depend to a large extent on the quality of the legislation we provide.

[*English*]

The over-all objective of this Bill is to ensure consistency between the recently amended Part IV of the Canada Labour Code and the regulations made pursuant to the Code.

[*Translation*]

One major intent of the 1984 Code amendments had been to clarify the prime responsibility of the employer for employees' occupational safety and health. Mr. Speaker, the regulation-making authorities of the Code in this respect were therefore limited to precise standards which could be rigidly prescribed.

[*English*]

This new approach has generally worked well, but some serious concerns regarding situations and environments in which some flexibility is required were raised during the drafting of the regulations. These concerns are again arising in the regulation revision process. The proposed amendments to the Code will resolve those concerns by providing new or clearer authorities.

For the sake of clarity I shall present the changes in logical order rather than in a clause-by-clause succession. First, I will deal with the amendments of general application.

Clauses 4 and 5 of the Bill will provide authority pursuant to the proposed Subsections 105(7), 106(1.1) and (1.2), to make regulations for circumstances or situations in which it is not possible to prescribe rigid standards.

[*Translation*]

For example, Mr. Speaker, it is sometimes impossible to make regulations that cover every aspect of an engineering work or structure. Such situations may best be covered by a requirement that the work or structure be constructed "in accordance with good engineering practice". A professional engineer can certify that good engineering practice has been used, but this is not a prescribed standard and such a requirement would not be permitted by the current authorities in the Code. The proposed amendment will permit such a requirement, but only where the Governor in Council deems it appropriate.

[*English*]

Authority is also required to permit regulations to be made applicable generally to all workplaces, or all classes of employment, or particularly to one or more workplaces or one or more classes of employment as may be specified in the regulations.

[*Translation*]

For example, it would be appropriate to require a higher level of lighting in a warehouse where explosives or toxic substances are being handled, compared to a similar warehouse in which no hazards are presented by the materials being handled.

[*English*]

To ensure that employees enjoy the protection offered by the most recent updated standards, authority is required to reference standards as amended from time to time. Authority is also required to use the words: "to the extent that it is practicable or reasonably practicable." This would cover situations where it was found that it would be unreasonable to prescribe one precise standard for all situations.

[*Translation*]

It would be unreasonable, for example, to expect that buildings built before 1985 would meet all the requirements of the 1985 Building Code. It would be more appropriate to write a regulation requiring that all buildings will comply with the most recent building code to the extent that it is reasonably praticable.

Referring to Clause 2 of the Bill, the proposed amendement would authorize the provision in the regulations that requires an annual report on each safety and health committee's activities to be made in the prescribed form to a person designated by the regulation. This would permit Labour Canada to know whether the safety health committees are performing their prescribed functions effectively, or whether they might need assistance.

[*English*]

I will now address the proposed amendments that only refer to federally regulated coal mining in Cape Breton, Nova Scotia.

• (1120)

[*Translation*]

Because of the special risks involved in working in the Cape Breton Development Corporation's coal mines in Nova Scotia, it is proposed to establish a tripartite Coal Mining Safety Commission. The Commission would have the authority to review and approve plans, procedures, methods and equipment in order to ensure that they will be safe in the ever-changing mining environment.

The Commission would also have the authority to vary or exempt the application of regulations, or to substitute a different standard where such actions will provide equal or better safety protection for the coal miners.

[*English*]

Referring to Clause 3 of the Bill, the proposed Sections 94.1 and 94.2 of the Code would set out the manner of establishment, selection, and remuneration of Commission members and the powers and duties of the Commission.

Referring to Clause 1 of the Bill, the proposed Section 82.3 requires that the employer, the Cape Breton Development Corporation, shall comply with the conditions and provisions imposed by the Commission under the authority of proposed Section 94.1.

In addition, it is proposed that pursuant to Section 82.3 the Code provide authority for two long-standing practices. The first is the practice permitting persons selected by the coal mining employees to inspect all workplaces in a mine to ensure that they are safe in all respects; the second practice is that of searching persons going underground to ensure that none carry cigarettes, lighters, alcohol, or drugs into the hazardous and potentially explosive mine atmosphere.

Referring to Clause 6 of the Bill, finally, to ensure continuity of safe operation of the coal mines, it is proposed that preexisting exemptions and approvals issued in the interests of safety remain in force.

[*Translation*]

Referring to Clause 7 of the Bill, Mr. Speaker, it is proposed that the sections of this Act to amend the Canada Labour Code come into force at different times, particularly to permit time for the establishment of the Coal Mining Safety Commission and avoid having to make certain provisions of the regulations again under the amended Act.

[*English*]

I should mention, Mr. Speaker, that these amendments have the support of the Cape Breton Development Corporation and its employees.

I would urge Members of the House to grant speedy passage to this Bill at all stages, which will make a significant contribution to the occupational safety and health of working men and women in the federal jurisdiction.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I am speaking on Bill C-124, an Act to amend the Canada Labour Code, on behalf of my colleague and friend, the Liberal critic, the Hon. Member for Saint-Jacques (Mr. Guilbault), who is now away from the House on an emergency.

Mr. Speaker, the purpose of this Bill is to make health and safety standards for work in coal mines more flexible and effective, if I understood correctly, while at the same time protecting workers in the coal mines.

We support this amendment and we can tell the Minister and the Government that they will receive the usual co-operation from the Opposition to give this Bill speedy passage.

I would still like to tell the House that there are two Members who are very interested in this Bill, namely the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), who will want to speak to it because it affects him very closely in his riding, and also the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan), who asked me to say a few words on the Bill in order to explain and properly understand the initiative that the Government is proposing to us.

One of the main objectives of the amendments made to the Code in 1986 was to establish the employer's primary responsibility for employees' health and safety on the job. In this regard, the regulatory authorities have confined themselves to specifying the standards that must be rigorously prescribed.

In general, this has worked well. This new procedure has been well received. However, the relationship of the regulations has given rise to serious questions in situations and environments that require some flexibility.

The following amendments to this Bill deal adequately with these concerns.

I shall deal with this Bill C-124 in terms of principles, Mr. Speaker, and leave it to the legislative committee to study the amendments more closely and in detail.

Clauses 4 and 5 of the Bill give the power to make regulations under Subsections 105(7), 106(1.1) and 106(1.2) in circumstances or situations where it is not possible to prescribe rigid standards. Under Subsection 106(4), the regulations may be applicable: (a) generally, to all workplaces and all classes of employment; (b) specifically, to one or more workplaces or one or more classes of employment, as will be specified in the regulations.

Furthermore, under Subsection 106(5) of the Canada Labour Code, a standard may be incorporated by reference to other standards and may be amended as these are amended from time to time. Under this provision, employees will be able to enjoy the protection afforded by the latest updated health and safety standards, while it also obviates the need for amending the regulations.

Under new Subsection 106(6), the terms "practicable" and "reasonably practicable" may be incorporated.

Mr. Speaker, it is generally recognized, and I think everyone in the industry will agree, that it is unreasonable to prescribe a single specific standard in every case. There are exceptions where one must be flexible, and, as the Minister remarked, we must be flexible in applying these regulations. The Committee will have to examine these conditions and further clarify the purpose of this provision.

Clause 2 of this Bill concerns the authority under paragraph 92(11)(f) to require safety and health committees to submit an annual report. I think this provision is reasonable and acceptable, if we want Labour Canada to know exactly what is going on, whether the safety and health committees are effective in performing their prescribed duties and whether they need assistance.

The amendments in Bill C-124 concerning the coal mines of the Cape Breton Development Corporation are quite straightforward, and I think the Minister has explained quite clearly why, in these specific situations where the federal Government is practically the sole authority with respect to management and health and safety concerns, the Bill proposes to establish a tripartite Coal Mining Safety Commission that will have the authority to examine and approve plans, procedures, methods and equipment, to ensure they do not present any hazards in this fast developing mining industry.

The Commission will also have the authority to amend the regulations, to suspend their application and to substitute certain standards for other standards, provided they offer the same or better safeguards for coal miners.

Clause 3, which is new, will establish a new agency, Mr. Speaker, the Coal Mining Safety Commission, responsible mainly for approving, as appropriate, plans and procedures to be followed in coal mines and mining methods, machinery and equipment for use in coal mines, and they also exempt coal mines from certain regulations of general application.

We welcome this provision as well, but the "notwithstanding" provisions that follow are somewhat puzzling. Take, for instance, Subsection 94.2 (2). I will read it to you, Mr. Speaker.

> On the application of an employer, the Commission or a person designated by the Commission for the purposes of this subsection may, where, in the opinion of the Commission or that person, protection of the safety and health of employees would not thereby be diminished,
>
> (*a*) approve in writing the use by the employer in coal mines of mining methods, machinery or equipment in respect of which no prescribed safety standards are applicable;

We would like to ask the Minister for explanations, maybe in committee, on these provisions granting exemptions in order to clarify their scope and perhaps better understand the objective sought.

Mr. Speaker, as I was just saying, we intend to support this Bill and to make it conform as soon as possible to the desire to make the regulation somewhat more flexible while keeping in mind our responsibilities for health and safety.

The comments I have to make on that, I think, are fairly supportive, I would say, of this Bill, and as I was just saying, we will give it our approval as soon as possible on second reading so that in committee, my colleagues from the House, and especially those in my Caucus from the Cape Breton region, can certainly make amendments, if necessary.

• (1130)

[*English*]

Mr. Jack Harris (St. John's East): Mr. Speaker, it is with pleasure that I rise to speak on the motion for the second reading of Bill C-124, an Act to amend the Canada Labour Code. The provisions of Bill C-124 represent an important step forward in terms of health and safety in the workplace generally, and in the coal mining industry in particular. I wish to commend the Minister of Labour (Mr. Cadieux) for the extensive consultation he undertook in the preparation of this Bill. I understand that he put in place an elaborate ongoing consultative process with the coal mining industry, with the officials of the Cape Breton Development Corporation, with the United Mine Workers, and with the Canadian Labour Congress. His efforts in that regard represent a remarkable precedent in terms of government and labour and industry working together to bring about improvements to the Canada Labour Code in respect of health and safety in the workplace.

Unions throughout this country and internationally have been vociferous in bringing forth their proposals to increase the level of health and safety in industry generally, and in the mining sector in particular. We in Canada have experienced a number of great disasters associated with the mining industry. We all recall only too well the Springhill mine disaster, where an underground explosion led to a number of fatalities.

The mining industry, by its very nature, presents a number of dangers, not the least of which is the lack of access to immediate escape and immediate emergency equipment. Certainly, it is a sector which presents a unique set of circumstances.

It is appropriate that Bill C-124 is before the House this week for debate, given that April 28 has been designated a day of mourning for all those killed or injured in the workplace. This day of commemoration is sponsored by the Canadian Labour Congress, the idea being to bring to the attention of the public the need for increased health and safety in the workplace. A number of district labour councils throughout the country, along with a number of municipalities, have joined in proclaiming April 28 as a day of mourning, in recognition of those killed or injured in the course of their employment.

There are far too many accidents in the workplace, leading to serious injury and death. We are always, we hope, moving forward in the area of health and safety in the workplace, and those involved in promoting health and safety in the workplace deserve the commendation of this House for their efforts in keeping before the public and lawmakers the need for increased health and safety in the workplace.

As a labour lawyer and one who has been involved in a number of cases involving health and safety aspects in the workplace, I can tell you that it is an area that presents the employee with some very difficult decisions. Often, an employee is required, as part of his contract of employment, to undertake dangerous work, and if at any time the employee chooses not to undertake the work requested, that employee risks being the subject of disciplinary action on the part of the employer, including the potential loss of employment. As a result, the employee generally has little if any control over working conditions.

Bill C-124 goes some distance in correcting that situation in so far as the mining sector is concerned, in as much as employees would have an important role, through the Coal Mining Safety Commission, in ensuring control over the health and safety standards to be followed. To my mind, this is an important forward step, and one which gives the employee important input in terms of the health and safety standards to be followed.

Given the level of technology and equipment utilized in the mining sector, one could not expect the miners to be totally familiar with its dangers. Through the Coal Mining Safety Commission, the employees will now have access to the kind of expertise and knowledge necessary to ensure that the new equipment is not introduced into the mine without assurances that the equipment is in fact safe for use, with the necessary safety practices and regulations already in place.

In the event that a given piece of equipment is not deemed to be dangerous in and of itself, or involved in a dangerous aspect of mining, it may be that there will be no necessity for having standards and regulations in place in respect of its use. I commend the Minister for the extensive consultations that have taken place in bringing this Commission forward. We have had accidents in Cape Breton. We had a recent most serious fire in a Cape Breton coal mine which caused a close down. Safety in the mining industry is something that ought to be and is, I am sure, foremost in the minds of those working in the mines and in the minds of their families. It is a dangerous occupation, and concern for safety is always uppermost in the minds of the families.

• (1140)

I support the Bill in principle at second reading stage. It moves forward in bringing into line some of the technical regulations with the new changes to the Canada Labour Code, and it is important that this Bill be given speedy passage in the House.

I do, however, want to speak about a reservation I have concerning the provisions in Clause 1 of the Bill which will add a section following Section 82.2 of the Canada Labour Code. It will put into law a provision requiring a search of those entering a mining area who are not employed there. Every person will be searched, and a proportion of employees working in the underground portion of the mine will have to submit to personal searches conducted in a manner to be prescribed by the regulations.

I understand from discussions with the Minister and his staff that this provision in the Bill, even though it is written as a law of general application, refers only to coal miners. Under the Constitution, of course, the only coal mining activity undertaken under federal jurisdiction is that of the federal Crown corporation, DEVCO. I understand it is still a federal Crown corporation but I do not know what plans the Government may have for the future. The only coal mining activity affected by this particular provision will be the coal mines in Cape Breton.

I do understand, as the Minister indicated in his speech, that there was consultation with representatives of the employees. There is a proposal to search to make sure that matches, cigarette lighters and these types of things are not brought into the mine even accidentally by an employee who is perhaps forgetful or puts on different clothing which happens to have matches, cigarette lighters or whatever in the pockets. This employee may, without thinking while in the mine, "flick his Bic", I think it is said sometimes. I have seen people do that without thinking. It does not sound like a very diabolical provision if it is designed to prevent an accident from occurring. However, I do have a grave reservation about including in a law of general application the requirement to search. This may establish a precedent for all sorts of other types of search and seizure provisions which may well be opposed by many segments of the society for reasons of invasion of privacy, civil liberties and for a further moving of the state in the direction of denying individual liberties.

I would, of course, underline the importance of safety in coal mines. An explosion would be devastating. We all know of the famous Davey lamps and other lamps that have been devised to provide light underground in coal mines without causing explosions. I have grave reservations about including this particular phraseology in a law which appears to be of general application, although we heard today that it only has application to the Cape Breton coal mine because that is the only coal mine under federal jurisdiction. Having said that, I will be having further discussions with the Minister as to what the consequences of this search provision are.

I wanted to express those reservations at second reading stage but at the same time support in principle the legislation contained in Bill C-124 together with the various provisions which provide for a major improvement in access to employees, access to inspection procedures underground, access that employees will now have through the Coal Mining Safety Commission to information, technical knowledge and understanding of exactly what is going on concerning health and safety and the opportunity to examine and to put in place safe work practices with respect to new equipment which may be brought into mining activity. All of those things are very progressive actions and put the employees in a position of being able to have control over their workplace where they daily take great risks.

The other provision in Clause 2 of requiring health and safety committees to submit annual reports of their activities appears to be a minor clause in the Bill before us today, but it is a very important one. It allows the monitoring of the activities of these committees and allows health and safety committees to bring to the attention of officialdom, if you will, activities which they have undertaken during the year and to point out any serious problems encountered. These can be put on the record so they will not be forgotten and action can be taken. If not, someone can point to the very serious problems in the current annual report or the following one. A watch-dog can be provided, as it were, to make sure that the committee reports are part of the public record and will be acted upon.

I commend and thank the Minister for bringing this legislation forward. I reiterate the support of our Party in the House for Bill C-124 in principle with the reservations that I have expressed.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I wish to join with my colleagues in opposition expressing my gratitude, if you will, to the Minister of Labour (Mr. Cadieux) who has obviously, and I say so with respect, taken a great interest in the subject matter before us. We are aware of many of the activities of his predecessors who have also had as their goal the improvement of occupational safety and health as it affects employees and businesses across Canada.

• (1150)

Since the Bill does zero in on a particular Crown corporation which is of great interest to me and the people I represent, I would also like to pay due respect to the union representatives of the United Mine Workers of America, and in particular, their safety co-ordinator in the person of Mr. Paul MacNeil, and of course representatives of the Cape Breton Development Corporation who represented the employer in the consultation process. Regarding the substantive parts of the Bill, I say to the Minister that I understand, appreciate and concur with the intent of Bill C-124. However, I have a number of reservations and qualifications that I will want to pursue at another time with the Minister as well as with representatives of the union and with management.

I do wish to say now at second reading stage that safety in the coal mining industry in Cape Breton has been of primary concern not only to me but indeed to my own predecessors who have served in this Chamber on previous occasions. It was through our efforts that many good things have come about for safety and occupational health in the coal mines.

Some of these amendments may appear at first instance to be rather minor in their substantive effect on coal mining in Cape Breton. However, they are certainly substantial in the effect they will have on the industry. To be fair to the Minister, I think he is very much aware of that and has responded to the representations of union and management. I wish to compliment him for responding so quickly and so efficiently on their behalf.

The legislation contains provision for a tripartite commission. The Minister will know that in setting up this commission, much of the discretionary authority still remains with the Governor in Council. Although I can understand and appreciate the need for flexibility in the implementation of agreed upon standards, we must be cognizant of the need to make certain that the agreement on a standard and the implementation of a standard may be two different things.

Let me make the point that standards have to be very clear to management and to union representatives as well as to the working person. Everyone must understand beyond a shadow of a doubt what is being talked about. There can, however, be some grey areas, as I think the Minister has indicated in his remarks, for which their must be flexibility in the implementation of a particular standard. I can appreciate the Minister's comments on that as well as those of my colleague from the New Democratic Party.

With the intent of the Bill being the improvement of occupational health and safety in the coal mines, I would hope that the upgrading of a standard would be the over-all objective rather than the relaxation of a standard. I would hope that there would always be a desire, both directly and indirectly, to try to improve upon that standard so that we can ensure the employees, their supervisors, the management, family members and the community at large that safety is the number one objective in this process.

That leads me to the issue of regulations. I will be discussing with the Minister and I am discussing with members of the union regulations for coal dust levels. I believe the Minister is aware that union representatives would prefer to have a level of four as opposed to the regulated level of six. It is my understanding from the representatives that there is a clear desire and intention to move to the level of four. I just bring that to the attention of Hon. Members opposite to underline the significance and importance of the intent of this aspect of the Bill.

Under the Bill, much of the discretionary authority still lies with the Governor in Council. The Commission is to consist of five individuals. The Minister said that he would appoint the chairman, and four other individuals would be appointed, being equally representative of non-supervisory employees and employers at DEVCO. I would hope that the union will have a real say in the determination of who those appointees will be and not simply be used, and I am certain the union will not simply be used by this Minister.

I give the Minister notice now that I will be asking him at a subsequent time what the prescribed budget of the particular Commission will be and what sort of actual assistance will be made available to the Commission. I will ask specific questions about the rules of natural justice and how they will be applicable. I will also ask questions about further developments in the coal mining industry of Cape Breton and what role he envisages this Commission to play and how it will interact with other agencies of both federal and provincial Governments. Those are questions which are rather fundamental to these amendments which, at the outset, may appear to be minor. However, in many instances, they would have a substantive impact on the coal mining industry of Cape Breton.

In addition to the number of individuals on the Commission, and I hope the Minister will provide detail on that at a later time, the regulations the Commission will be making are extremely important. It is extremely important that the Commission have broad consultation among the representatives of the union and that it continuously try to improve upon the standards in order to try to optimize as best as humanly possible the occupational health and safety of the workers who are employed at the Cape Breton Development Corporation.

In the Minister's speech, he said that it is proposed that pursuant to Section 82(3) the Code will provide authority for two long-standing practices. It is the second practice that I wish to draw to your attention, Mr. Speaker. He said that the second practice is that of searching persons going underground to ensure that none carry cigarettes, lighters, alcohol or drugs into the hazardous, potentially explosive mine atmosphere.

If one were to read those sentences in isolation, I think one could argue that that is search and seizure. I will want the Minister to qualify that on the record at a later date. I wish to know what the intent of that really is. I also wish to review very carefully the wording of that practice.

I am sure that the Minister is not suggesting that there be a pre-test for everyone and anyone who works at a particular mine site. I think he is suggesting something much less than that. However, the intent is very important when achieving the particular objective.

There are a number of concerns I have that I am sure can be dealt with in a semi-private atmosphere along with my NDP colleagues to the left. I am sure that we can resolve these and some of the other points that I have raised with the Minister. However, I would like to have some further explanation of some of the interpretation of the wording given by the Department and the Minister. My colleague from Cape Breton—The Sydneys also wants that information because he has coal mines in his constituency as well and has been following the subject of occupational health and safety as much as I have over the last number of years.

• (1200)

Finally, I wish to reiterate that I think the Minister has accepted the challenge made by representatives of the United Mine Workers of America, in particular Mr. Paul MacNeil. I am sure he would have been in Ottawa today to answer any questions any Member had but he has been ill for a number of weeks, like I have, and I thank you for the flowers you sent, Mr. Speaker.

I will conclude by saying that we want to have another look at some of the questions I have raised before giving swift passage to this Bill.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to a legislative committee.

* * *

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO ENACT

Hon. Monique Vézina (for the Minister of the Environment) moved that Bill C-74, an Act respecting the protection of the environment and of human life and health, be read the third time and passed.

Mr. Gordon Towers (Red Deer): Mr. Speaker, I am very proud to speak on the Canadian Environmental Protection Act, before you today for third reading. I am proud that we are meeting the commitment of the October, 1986, Throne Speech. And I am proud because this is the first piece of comprehensive, federal environmental protection legislation in the history of our country.

I wish, at this time, to echo the words of the chairman of the legislative committee that tabled its amendments on Bill C-74 in this House on March 23, 1988. The work of the committee was indeed a superb non-partisan exercise, where all worked together without regard to political affiliation to make this the best possible legislation for Canada.

I wish to spend the next few minutes describing the amendments brought by the committee that are among the highlights of Bill C-74.

The definition of "substance" in Clause 3 has been adjusted, so that it now clearly applies not only to matter that is capable of being dispersed in the environment, or of being transformed and then dispersed in the environment, but also to matter capable of causing such transformation. This will enable us to regulate substances strictly based on their ability to transform other matter and to cause its dispersal.

For the first time in a federal statute, "biotechnology" is defined, and the revamped definition of the term "release" in Clause 3 now specifically covers discharge, spray, injection, inoculation and abandonment of any substance governed by the Act.

We have not forgotten that the provinces are partners in the fight to protect Canada's environment. Clause 6 of the new statute forges new links to make that effort more effective and productive. Under that part, a federal-provincial committee will be created to advise on regulations on the release or disposal of substances, as well as their storage, display, handling and transport. The committee may also advise on any other matter related to the administration of the Act.

These links will be further enhanced by the concept of "equivalency" now contained in the statute. We recognize provincial strength and expertise in such areas as control of emissions, effluents, and waste disposal. The Canadian Environmental Protection Act will enable the Governor in Council, on the recommendation of the Minister of the Environment to recognize provincial regulations as equivalent to those under the federal Act.

This will ensure that both jurisdictions co-operate in the management of toxic substances from cradle to grave, without duplication or overlap. The same concept of "equivalency" through an Order in Council is provided in Part V of the statute covering international air pollution. However, there will still be accountability. The Minister of the Environment must report annually to this House on the administration and enforcement of the Act, including an accounting of the enforcement of equivalent provincial measures.

The clauses of Bill C-74 dealing with disclosure of information have been totally overhauled, and are now in harmony with the federal Access to Information and Workplace Hazardous Materials Information Review Acts.

We have also dealt with two concerns expressed during the development of the legislation. First, the Canadian Environmental Protection Act now automatically bans the export of substances prohibited for use in Canada, except for disposal purposes. Second, there must now be notification, by the polluter, to members of the public who may be adversely affected by the unauthorized release, spill, leak, et cetera, of a substance. This requirement exists in Part IV of Bill C-74 as obligating federal departments, agencies, boards, and Crown corporations to provide the same notification.

I am pleased that the concern of the Minister of the Environment (Mr. McMillan) that federal departments, agencies, board and Crown corporations must not be above the law when the environment is at stake, did not go unheeded by the legislative committee in its clause-by-clause review of Bill C-74. Amendments to the Canadian Environmental Protection Act now ensure that there will be no doubt on this matter.

The federal Government and its agencies intend to be exemplary in complying with the new legislation. Clause 4 of the Bill states that the statute is "binding on Her Majesty in Right of Canada". However, the amended clauses of the Bill dealing with federal works, undertakings, lands, departments, boards, and agencies now go still farther. They now empower the Governor in Council, on the recommendation of the Minister of the Environment, to make regulations setting limits for the release of emissions and effluents by federal departments, boards and agencies, as well as by Crown corporations. Waste handling and disposal can also be regulated.

These clauses further require that if a harmful substance has been released into the environment, the responsible federal body must report the unauthorized release to an inspector or other designated person. The body or agency must then take all reasonable emergency measures to prevent danger to the environment, human life or health, and, as I mentioned previously, notify members of the public who may be adversely affected. It is specifically stated that inspectors have the right of access and entry to federal property, and may take emergency measures themselves if the relevant department, board, agency or Crown corporation does not do so.

One particularly significant aspect of the new statute is the extent of public participation assured by the legislation. The Act invites Canadians to participate in its administration. They can request the Minister to include a substance on the priority substances list for immediate assessment and investigation to determine its toxicity. They can register their objection to non-inclusion of a substance on the toxic substances list, and request a board of review. They can comment on regulations upon their publication in Part I of *The Canada Gazette*, or protest the Minister's decision not to regulate, again requesting a board of review. This opportunity for comment and objection extends equally to provisions of the statute that allow the granting, revocation, suspension or alteration of permits for disposal at sea.

One aspect of public involvement is already at work. The Priority Substances Advisory Panel, chaired by Dr. Ross Hume Hall of McMaster University and including provincial Government, industry, academic and environmental group representatives, is completing its rigorous analysis of candidate substances, leading to a short list of 50 substances for priority assessment and investigation of their environmental and health effects.

• (1210)

The authority of a board of review to award costs to interveners has been expanded. Now the board may grant interim travel, and other administrative costs to interveners during the course of hearings and deliberations rather than solely at the conclusion of the board's work.

Also, for the first time in a federal environmental protection statute, two adult residents of Canada as individuals can petition the Minister to investigate a suspected violation. The Minister is then obliged to report his findings. In addition, private citizens who suffer, or may potentially suffer, loss or damage due to an offence committed under the Act can seek an injunction to prevent or stop the unlawful activity. Upon conviction of an offender they can seek a court order compensating them for their loss. They may also seek restitution through a civil suit.

It is in these ways that the Canadian Environmental Protection Act allows ordinary Canadians to become partners with the Government in the administration and enforcement of this statute which is designed to achieve the level of environmental protection, on a nation-wide basis, that they demand and deserve.

The Bill now before you is not solely the creation of lawyers, officials, and politicians working in isolation. This legislation is perhaps the most democratically devised statute to be considered by a federal Government in Canada. The process leading to the new Act really began in 1982 with the Environment Canada-Industry Workshop on New Chemicals.

The next vital steps were the reports of the Environmental Contaminants Act Amendments Consultative Committee, the Multi-Stakeholder Task Force on Management of Chemicals, and the government-industry study group that examined the aftermath of the Bhopal disaster and recommended how to avoid such an occurrence in Canada. These formed the basis of the draft Environmental Protection Act that the Minister of the Environment tabled in this House for discussion and consultation 16 months ago.

That tabling launched further consultations which actually lasted until late spring, 1987. When, as required by a new provision of the Act, Parliament reviews this statute in five years time, consultation may well begin again. It may seem to some that the consultation process is endless, but we are the better for it. Every sector of Canadian society was able to have its say. We received numerous letters and briefs and heard oral presentations.

We are fortunate that all the members of the legislative committee appointed to carry out clause-by-clause review were conscientious and zealous in their task. We took to heart the invitation by the Minister of the Environment to improve the Canadian Environmental Protection Act where we saw deficiencies. We, as well as the Minister, want the best, most comprehensive federal environmental protection legislation possible. I wish to thank my colleagues for their excellent work over these past weeks. We heard 36 witnesses and considered over 260 amendments, of which 142 were approved.

In conclusion, the Government has responded to the concern of Canadians for the protection of their environment. We have received their letters and read and heeded their representations. The Environmental Monitor report of last September further confirms results of surveys done over the past four years and tells us that 65 per cent of Canadians believe that environmental pollution has increased over the last five years. Seven in 10 Canadians believe that governments usually side with the industries that pollute rather than the affected public.

Passage of the Canadian Environmental Protection Act by this House will lay to rest that statement. It will show Canadians that we are committed to legislation that will protect our environment today and will serve us into the 21st century.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it would be quite in order at this stage to thank the Hon. Member for Red Deer (Mr. Towers) for reading his prepared speech so well. In less than 10 minutes he has dealt with the subject matter, the complexity of which is mind-boggling, which has been before this House and in committee for over a year and a half. As he said, it has been the subject of public consultations, albeit very partial and very limited.

He has spoken at third reading without any indication of where the Parliamentary Secretary or the Minister himself are at this very important stage. We have not heard a speech by the Minister on Bill C-74 at second reading, at report stage, or today when it is customary for a Minister to launch the Bill in its final stage with an analysis of it which one would hope would bring out the positive features as well as the negative ones, the difficulties encountered, and the points which may still have to be resolved as experience is gathered.

The only political point made by the Member for Red Deer was at the end of his remarks when he proclaimed that this Bill will demonstrate that the Government does not side with industry. What a negative way of putting it, as if there would be a preoccupation with disclaiming that potential accusation. He was obviously motivated either by a guilt feeling or some other reason to say: "Don't you worry, the Government, contrary to impressions perhaps, does not side with industry".

The history of this Bill is rather peculiar. It had a tremendously flashy beginning and a weak finish, arriving at the finish line with barely any strength left in the system as demonstrated by the pathetic exchanges which took place last Tuesday and Wednesday at report stage.

I submit that the history of this Bill is one of retreats and reversals. It is very unfortunate that the Member for Red Deer could not find the time to dwell on that, let alone to put up a defence for the reversals, or possibly a defence for the retreats. However, that is the history of this Bill. It was proclaimed as the greatest invention since sliced bread. However, the ending of that particular initiative is pretty weak, to say the least. That applies not only to the substance of the Bill but also to the process, and I will elaborate on that in due course.

This Bill was proclaimed by the Minister of the Environment (Mr. McMillan) as the greatest legislation in the western hemisphere. When we came to the end of the process the same Minister, descending to earth, admitted that it was one small step. Somehow I was sympathetic when he said that because it was a realistic and honest way to put it. It is one small step. In that sense, it is a step that can only be welcomed. However, I submit that despite the claim made at the conclusion of the speech of the Hon. Member for Red Deer this Bill could have been much stronger, as it was conceived in its original form when the consultations to which the Hon. Member referred were launched. The fact is that as time went on, the Bill was the object of erosion and attack, and in the end the Minister himself had to admit that it turned out to be a small step. But it could have been a stronger piece of legislation, and I will take the necessary time to elaborate on that.

• (1220)

The Minister claimed that this Bill would clean up the environment. The Hon. Member must have heard the Minister saying that in the House in Question Period. The Minister said the St. Clair River blob would be cleaned up. When visiting Halifax, the Minister claimed this Bill might be used to clean the Halifax Harbour and other trouble spots across the nation. Unfortunately, that is not to be the case. The measure now before us offers only a modest step with very little teeth, and those were gradually pulled out as the process advanced. I will touch on that later.

The Hon. Member for Red Deer made reference to consultations. Consultations did take place with the public, and that process of consultation on the draft Bill was completed. Then it came to the provinces and as a result of changes that were made which profoundly affected the thrust and impact of the Bill, the public was no longer the interlocutory of negotiations, nor were the non-governmental groups, the NGOs. As time progressed, we had a selective and restrictive consultation that became narrower and narrower in scope. I must say that in reply to the speech of the Hon. Member for Red Deer, for whom I have the highest esteem, because it has to be put on record.

As this Bill progressed there were some very interesting claims. There was the claim that the federal Government would not wait for the provinces to take action on the environment. "We are going to do it", said the Minister. In June 1987, the obligation was recognized to consult with the provinces before making regulations. In November of 1987, it was no longer an obligation. Then in March of this year the obligation was back. Each time the change was eloquently defended by the Government so that with respect to the obligation to consult we had a flip, a flop and a flip.

The progress of this Bill has been followed quite closely, as it should, by the media. It is interesting to note that on Sunday, August 16 of last year, *The Toronto Star* devoted a lead editorial to this Bill under the heading of "Meech Lake Blight Hits the Pollution Bill". It is worth reading. I will not read it into the record because it would take too long.

It begins by making the point that since the Progressive Conservative Party took office there have been worrisome signs that Ottawa may be ceding more turf to the provinces. Those were prophetic words. It was worrisome because the fight against pollution has to be nation-wide and, therefore, requires uniform leadership and standards that only Ottawa can establish. This delicate balance between Ottawa and the provinces was already put in danger, or at least upset, when the Minister of Finance (Mr. Wilson) in November of 1984 chopped $46 million from the budget of Environment Canada. People must be reminded of what happened and that it was done by the great defenders of the environment on the government side. Two months in office and the Government chopped $46 million from Environment Canada and then proceeded with consultations on this Bill.

In the end we have a consultative process that is mandatory, which means the Minister of the Environment must consult with all the provinces before regulations are drafted or emergency orders are issued to control toxic chemicals. It must be said in all fairness that Ottawa would retain the right to act on its own after consultations. The provisions in this Bill invite Ottawa to take the weakest possible action in order that everyone will agree, and that is usually the outcome of such consultations.

In order to understand this Bill we have to examine it, to begin with, from a constitutional point of view. How does the Constitution relate to the environment and vice versa? That aspect at third reading of this Bill is essential because it gives us an insight into the federal role in the environment. As a result of the consultation process with the provinces, the Bill has been weakened and it need not have been weakened. It is important, therefore, to put on record which constitutional experts came to speak on Bill C-74, and what they said.

I refer, first of all, to a lawyer in Calgary, Alastair Lucas. He wrote in the fall, 1987, issue of *Resources*, when commenting on the question of equivalency, to which the Hon. Member for Red Deer made reference in his speech, that an acceptable definition of equivalency may prove elusive in any event. Yet equivalency has become the main concept which finds its own way through this Bill as it relates to the federal role in applying this Bill.

• (1230)

He states also that the federal Government does not wish to see its environmental protection Act initiative end with an Act that has only patchwork effects nationally and then may be of little or no significance in some provinces. Unfortunately, that is exactly what this Bill has achieved.

What Alastair Lucas was urging should not happen from a constitutional point of view has happened. We have equivalency in the Bill, and we are heading for a patchwork Canada in the implementation of environmental protection.

It might be said, incidentally, that Alastair Lucas is the Acting Executive Director of the Canadian Institute of Resources Law. He cannot be accused of being a supporter of the Liberal Party or a committed rabid environmentalist.

Is he alone in that viewpoint? Maybe it is just some might say a western aberration, something that comes out of a lonely guy in Calgary, someone who perhaps is frustrated because he does not get the recognition that he would like to receive. He is not alone. He is in some interesting company, I must say.

For instance, I bring to the attention of the House what was said on behalf of the Environmental Law Centre which is located in Edmonton by Elizabeth Swanson in her appearance before our committee which examined this Bill on December 10 of last year. She said: "I think the federal Government can consult its heart out with the provinces if it would like to do so". She stated that she really objected to this being a mandatory requirement to ministerial action, which she considers to be well within the competency of the federal Minister. She stated: "It seems to me in a way to be a political agreement taking the form of legislation". She was dead on in that. It was not a technical constitutional decision, it was a political decision. It was the emanation of the Meech Lake virus that found its way into Bill C-74.

She concluded by stating, as her colleague mentioned: "We do not object to the concept of the notion of co-operative federalism". Nobody does, of course not. It is the essence of our country. However, she stated, she has a little bit of difficulty when it starts popping up in our legislation.

It may be worth while to quote a voice from Toronto, the voice of Toby Vigod of the Canadian Environmental Law Association. She stated: "It has been our contention that the Minister of the Environment has been getting extremely conservative advice from the Department of Justice on federal constitutional authority to protect the environment". This is what she said in committee on January 19, 1988. She went on to urge the committee to obtain a written opinion from the Department of Justice on this issue. We tried. She said that such an opinion would then be subject to scrutiny by the committee, constitutional experts and the national legal environmental community at large. She said that in their opinion there is clear authority for the federal Government to take a strong role in environmental protection. There is, something which we argued in committee.

"Key constitutional heads of power are criminal law, trade and commerce and peace, order and good government," Professor Paul Emond wrote 15 years ago on the case for a strong federal role in environmental protection. He said that the constitutionality of a strong federal role in the environmental protection field is indisputable. Similarly, the arguments in favour of immediate federal action in this area are compelling. He said that what is needed now is for the federal Government to recognize this fact and to take the initiative in designing and implementing a comprehensive pollution control plan that will make a real contribution to improving our national environment.

Toby Vigod of CELA went on to say that the Environmental Protection Act as currently worded does not take the initiative. She pointed out that the Minister has brought forward new amendments that will provide that federal regulations may not apply if equivalent provisions are enforced in a province. She states that they have reviewed the submissions filed by the Alberta Environmental Law Centre and share their concerns regarding these new amendments. Thus there is a viewpoint in the West and a viewpoint in the East.

"Besides being rather unwieldy in terms of determining what constitutes equivalency," she said, "we are concerned that, again, there appears to be a deliberate attempt by the Government not to regulate in the area of toxic chemicals." She went on to point out that federal law should not be applied in a patchwork fashion. As well, there is a real constitutional argument that federal facilities operating in provinces with only so-called provincial equivalent regulations will totally be exempt from regulations. That is a big sore point that will come up later in my intervention.

She concluded by giving an example to which I would like to refer. She said that a federal facility in Ontario emitting a toxic chemical in excess of Ontario's equivalent regulations could argue, if charged with a breach of such regulations, that it is immune from the application of provincial laws because it is a federal facility. A much better course is to have strong minimum national standards and to then let the provinces enact stricter regulations where they feel it is appropriate. She went on to make specific suggestions.

It is a matter of great concern in the environmental community, and I suppose that this community embraces everybody who is concerned about our health, our natural resources, and the long-term interest of our economy, that here the Government made the wrong turn, the wrong decision.

• (1240)

Miss Vigod concluded by saying: "I think that in the area of environment public opinion is behind a strong national role". These are prophetic words of four months ago, because a few days ago we saw a poll confirming that.

Miss Vigod went on to say: "I think we should see it tested in the courts. We have seen the other happen: the provinces have tested their law and seen federal entities have charges dismissed on the basis of Crown immunity". That is the danger. She urged: "Let us try having strong federal law and take that challenge in the courts. I think it is time to put our money where our mouth is and I think the public and the courts are slowly becoming more attuned to environmental issues", which is another very sound political observation.

Miss Vigod, on behalf of CELA, further said: "Certainly when we appear in court now we get a far better hearing than we did 10 or 15 years ago. I think those issues are of national concern. In the area of toxic chemical law we have these other features. Air pollutants and water pollutants do not respect provincial boundaries, and they are causing significant economic and environmental damage in this country".

She concluded by saying: "I say let us take that challenge. If it is struck down, then either we will be able to redefine how we will enact the role or the pressure really will come to bear on the provinces. There has always been a bit of jurisdictional buck passing. I think the time for federal standards is now. This is why we have also recommended that the power to enact standards be put specifically in this legislation". Several of us tried in the subsequent committee hearings, without succeeding.

Let me quote what was stated by another constitutional lawyer, Ian Blue from Toronto, and what he told us a few days later. On January 20 Mr. Blue started by asking: "How does this Canadian Environmental Protection Act impinge upon those powers? Provinces too can make environmental laws and they do it under their power to legislate with respect to property and civil rights, their licensing power, and their power with respect to provincial works and undertakings. You do not have a case where one jurisdiction has the authority and the other does not". That is a very important point that he made. "You have a situation where each has jurisdiction. Each can legislate over the subject of the environment, but from a different aspect. There the legal rules are fairly clear. The rules say that unless there is an operational conflict, both laws can prevail".

Mr. Blue said: "What is an operational conflict?" Mr. Blue further stated: "Recently, I was involved in a case in the Ontario Divisional Court where we were talking about the construction of a liquid natural gas storage facility in Cobourg, Ontario. The Ontario Energy Board was hearing it and there was a National Energy Board Act and regulations. Both sets of provisions covered it. The argument was that there was an operational conflict. However, the judges said nothing conflicted. Therefore, unless the provincial law says one thing and the federal law says another so that you create an antinomy or a place where a person is in an impossible position between two valid laws, then both can stand. I believe I am correct that this is the law".

He also said: "Now if there is a conflict then the law is pretty clear too". What does it say, Mr. Speaker? "The federal legislation prevails, the provincial legislation must give way". That is the conclusion of Ian Blue.

Mr. Blue also had something interesting to say on overlapping jurisdiction. He said:

> It is a well known principle that where Parliament can legislate over a topic under s.91 from one aspect, and the provinces can legislate over the same topic on another aspect that both pieces of legislation are valid. If, however, the two pieces of legislation have an operational conflict and create an antinomy then the provincial legislation is rendered inoperative and the federal legislation must prevail.

How does that now apply to Bill C-74? Mr. Blue further remarked:

> If, therefore, Bill C-74 conflicts with existing provincial legislation, it is my opinion that existing provincial legislation must be inoperative to the extent of the conflict and Bill C-74 must prevail. I hasten to add that this is a legal opinion and not a political opinion . . .

Unfortunately, Mr. Speaker, the politicians in power, the so-called Progressive Conservative Government, did not heed this legal advice, and did not see the opportunity being offered to them by the Constitution, and by the experts. They simply put it aside and chose to go for this equivalency route, on which I will dwell for a little while later on.

Perhaps in a lighter vein it is interesting to note that the worries were not only on the side of the provinces, and that there were also worries on the side of the federal position. In the case of Conseil du Patronat du Québec, the view from industry there expressed by Mr. Magnant was a search for a federal protection from the apparently very effective policies of the provincial Minister of the Environment in Quebec. This is what Mr. Magnant said to us in committee on December 16:

[*Translation*]

> That protects us from the Government of Quebec.

[*English*]

"CELA" being the federal legislation.

[*Translation*]

> We think that the federal Government is a little less strict than the Government of Quebec.
>
> That is the opinion of Quebec businessmen.

[*English*]

I think it was a rather solitary viewpoint, but nevertheless it provided a touch of diversion from what most of us believe, and quite rightly so, because of the experience we have made with social and economic legislation and now emerging with environmental legislation, that really it is only the federal Government that can provide the national standards that are strong enough to protect this enormous natural resource that nature has given us, namely, the environment as a whole.

Inevitably, Mr. Speaker, I have to bring to your attention what this equivalency business is all about. It has now become a current word, at least in this legislation, and in present times in Ottawa, and it is not a concept that one can easily come to grips with. One has to wrestle with it before becoming comfortable with that concept. It is a notion we reject, but it is important to understand it. I will commence by quoting Miss Elizabeth Swanson of the Environmental Law Centre for Alberta. Last December Miss Swanson said to the committee the following:

• (1250)

> The first matter we would like to discuss is the failure of this bill to create a strong federal presence in the area of environmental protection. Throughout the legislative history of this bill, the federal government, through its Minister of Environment, promised Canadians a strong federal presence in the area of environmental protection. This came as good news to those of us who had long awaited a government response to many pressing environmental issues which appear to require a national if not a global resolution. Regrettably the provisions of this legislation as it now stands fail to achieve this objective.
>
> The tone of this bill is apologetic rather than assertive. A conciliatory rather than a leadership approach appears to have been adopted. Consider by way of example subclause 37(4) which says that, pursuant to this provision, the Minister can only recommend regulations if, firstly, he has offered to consult with the provinces, secondly, he has consulted or the time for doing so has elapsed and, finally, he is satisfied that the provinces themselves are not going to enact similar legislation.

She goes on to say that Bill C-74 "prohibits the making of an emergency order until, among other things, the provinces have been consulted and the Minister is satisfied that appropriate provincial action is not forthcoming." She went on to say:

> —the failure of the federal government to assume responsibility for the enactment and enforcement of comprehensive environmental legislation cannot be attributed to a lack of constitutional competency.

Evidently referring to Lucas and Bloom. Ms. Swanson continued:

> With exclusive jurisdiction over criminal law, the federal government has always had the power to create offences and impose sanctions to enforce its own legislation. In our view, the amendments very recently put forward by the Environment Minister further erode the federal presence in this area.
>
> The consultation approach of subclauses 37(4) and 38(2) have now been replaced by the concept of equivalency. If these amendments go forward, Cabinet will have the authority to pass an order declaring that particular and valid federal regulations do not apply in a province which has enacted and agreed to enforce equivalent provisions.

And I emphasize, Mr. Speaker, "equivalent" provisions.

> This concept of equivalency surfaces again in the proposed amendments to clause 57, which concerns international air pollution. Beyond the obvious questions, such as the meaning of equivalency and the criteria by which this quality will be assessed, is a fundamental concern.
>
> By entrenching this notion of equivalent provincial legislation, is the federal government not implicitly recognizing the competency of the provinces to legislate in an area of federal jurisdiction—

What an indictment this statement is. What far-reaching consequences this proposal, if passed, will have. Ms. Swanson continued:

> —and given this recognition, what is to stop the provinces from challenging the constitutional competency of the federal government to enact legislation where the provinces' own is not recognized as being equivalent?

Just imagine what the consequences would be. She continued:

> It does not appear to us either that equivalency reduces or eliminates duplication of legislative effort. To determine whether one legislation is equivalent to another, both must be in existence in one form or another. Delegation of enforcement is one thing. Abrogation of legislative competency is quite another.

There then followed some suggestions, all of which were ignored by the Government.

We also had the viewpoint of Toby Vigod, of the Environmental Law Association, who asked:

For example, does "equivalent" mean that the province also has equivalent enforcement provisions, or that the sections are very close in wording, or how close is equivalent?

That is the question. She went on to say:

I think the other fundamental issue is the constitutional issue—that if we have a patchwork of laws where in some cases federal regulation applies and in other cases so-called provincial-equivalent regulations apply, then I have suggested federal industries charged under the provincial-equivalent regulations may bring forward an argument of Crown immunity, as they have brought forward under our existing situation.

Again, the same preoccupation we heard from the individuals from Alberta. She concluded as follows:

I think there is a danger in enacting these amendments, both for the word "equivalent" and what it may mean, and this potential constitutional problem.

On behalf of Toxic Watch Project, we heard from the Project Director, Mr. Brad Wylynko. Again, his major concern had to do with the question of "equivalency".

One might think that undue time was devoted to the question of equivalency, and that would be a justified impression were it not for the fact that the concept of "equivalency" is of paramount importance in terms of the implementation of Bill C-74, as I am sure that the Hon. Member for Red Deer will agree.

Mr. Wylynko had the following to say on the question of "equivalency":

We feel this is a very dangerous concept. I am not a constitutional lawyer, but one of the dangers we see here is that the federal government may in fact be giving up its role in environmental protection through this concept in future. If the provinces are allowed to start to legislate in replacing the federal rule, down the road will it be possible for the federal government to then come back and say they have responsibilities and obligations here they must fulfil?

I feel very strongly about this. We feel there needs to be a strong federal presence in the environment. When I look out the window of where I work, I see the North Saskatchewan River, and of course it flows from the Rocky Mountains right into Hudson Bay.

Any toxic chemical pollutant that might be in that river flows similarly, right across three prairie provinces.

I believe there needs to be a strong federal presence and, in fact, a strong international presence as well, which this bill will reduce.

Mr. Speaker, I see that we are approaching one o'clock. May I call it one o'clock?

The Acting Speaker (Mr. Paproski): It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

CHALLENGE'88

OPPOSITION TO BUDGETARY CUT-BACKS

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, over the week-end, in my riding I had the opportunity to meet several young students who expressed their great disappointment with the decision of the Tory Government to cut by nearly 40 per cent the funds earmarked for the Challenge'88 program for all students living in the Greater Montreal area and the City of Laval ridings.

Two weeks ago, Mr. Speaker, I urged Tory Members representing these ridings to pressure the Minister into changing his mind and treat fairly these young men and women who are attending school. Unfortunately there has been no response, and I am afraid the student population will remember the lack of interest shown by Tory Members representing such ridings as Hochelaga—Maisonneuve, Duvernay, and Laval.

* * *

[*English*]

NUCLEAR ENERGY

ANNIVERSARY OF CHERNOBYL NUCLEAR REACTOR DISASTER

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, two years ago today, on April 26, 1986, the nuclear reactor at Chernobyl in Ukraine exploded, sending out a cloud of radiation which spread throughout the world. To this day, we do not know the full impact of the disaster.

For 48 hours the Soviet Government lowered a veil of secrecy over the tragedy even though other lives were endangered by its silence. For those with family in eastern Europe and Ukraine it was a frightening experience, as weeks passed before they were able to confirm the safety of their loved ones.

The possibility of a design flaw which might have caused the disaster has never been addressed, yet the Soviets proceed with plans to build more reactors in Ukraine. In the meantime, families who were exposed to radiation wait in fear, worrying about the long-term effects of their exposure, uncertain of their future, with no guarantee that it might not happen again.

I urge all Members of this House to join with me in commemoration of this tragic occasion, remembering those who have died, and those who must live with the uncertainty of tomorrow.

INTERNATIONAL CO-OPERATION

CANADA-SOVIET SKI EXPEDITION REACHES NORTH POLE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I am sure that all Members of the House today would like to join me in acknowledging the great feat of the Canada-Soviet ski expedition on reaching the North Pole.

At 3.20 a.m. eastern daylight time, this group of four Canadians and nine Soviets achieved what until now was simply their dream. This is the story of ability to overcome numerous obstacles in the pursuit of a goal. The members of this expedition not only have had to deal with a cold, harsh climate, but also they have had to overcome the obstacles of different languages and different cultures.

As a Parliamentarian I am impressed with the co-operation and good will shown by these trekkers. This "Polar Bridge" expedition will help us to understand the importance of Canada-Soviet co-operation and is symbolic of the kind of international good will of which Canada can be a part.

About 40 Canadian and Soviet government representatives were planning to be at ceremonies at the North Pole. This group included superstar hockey player, Vladislav Tretiak, and our Minister of Energy, Mines and Resources (Mr. Masse). While flying conditions did not allow the dignitaries to witness the expedition's arrival at the North Pole, the spirit of Canada-Soviet peaceful co-operation has already been enhanced.

I, with other Members, congratulate the members of the Canadian team: Laurie Dexter, Richard Weber, Max Buxton, and Chris Holloway for their part in this historic occasion.

Some Hon. Members: Hear, hear!

* * *

NATIONAL ORGAN DONOR AWARENESS WEEK

BENEFITS OF TRANSPLANTATION

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, Members of the House and the general public are reminded that this week is National Organ Donor Awareness Week.

The Department of National Health and Welfare is collaborating with others in special efforts to inform the public and health professionals of the benefits of transplantation and the need for donor organs and tissues.

All Canadians should take a moment to consider organ donation through which each of us can make the most generous gift, the gift of life.

S. O. 21

SOCIAL SECURITY

OVERPAYMENTS TO INDIVIDUALS

Hon. Bob Kaplan (York Centre): Mr. Speaker, I want to deal with a problem that arises fairly frequently, regrettably, where a Government makes an overpayment to an individual under a social program.

Where the individual has had no complicity in this payment being made, it is a very unfair thing for a Government to demand repayment and to deduct sums from future payments to reclaim the amount. Individuals do not have a computer when they get a payment. They tend to assume the amount correct, and live on it.

My colleague, the Hon. Member for Gander—Twillingate (Mr. Baker), raised an example of veterans' payments where overpayments occur, but the situation often occurs with other social payments.

The Government should have a policy that when an overpayment is made through no complicity by the individual who receives it, the Government should not reclaim repayment for excess amounts that are paid.

* * *

• (1405)

[*Translation*]

FINANCE

FLOW THROUGH SHARES—REQUEST THAT MINISTER REVIEW HIS POSITION

Mr. Guy St-Julien (Abitibi): Mr. Speaker, investors have been extremely cautious, especially since the October 19 Crash. Several years ago, flow through shares were created as an investment incentive in mining exploration in Canada.

Flow through shares have been a success story in Abitibi-Témiscamingue and elsewhere in Canada and so far in the 1980's, rich gold deposits have been found in greater number than during all the past gold rushes put together.

The Crash of last October and the tax reform have severely affected the value of natural resources shares especially those involving small businesses.

Twice a year, tax shelters are selling well: at the end of the year and in May. Without these flow through shares, we could certainly not have found so many gold mines so quickly.

Mr. Speaker, we certainly have an excellent Minister of Finance in Canada, but I would suggest to him to review his position by the end of April concerning flow through shares, failing which I would have to use a more vociferous tone in May on behalf of our prospectors and my Abitibi riding.

S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

CHIEF SEATTLE'S SPEECH IN 1854

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, as the Prime Minister (Mr. Mulroney) prepares to go to Washington, I thought it appropriate to pass on to him words spoken more than a century ago and repeated this week by Anthony Ketchum in a letter to *The Globe and Mail.*

Before selling his native lands to the U.S. Government in 1854, Chief Seattle made a speech which included the following:

> The air is precious to the red man for all things share the same breath—the beast, the tree, the man. The white man does not seem to notice the air he breathes. Like a man dying for many days he is numb to the stench . . .
>
> If we sell you our land you must keep it apart and sacred, as a place where even the white man can go to taste the wind that is sweetened by the meadow's flowers.
>
> So we will consider your offer to buy our land. If we decide to accept, I will make one condition. The white man must treat the beast (and fish, birds) of this land as his brothers.
>
> Teach your children what we have taught our children: that the earth is our mother. All things are connected like the blood which unites one family. If men spit upon the ground, they spit upon themselves. Continue to contaminate your bed and you will one night suffocate in your own waste.

* * *

NUCLEAR ARMAMENTS

FRANCE'S UNDERGROUND TESTS IN SOUTH PACIFIC

Mr. John Oostrom (Willowdale): Mr. Speaker, recently France shifted its underground nuclear tests from the South Pacific atoll of Mururoa to the island of Fangataufa, just 32 kilometres away. This move was made after 90 underground tests were conducted, and the island's structural integrity began to be questioned.

I believe that conducting underground nuclear testing on South Pacific islands which are mostly extinct volcanoes, is like playing Russian roulette with the environment. This region of the world has been fortunate that the atoll of Mururoa did not break up and release its deadly radiation into the ocean, creating an environmental disaster of epic proportions.

Canada must make its concerns known to France that testing in this area of the world could have severe repercussions on life.

NUCLEAR ENERGY

NUCLEAR REACTORS SURROUNDING GREAT LAKES

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, two years ago today the Chernobyl disaster occurred, although Soviet officials had said very smugly after Three Mile Island that a Three Mile Island could not happen at Chernobyl. Now Canadian officials are saying that there could not be a Chernobyl at Pickering.

If that is the case, then why is the nuclear industry so concerned about keeping nuclear liability down to $75 million, a paltry sum given the possibility of disaster? Even if there is no accident, do we not all realize that we have no safe means of disposal of either high-level of low-level radioactive wastes?

It is time that we began to look at safe renewable sources of energy. We cannot risk the future. We cannot risk the health of Canadians.

There are 50 nuclear reactors around the Great Lakes, and 24 million people depend for their drinking water on the Great Lakes. This is too much of an experiment. Let us have faith in the future by turning to safe means for energy sources, and admit that nuclear was a mistake.

* * *

[*Translation*]

THE ECONOMY

EFFECT OF FREE TRADE ON COMMERCIAL CREDIT

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, on April 13, I had the honour and the privilege of speaking to members of the Canadian Credit Institute on a topic of current interest that is extremely important to Canadians, and I am referring to the impact of free trade on business credit. As a result of this talk, we were able to draw certain conclusions. First of all, the free trade agreement will strengthen our economy and make us more competitive on world markets and even more confident about our own identity and our unique social and cultural environment.

Furthermore, the agreement will provide for new jobs and economic growth in the regions, both today and beyond the year 2000, and above all it will guarantee better access to our main export market.

Mr. Speaker, I sincerely believe that only people with a positive mind-set are able to meet this challenge successfully.

It is a matter of attitude, not just aptitude, and if we understand that, the rest will take care of itself.

Canadians believe in an enterprising and innovative Canada.

• (1410)

POLITICAL PARTIES

LIBERAL PARTY'S FINANCIAL SITUATION

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, a few days from now, on May 6, an Ottawa business will lay off 25 per cent of its employees without notice and without any assistance or adjustment programs for those who are laid off.

Because it was unable to manage its own affairs, the Liberal Party of Canada is broke, and its staff is paying the price. This Party is no longer in power. It can no longer raise taxes or get deeper into debt as it did before.

We will soon see whether the banks will declare this Party bankrupt. How could the Liberals run the country and administer the public purse, when they would rather maintain a vacant luxury apartment in Toronto for their Leader than save these jobs in Ottawa.

Their policy is: Never mind the staff—save the furniture!

* * *

[*English*]

GOVERNMENT APPOINTMENTS

LIST OF APPOINTEES

Mr. Alan Redway (York East): Mr. Speaker, have you ever heard of Sylvia Gold, Hamilton Southam, Bud Drury, Roch Bolduc, Denis de Belleval, Pierre Fortin, Jean-Roch Boivin, Claude Castonguay, Bernard Lamarre, Antoine Turmel, Harrison McCain, Ken Danby, Catherine McKinnon, Bob White, Wally Majesky, Saul Cherniak, Gerry Caplan, Favian Sauvageau, Lloyd Francis, or Geoffrey Pearson?

They are just a few of the hundreds of persons who either belong to the Liberal Party or the NDP, or who have no known political affiliation, and who have been given a so-called patronage appointment by the present Government.

* * *

[*Translation*]

ROAD SAFETY

INVITATION TO MINISTER TO ACT

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, to improve road safety, the Quebec Government has declared 1988 the Quebec Year for Road Safety.

According to a recent survey, 74 per cent of Canadians buckle up. The Province of Quebec ranks first in Canada, with 85.8 per cent in 1987, compared with 67.7 per cent the year before. This is an increase of 18.1 per cent in one year.

Many road accidents are now avoided, Mr. Speaker, thanks to the new safety awareness of Canadians and Quebecers.

However, much remains to be done in this area. Many laws and regulations should be reconsidered. We could, for instance, question driving at the age of 16. We could also consider reducing the maximum number of demerit points to four, in the case of 16 and 17-year old drivers. Furthermore, trucks and buses should be treated the same as cars.

I would ask the new Minister of Transport (Mr. Bouchard) to look into the highway safety issue and urge him to take the appropriate corrective action as soon as possible.

* * *

HOSPITALS

LASALLE GENERAL HOSPITAL FOUNDATION WEEK

Mr. Claude Lanthier (LaSalle): Mr. Speaker, this week in my riding has been designated to celebrate the founding of La Salle General Hospital.

There will be a host of community activities to generate much needed funds that will be used to purchase specialized hospital equipment adapted to local health needs.

Our La Salle Foundation takes pride in collecting about $125,000 annually, through its dedicated volunteers, from our local merchants, business people and professionals, as well as various donations from generous benefactors.

The organizers of these festivities, headed by Mr. André Langelier, deserve our admiration for their endless dedication and their compassion for their fellow citizens suffering from diseases that require special health care.

Bravo and many thanks to the La Salle General Hospital Fondation!

* * *

[*English*]

MUNICIPAL AFFAIRS

BURNABY, B.C.—COLLAPSE OF ROOF ON NEW FOOD STORE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, last Saturday morning in South Burnaby a near disaster occurred in which some 20 people were injured, two of them seriously. The roof of the Save-on-Foods store collapsed during the opening day ceremonies to which senior citizens from the community were invited.

I am deeply concerned that a number of important questions be answered with respect to this tragedy. There must be a full public inquiry to determine, for example, whether in the rush to complete this project safety standards were not fully met. There must be a full inquiry to determine whether the fact that non-union labour was used in the latter stages of construction was an element in this tragedy.

• (1415)

Certainly those seniors who attended that opening ceremony on Saturday morning hoped to attend a festive event. Instead, there could have been hundreds of people killed had it not been for the courage of the Mayor of Burnaby, Bill Copeland, in warning of impending disaster.

We must get to the bottom of this matter. We hope that the slogan posted at the store, "I saved big at Station Square", was not the slogan of those who built this store, possibly at the expense of human life.

ORAL QUESTION PERIOD

[*English*]

AIR CANADA

MAINTENANCE WORK ON PROPOSED NEW AIRCRAFT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my questions are for the Deputy Prime Minister on the subject of Air Canada. He keeps saying that he has answered a straightforward question but, unfortunately, no one in Manitoba yet understands his answer.

I have heard his 57 varieties of assurances to Winnipeg, but none of those assurances can be accepted if he will not give a simple answer to this question. Will the fleet of aircraft which replaces the current 727s have its maintenance done in Winnipeg?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I answered that question using the information which was provided to me by Air Canada. If the hon. gentleman does not want to take my word for it, surely he should take the word of Air Canada.

The press release went on to say:

> Air Canada is very pleased with the work being done here and we fully intend to keep using these facilities, whether to maintain the B-727 replacement fleet or one of the other aircraft types we already own.

The Hon. Member knows very well that under the provisions of the Air Canada Act, 1977, a mandate was given to the management to operate the airline in a manner consistent with commercial principles and in contemplation of profit. Surely he understands that that decision-making authority is within their hands.

I have indicated that, in the course of the public participation offering, the Winnipeg maintenance base and the Dorval and Toronto centres will be dealt with as part of the conditions of the privatization process. I thought I made myself very clear yesterday.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Deputy Prime Minister remains pathetically opaque. That is what the people of Winnipeg think.

WORK GUARANTEE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, you will notice that the press release to which the hon. gentleman referred gave an Air Canada guarantee, which it will not be able to fulfil under privatization, in favour of its present fleet of 727s or aircraft it already owns. That is what the Deputy Prime Minister just said.

He knows that the 727 is being phased out. He also knows, therefore, that that particular maintenance work will no longer be done in Winnipeg. He says that he cannot say whether the replacement aircraft will be maintained in Winnipeg, and the guarantee which Air Canada has given refers only to current aircraft, 727s or other aircraft currently owned.

Exactly what is the nature of the work guarantee the Minister is giving to the maintenance workers in Winnipeg? Will he please tell the people of Manitoba which aircraft will have its maintenance done at the facility in Winnipeg?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have already answered that question. I note that today Bernard Gillies, the airline's vice president for maintenance, said in an interview in Montreal that the airline is leaning toward a new airplane being serviced in Winnipeg.

Since a decision has not yet been made with regard to the type of aircraft that will be purchased, I am sure that, as has been said time and again, the Winnipeg maintenance base will remain as an integral and vital part of the airline operation.

I should point out that in addition to maintaining its own aircraft, the Air Canada Winnipeg maintenance base also performs a lot of maintenance work on other aircraft. It is a profit-making venture. Why would Air Canada want to downgrade a profit-making venture which provides good service and has become a source of pride to the airline and to the workers? Why would it want to degrade it? I know that the Hon. Member may want to, but we on this side certainly do not want to, and neither does Air Canada.

• (1420)

MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I read the statement of Bernard Gillies, Air Canada's vice-president for maintenance in Winnipeg, as reported in the Winnipeg *Free Press*. Mr. Gillies went on to say: "The recommendations I've got so far from my people lean toward Winnipeg", but he is still hedging on a commitment because Montreal has more advance technology and a larger facility. That is some guarantee from Air Canada.

Two weeks ago when the Deputy Prime Minister got up in this House, he did not give a legislative guarantee to the maintenance base. Yesterday, prodded by his errant travelling Minister of National Health and Welfare, his colleague, he said there will be a legislative guarantee. How can he give that guarantee if he does not know, or will not say, what the aircraft to replace the 727 fleet is going to be? How can he give that guarantee with any assurance? How can he give the guarantee if he privatizes the aircraft line and knows that the 45 per cent shares, privately owned, are going to govern his own shares held in his hands? How can he do that?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the right hon. gentleman referred to me as being opaque. I can only say in return that he is pretty dense because, if he had anything between his two ears, he would read and understand what I said as reported at page 14363 of *Hansard*, and I repeat again for about the fifteenth time:

While full details of this initiative will be contained in the legislation—

And then I went on to list them, and included in that was the major operational and overhaul centres.

I am sorry the right hon. gentleman cannot understand simple English.

Mr. Speaker: The Hon. Member for Cochrane-Superior.

An Hon. Member: You said the same thing about Moncton.

Ms. Copps: That's what you said about the CN shops, Maz.

An Hon. Member: We can't trust you, Don.

Mr. Mazankowski: I will put my trust up against yours and his any day.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: I will put my reputation up against yours any day—and yours, too.

Some Hon. Members: Oh, oh!

An Hon. Member: Order!

Mr. Hnatyshyn: Are you going to ask the same question tomorrow?

Mr. Speaker: The Hon. Member for Cochrane—Superior has the floor.

* * *

FINANCE

FLOW-THROUGH SHARES TAX INCENTIVE

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Minister of Finance. I want to return again to the issue of the flow through tax incentive which, as he knows, is so valuable in the exploration and development of non-renewable resources. It is acknowledged that this is one of the most useful tools for regional economic development devised by Government. It is helping northern Quebec, northern Ontario, and northern Manitoba. It is acknowledged that it has given us 30 new mines in the last two years.

The Prospectors and Developers Association of Canada strongly supports it, as does the Mining Association of Canada. Why does the Minister of Finance continue to be so stubborn and insist that this useful tax measure be scaled down? It creates jobs and helps our resource regions. Why does the Minister not want to keep it?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not a stubborn man.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I think my colleagues and my Party understand that.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: With Mike, it is "ask and ye shall receive".

Mr. Wilson (Etobicoke Centre): I am usually quite reasonable on matters that are raised by colleagues in this House. I am always willing to listen to points of view that are being expressed.

The Hon. Member made reference to the fact that these flow through shares are important in Quebec, Ontario, and Manitoba. I also point out to him that I was in New Brunswick this past weekend and there are people there who are very supportive of the flow through share mechanism. That is why we have maintained the flow through share mechanism.

I have indicated in this House that when a mechanism does produce rates of return of 90 per cent and thereabouts, it is time to have a look at it and see whether some reassessment should be made. That is what we are in the process of doing.

• (1425)

MINISTER'S STATEMENT ON DRILLING ACTIVITIES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I am pleased that the Minister mentioned New Brunswick since it is reported by Canadian Press that the Minister said in New Brunswick on Saturday that, because of flow-throughs, "there was a lot of exploratory drilling that was not geologically warranted". That is a serious allegation to be made by a Minister of the Crown.

What proof does the Minister have for making that charge? Will he table in the House a list of all those projects that he regards as being unwarranted?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have the same newspaper report to which the Hon. Member has referred. That particular point has been made on a number of occasions. When there is a tax incentive that is quite rich it does tend to generate excessive amounts of funding. Any of the people whom we have talked to who are involved in flow-through share financing have said that the levels of financing of $1.2 billion or $1.3 billion that were reached last year were too much, that it could not be handled properly, and that it was force-feeding the drilling exploration sector.

I will close with this remark. I said:

> We now want a balance. We want to see a continuation of drilling activity, but not the situation of 1987 that saw drilling programs that did not deserve to be undertaken.

I stand by that statement.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S MEETING WITH UNITED STATES PRESIDENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, in the absence of the Prime Minister I have a question for the Secretary of State for External Affairs. On Friday in the House the Minister asserted the Government's commitment to obtaining an accord with the United States on acid rain that would commit both Governments to specific levels of reductions in emissions. Regrettably, earlier in the week the Minister of the Environment publicly said, and I use his words, that the Government had no expectation of any progress at the summit.

Then, on the weekend, in interviews with a number of American journalists, the Prime Minister seemed to pin all his hopes on the potential successors to President Reagan. Once again he was implying that nothing could be expected from the summit.

My question to the Minister is simply this. If the Government is serious about obtaining some commitment in the meetings in Washington that are coming up, why in heaven's name is the Minister saying he does not expect anything? Why is the Prime Minister sending a message to the President in advance that he does not expect anything? Is that any way to negotiate?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that may occur because we are under an obligation, which we respect, to answer questions in the House of Commons and elsewhere. We try to do that as frankly and forthrightly as we can.

We very much hope that we can make progress on acid rain at the summit and in other meetings. However, we do not expect that we are going to have the kind of progress that we seek. Consequently, we are continuing to seek progress across the range of the American system on the acid rain question which is so crucial to us. I think that position, which is consistent and effective, has been understood by the Americans, and is understood by most Canadians.

CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it certainly does not say much for the special relationship that is supposed to have existed between the President and our Prime Minister for four years.

Since the Minister is evidently sincere about his commitment to obtaining such an accord, and since he is being frank with the House about his low expectations from the President, in non-inflammatory language why does the Government of Canada not say that as a bottom line what we will take as a minimum at this summit—after considering all the information on the seriousness of acid rain available to both countries—is that President Reagan should commit himself to specific levels of reductions in emissions? Why do we not say that in advance?

• (1430)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that position has been made clear by the Government of Canada in a draft treaty or agreement that we prepared. It was prepared by Canada as a consequence of the undertaking that was given here on the floor of the House of Commons by President Reagan.

As was the case when I answered a very similar question on Friday in the House, I do not have the precise text of his speech here, but my recollection is quite clear that he then said that he was prepared to consider the Prime Minister's proposal for an accord. We followed that up and made some recommendations that included reference to specific targets.

That is the Canadian position, as, by the way, and the Hon. Member will recall this, it was the position of a preceding Canadian Government with respect to the Great Lakes Water Agreement on which the Americans wanted, at that time, to avoid establishing specific targets, and the Government of the day in 1972, to its credit, insisted on that type of standard and target. We are following the same type of approach with respect to acid rain.

[*Translation*]

TALKS BETWEEN PRIME MINISTER AND UNITED STATES PRESIDENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if I understood the Minister correctly, he suggested that the U.S. Government refused to accept suggestions made by the Canadian Government not long ago. If the U.S. Government took this position, would the Minister confirm that our Prime Minister and the President intend to discuss this matter?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is quite clear the Prime Minister will raise the acid rain issue again in conversations with the

President of the United States. It is also quite clear that the Prime Minister will emphasize the importance of formulating certain specific standards in an agreement. The President himself, speaking here in the House, proposed to act on the Prime Minister's suggestion for an agreement. We have followed up on this suggestion with proposals in the form of a draft treaty, an agreement between two countries. This was not accepted by the U.S. administration, but in future we may be able to have something similar that is acceptable.

* * *

[*English*]

VETERANS AFFAIRS

VETERANS ALLOWANCE—EFFECT OF CANADA PENSION PLAN LEGISLATION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, today there are thousands of veterans and senior citizens from British Columbia to Newfoundland who are getting quite a shock when they open their mail and discover that their veterans allowance is being reduced anywhere from $400 to $600 a month.

I want to ask whatever Minister is answering on behalf of the Minister of National Health and Welfare, was the Government aware, when the Minister of National Health and Welfare announced the new scheme for Canada Pension some two years ago whereby people could draw Canada Pension from 60 years of age and over, that if a person was a veteran, the spouse of a veteran, or a member of such a household, the veterans allowance would be reduced 16 months later by that same amount on April 26, 1988? If the Government knew about it at that time, why did it not inform the veterans?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, in representing the Minister of National Health and Welfare today, I can inform the Hon. Member that the manner in which the Canadian Pension Plan scheme works is that it does provide that they assess the benefits and other benefits that come in.

The reason why it is done at this point in time is because the Department of Veterans Affairs forgives whatever overpayment is made in one fiscal year, and only applies whatever measures have to be applied as of April of the next year. That is why it is at this point in time precisely that the adjustments are being made.

GOVERNMENT POSITION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, there are thousands and thousands of veterans from coast to coast who have been receiving this $600 now for one year and four months, along with their veterans allowance. Today it is being cut off. Perhaps the Government thought that there would be an election in the meantime.

Is the Minister aware that in Newfoundland alone there are some 1,000 cases of those veterans today, and tomorrow there will be thousands and thousands of other veterans and seniors across Canada as they open their mail who actually thought that that was going to be a part of their income for the rest of their lives, and so did the banks that loaned them money for cars and mortgages for homes.

Since they cannot now pay those bills, and it was government mismanagement that caused the problem, what is the Government going to do about it?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I think that Members on all sides of the House can only regret that the Hon. Member would think that any partisan consideration would ever come into play when this Government has dealt with veterans.

If there is one thing that has been amply clear for this Government in terms of priorities, it has been the way that we have treated veterans from day one of our election.

That is why we have made some adjustments to permit veterans to benefit from certain pension plans. If there are any adjustments that have to be made, the Government, consistent with the attitude that we have had from the very beginning towards those very special citizens, the veterans of Canada, will make whatever adjustments we can to make things easier for them.

REQUEST FOR ADJUSTMENT MEASURE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is also for the Hon. Minister who, in a sense, has now explained the errors that the Government has committed and the fact that serious adjustments need to be made for those men and women who were prepared to give their lives for this country.

Now that the problem has been identified and an adjustment is necessary, what steps does the Government plan to take to ease the pain, knowing that the pensions that veterans receive enable them to live at a very modest and meagre level in any part of the country? What new adjustment does the Minister plan to announce, and when does he plan to announce it?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I can only repeat to the Hon. Member for Kamloops—Shuswap that, from the very beginning, the Government has only had the very highest regard for the very special citizens of Canada who are veterans.

Mr. Guilbault (Saint-Jacques): Lip-service.

Mr. Charest: The Hon. Member for Saint-Jacques would like to have us believe that it is only lip-service, but I think that any reasonable Member of this House would agree that the Minister of Veterans Affairs in this Government has done a great deal for veterans.

Some Hon. Members: Hear, hear!

Mr. Charest: Whatever adjustments have been put forward have always been put forward in the light of trying to help and do more for the veterans of Canada. The Government will pursue that course.

POLICY ON VETERANS DESIGNATED AWOL

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the Minister has indicated that the Government has the highest regard for veterans and it is proud of the manner in which it has treated veterans.

Thousands of young men, boys, really, when they returned from the last war, and who left the services before receiving their demobilization papers, were considered to be AWOL and consequently not eligible for benefits as veterans. These men and women served in the Pacific and in Europe, yet these veterans and their spouses have been denied benefits for years and years.

If the Minister, as he said, is concerned about veterans and concerned about providing equity and fairness not only to veterans but to their spouses and families, is the Minister prepared to look into the cases of these thousands of men and women who, at the end of the war, decided to go to jobs and to find employment, and consequently missed that final paper work? Would he commit the Government now to reviewing the Government's policy regarding those individuals to ensure that they receive just and fair treatment, because it has denied them on every occasion up to this point?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, the Hon. Member for Kamloops—Shuswap will know that he has written me two letters on the case of one person out of the 14,000 people who were dealt with by Order in Council in 1946. The matter was reviewed once in 1972, and it was decided not to change the Order in Council of 1946.

If the Hon. Member wishes to bring the matter up for discussion before the Standing Committee on National Defence, I think it would be most appropriate. But, in the meantime, the decision at this stage has been that we will stay with the Order in Council that has been in force for the last 42 years.

THE CONSTITUTION

MEECH LAKE ACCORD

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is for the—

Some Hon. Members: Hear, hear!

Mr. Johnston: I hope the answer will merit as much applause, Mr. Speaker.

My question is directed to the Deputy Prime Minister. The Senate has now adopted a resolution authorizing the issuance of a proclamation to amend the Constitution as prescribed by Section 47 of the Constitution Act of 1982, as the Deputy Prime Minister knows. There is no requirement in that Section that the resolution be the same as the one adopted by this House.

I ask the Deputy Prime Minister, why has the Government today, as a matter of fact, given notice that it will introduce the same resolution as that passed in the House last October, instead of trying to work out a consensus resolution with the Senate?

• (1440)

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member for Saint-Henri—Westmount will understand that, in the House of Commons, the resolution respecting the Meech Lake Accord met with overwhelming support. There was a unanimity on the floor of the House of Commons in respect of the Meech Lake Accord that was probably unparalleled in the history of constitutional amendments.

I do not wish to speculate in terms of what the Liberal Members of the Senate of Canada are up to. My only point is that we in this House ought to have the opportunity, at the earliest possible date, once again to stand in support of this historic Accord, so that we in Canada can again be united, with Quebec as part of our Confederation, and go on to a better Canada.

Some Hon. Members: Hear, hear!

REQUEST FOR SUPREME COURT REFERRAL

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, I was not asking for a political speech; I was asking for an opinion on the legality of the procedure.

If the Minister of Justice were to take the time to study the provisions involved in this particular procedure, he would recognize that some day the procedure will be challenged before the courts, and until that time we will not know whether the resolution has been validly adopted. The Minister of Justice could forestall that possibility by immediately referring the issue of the procedure to the Supreme Court of Canada on a reference case.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, while I appreciate the suggestion made by the Hon. Member, I point out to him that we, as Parliamentarians, listened to the very best legal advice that we could receive with respect to the constitutionality of what we were proposing, and there was unanimous support for it.

After studying this matter in some detail, the committee was of the considered opinion that this proposal was fully within our abilities, and that in fact it was forward looking and consistent with the provisions of the Charter of Rights and Freedoms.

All the concerns raised were considered on the floor of the House, and there was unanimous support for the resolution. It is now time for us to move forward on this matter so that we can get on to annual constitutional conferences, where we can deal with the issues which have to be addressed. For the first time we will have the opportunity, on an annual basis, to discuss the evolution of our Constitution, with the outcome being a better Canada.

* * *

[*Translation*]

AEROSPACE

SPACE AGENCY—REQUEST THAT MINISTER ANNOUNCE HIS DECISION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Science and Technology. After a great deal of hesitation, the Government has finally decided to take part in the American space station. We in the Liberal Party, who were first to announce our support for locating the agency in Montreal, now believe that the Minister can no longer postpone announcing his decision.

Now that everybody knows the Liberals were first to announce their support for the space agency, could the Minister inform the House why he cannot announce right now that the space agency will be located in Montreal? Who in the Government is preventing this announcement from being made?

[*English*]

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, perhaps part of the reason is that we are getting so many conflicting reports from the Liberal Party as to where the agency should be located.

Mr. Broadbent: Is that where you get your advice?

Mr. Oberle: The Hon. Member for Ottawa—Vanier, for instance, has declared Ottawa as the proper place. The Leader of the New Democratic Party, yesterday, declared Montreal as the proper place for the agency.

An Hon. Member: At least he didn't say it should be in Oshawa.

Mr. Oberle: I am still looking at Prince George as a possible site.

Some Hon. Members: Oh, oh!

Mr. Oberle: I can assure the Hon. Member for Montreal—Sainte-Marie that the location will be announced in due course.

[*Translation*]

INSISTENCE ON ANNOUNCEMENT

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, Quebecers are fed up with the Minister's shelly-shallying. What we want to know is this: Is the Government going to stop lying to the people? Will the space agency be located in Montreal, yes or no?

[*English*]

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, there is no doubt that the Province of Quebec, the Montreal region in particular, is a very significant centre in terms of the Canadian aerospace industry.

An Hon. Member: So is Ottawa!

Mr. Oberle: The decision as to the location of the national space agency will be made with the national interest in mind, and it will be made in due course.

* * *

CANADA POST CORPORATION

NON-DELIVERY OF UNION LEAFLETS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. The Minister will know that Canada Post officials have prevented postal union locals from mailing leaflets attacking the sharp decline in postal service, and have gone so far as illegally removing the leaflets in question from post office boxes in the city of Vancouver. In view of this violation—

An Hon. Member: That is because they do not tell the truth.

Mr. Robinson: Mr. Speaker, the Hon. Member opposite says that the reason for this action on the part of Canada Post is that the leaflets do not tell the truth. Is Canada Post now starting to censor the mail?

Some Hon. Members: Oh, oh!

An Hon. Member: Shirley "Carrtel".

Mr. Speaker: Order. The Hon. Member for Burnaby has the floor, and I would ask Hon. Members to show him the courtesy of allowing him to put his question.

Mr. Robinson: Mr. Speaker, in view of this clear breach of the agreement with the postal unions, and in view of the fact that I learned just this morning, from speaking with the postmaster in St. Anthony, Newfoundland, that a first-class parcel of these leaflets delivered to his post office was not delivered, on the order of the Canada Post Corporation in Ottawa, what action is this Minister going to take to put a stop to this blatant abuse of power by Canada Post Corporation, in its attempt to censor the mail—and that is what it is, notwithstanding the view of some of the Canada Post management and some Tory back-benchers to the contrary?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, on April 14 last, Canada Post and the postal unions were before the courts, and an agreement was entered into pursuant to which CUPW, LCUC and the CLC undertook, from that day onward, not to attribute to Canada Post, the employees of Canada Post, or the unionized employees of Canada Post, any advertisement in respect of postal service.

In other words, from that day forward, the unions agreed that, in sending out advertisements, putting up billboards, or running advertisements on the radio, they would identify those advertisements as being sponsored by the CLC, CUPW, or the LCUC. To do otherwise would be misleading.

An Hon. Member: Is that a court order?

Mr. Andre: The union is now saying that Canada Post must contribute to the distribution of this misleading leaflet, something which the unions agreed, in writing, they would not involve themselves in after April 14.

On April 28 next, Canada Post and the unions will again be before the courts, and the matter will be finally decided.

Mr. Speaker: The Hon. Member for Burnaby, on a supplementary.

ACTIONS OF CORPORATION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Minister is selective in his reading. The agreement goes on to state: "Notwithstanding paragraph 2, it is understood by the parties that there are in existence at the present time certain leaflets. The respondents undertake that no further leaflets will be printed."

How can this Minister, responsible for Canada Post, defend the actions of Canada Post in going into private mailboxes, in interfering with first-class mail? When will this Minister show some leadership by putting an end to this attempt by Canada Post Corporation to muzzle the workers within that Corporation?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): There is no attempt to muzzle the workers. In fact the workers object to the union leadership, the CLC, putting out brochures claiming that the content thereof is supported by the workers. In fact, it is not. It is the union leadership that is putting these leaflets out.

• (1450)

What would the Hon. Member say about Canada Post if it were to participate willingly and co-operatively in putting out brochures which are misleading and misrepresent the facts in terms of who sponsors them? Why doesn't the Hon. Member approach his union colleagues, the executives of this association, and ask them why they are afraid to identify themselves as the sponsors? Why are they afraid?

* * *

[*Translation*]

LABOUR RELATIONS

DISPUTE WITH EASTERN STEVEDORES—MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is for the Minister of Labour and I wish to draw his attention and the Government's to the disastrous situation of labour relations in Eastern Canadian ports.

With all due respect to the Hon. Member for Beauce, the stevedores of the Great Lakes ports in Ontario, of Montreal and Trois-Rivières, Quebec, of Saint John, New Brunswick, and of Halifax, Nova Scotia, are all without collective agreements, Mr. Speaker.

As for Montreal, after three months of effort, mediator Laurent Picard was able to bring forward only a few partial recommendations, for lack of resources, and the longshoremen claim today that these recommendations are inadequate as a basis for negotiating a collective agreement.

I would like to ask the Minister when he will personally get involved before this conflict degenerates into a general strike that will paralyse the economy of the country.

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, I would first like to point out to my colleague that it is quite normal for parties to negotiate a collective agreement that has expired. That is the situation that now exists in all the ports named by my hon. colleague.

Negotiations are indeed under way and I would hope that the people at the Port of Montreal will do as those at the Port of Quebec did and reach an agreement.

REQUEST THAT MINISTER MEET STEVEDORES ON PARLIAMENT HILL

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the Minister knows very well that it is not so simple. Except for the stevedores in the Port of Quebec who are negotiating, negotiations have broken down in all the other ports throughout Eastern Canada, as the Minister knows very well.

Furthermore, the stevedores have asked several times over several months to meet the Minister personally in order to tell him the extent of the problem and he has always refused to meet them.

Mr. Speaker, today, while the stevedores are on Parliament Hill, I would like to ask the Minister to kindly get off his high horse and give them a few minutes of his precious time in order to avoid this conflict degenerating into a strike.

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, to get off one's high horse, one first must be on one. That was the situation the Liberals were in when they formed the Government. But we, Mr. Speaker, are on the same level as the people of Canada.

As for the negotiations, it is indeed true that the union asked to meet. I will immediately correct my hon. colleague by reminding him and the union that I met them already in Montreal last year and as far as the present request is concerned, the president of the union told me, "We believe that we should meet you as soon as possible to give you a detailed report of the situation."

Mr. Speaker, I believe that the "detailed report of the situation" should be made by the president to the members of his union and not to the Minister of Labour.

QUERY WHAT MINISTER WILL DO TO IMPROVE LABOUR RELATIONS

Mr. Mike Cassidy (Ottawa-Centre): Mr. Speaker, my question is also directed to the Minister of Labour, who is ignoring the labour relations problems in the ports of eastern Canada and the St. Lawrence region.

Does the Minister realize that in Toronto, longshoremen have been sixteen months without an agreement with the Maritime Employers Association? In Montreal it has been 16 months, in Trois-Rivières 28 months, in Halifax four months, in Saint John five months . . .

Considering there is only one employer, the Maritime Employers' Association, how come not a single collective agreement has been signed in these five major ports? Isn't it because of the poor state of labour relations in these ports? And what does the Minister intend to do to improve labour relations in these centres?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, it is of course too bad that opposition Members always forget to mention the instance where a settlement was reached with the Employers' Association, and I am referring to the Port of Quebec City.

Mr. Speaker, in the case of the Port of Montreal, there were direct negotiations between the parties, followed by the appointment of a conciliation commissioner who worked with both parties for four months. All recommendations were rejected, not just a few but all.

Subsequently, a special mediator acceptable to the Union was appointed, in the person of Mr. Laurent Picard, and once again, the recommendations were rejected.

[*English*]

REQUEST THAT INDUSTRIAL INQUIRY COMMISSION BE APPOINTED

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Minister aware that in Montreal the longshoremen did not hold a single face-to-face meeting with the employer while the special mediator was working, because of the refusal of the Maritime Employers' Association to negotiate in good faith?

Will the Minister agree to set up a commission of industrial inquiry which will look into the poor state of labour relations in the ports of eastern Canada and make positive recommendations for improvements?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, as I have mentioned before, the same employer group has already settled one collective agreement in the Port of Quebec, a fact that is always ignored by the Opposition.

There was a special mediator appointed in the person of Dr. Laurent Picard, who is an expert on the subject matter. I believe that Dr. Picard did everything to bring the parties together. The union should go back to its members and have a vote on the proposals.

* * *

[*Translation*]

MEDICINE

ACCUTANE—DANGERS TO HEALTH—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In his absence, I will direct it to the Deputy Prime Minister.

Today, Canadians are disturbed at the news that in a confidential memo drafted by the U.S. Food and Drugs Administration, it is estimated that 1,300 babies were born with congenital defects because their mothers used an acne drug called Accutane.

I wish the Deputy Prime Minister would inform the House whether the Government plans to ban this drug from being prescribed in Canada?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, according to my information, the drug to which the Hon. Member from Outremont referred is being used in many countries. It seems it is the only drug of its kind that is effective in cases of severe acne.

Since the drug was put on the market in Canada, a warning has been included on the wrapper, stating clearly that it should not be used by women who are pregnant or who intend to become pregnant.

Meanwhile, the Department of National Health and Welfare is keeping a close watch on the pattern of consumption of these drugs in this country.

REQUEST FOR INQUIRY

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the problem is not whether pregnant women do or do not use this medication. The problem is that physicians prescribe this medication regardless.

We know for a fact that in many countries only dermatologists may prescribe this medication.

And until there is an investigation—will the Canadian Government undertake to conduct an investigation to find out whether claims that this medication has very serious side effects are true? And pending the results of this investigation, will the Government reserve the right to allow only dermatologists to prescribe this medication? I don't think it is up to pregnant women to make the decision. It is up to their physician.

Hon. Jean Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I am somewhat intrigued by the way the Hon. Member formulated her question when she referred to decisions that have to be made by individuals about taking medication or other substances—ultimately, a person—but this is somewhat beside the point.

The fact remains that a clear warning is included in the package, stating that women should be particularly careful because of the problem to which the Hon. Member referred.

The Department of National Health and Welfare is keeping a very close watch on this development. Furthermore, it is working on projects with other countries, including the United States.

* * *

[*English*]

AUDITOR GENERAL

INTERNATIONAL AUDITING ACTIVITIES—LEGISLATIVE AUTHORIZATION

Mr. Alan Redway (York East): Mr. Speaker, I have a question for the President of the Treasury Board.

Last Friday the Minister of State for the Treasury Board assured the House that if the Auditor General wanted to legalize his presently illegal international auditing activities, all the Public Accounts Committee would have to do was to ask. For a number of years the Auditor General, the Public Accounts Committee and individual Members of this House asked the present Government and the former Government on numerous occasions to make changes to the Auditor General's Act, but each time the Government has taken no action. I wonder if the President of the Treasury Board will assure the House and give us the Government's undertaking that the same thing will not happen this time.

• (1500)

Hon. Pat Carney (President of the Treasury Board): Mr. Speaker, I would like to thank the Hon. Member for York East for the care and attention he is giving to the activities of the Auditor General. As Hon. Members know, the Auditor General reports directly to Parliament and is independent. He himself has raised questions about who watches the watchdog. I think the scrutiny the Hon. Member for York East has given to his activities indicates that this particular Hon. Member can really get his teeth into the issue.

In terms of the point he has raised today, I have asked my officials for an update on this issue. It was last dealt with by the Public Accounts Committee in May of 1986, and, as the Hon. Member says, the committee did indicate that there should be more frequent reporting. I will respond when that update is completed.

* * *

CANADA POST CORPORATION

POSTAL SERVICES—MINISTER'S STATEMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister responsible for Canada Post.

Mr. Andre: This is overtime, you know.

Mr. Speaker: Perhaps the Hon. Member could put his question directly.

Mr. Hovdebo: Yesterday the Minister misled the House, not deliberately, I am sure, when he said that no one in Canada had suffered a reduction in postal service under the Conservative Government. This will come as a big surprise to those thousands of rural Canadians whose postal service has been taken away since September of 1984.

Is the Minister prepared to admit that he was wrong yesterday and that Canadians have suffered from postal service reduction? Will he change the wrong-headed policy direction he is giving to Canada Post Corporation?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): No, Mr. Speaker, Canada Post is under an active program of improvement of service. Just today, a report by Clarkson Gordon, the independent auditor, showed that its on-time deliveries have improved. Over the course of the next five years it will be opening 6,000 new postal outlets.

There are changes occurring because there are changes occurring in demography, the way people live and the way people conduct their personal affairs. Every change is not a diminution in service, although some people are upset by change, particularly New Democrats who are locked in the last century.

Mr. Speaker: There will be one single question from the Hon. Member for Abitibi and that will close Question Period.

* * *

[*Translation*]

FINANCE

FLOW-THROUGH SHARES—REQUEST FOR PARTICULARS FROM MINISTER

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Finance and concerns flow through shares. Last Thursday, the Minister said in the House, in answer to a question by my colleague and neighbour from Témiscamingue, and I quote:

> We had meetings to discuss the situation in the industry now, the situation after the stock market crash, after October 19, 1987, and I wish to say today that it will be possible in a few weeks to have a decision to rectify the situation.

Could the Minister provide further clarification? Are we talking about a matter of weeks or days, because prospectors and the people in Abitibi—Témiscamingue, Quebec and the rest of Canada would like to see a decision very shortly on flow through shares?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I understand the Hon. Member's interest in the subject of flow through shares. My officials had several meetings with representatives from the industry, and last week, I met four people who also have an interest in this matter. I think it is feasible to reach a decision on this issue in a matter of weeks and perhaps very shortly. As I said at the end of last week, I realize it is important to communities in Abitibi to be able to increase the funds available for mining exploration.

* * *

[*English*]

POINT OF ORDER

WINNIPEG NEWSPAPER REPORT

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, my point of order arises out of the spectacle we witnessed in the House yesterday and today regarding allegations with respect to the Air Canada maintenance base in Winnipeg. I have just been handed a document dated April 26 which is headlined: "Grits admit guessing on Air Canada". It goes on to say:

> Unproven allegations were included in Liberal campaign literature distributed yesterday, admits party president Morris Kaufman.
>
> Kaufman conceded that he had no evidence to back up claims that an Air Canada maintenance contract has already been awarded to Montreal instead of Winnipeg.

That is a quote from *The Winnipeg Sun* as of today, Mr. Speaker.

Hon. Herb Gray (Windsor West): Mr. Speaker, it is totally out of order for the Deputy Prime Minister (Mr. Mazankowski) to attempt to smuggle on to the record of the House of Commons something that he was not able to bring forward during Question Period. If he had confidence in what he was talking about, he would have raised it during Question Period, and I want to say—

The Acting Speaker (Mr. Paproski): Government Orders.

Ms. Copps: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Government Orders.

GOVERNMENT ORDERS

[*English*]

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McMillan that Bill C-74, an Act respecting the protection of the environment and of human life and health, be read the third time and passed.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, just before the one o'clock break, you were patiently listening to an elaboration of Bill C-74, and I was taking you through the question of equivalency. At that time, I was drawing to your attention a statement made by Brad Wylynko of the Toxic Watch project when he tackled the matter of equivalency last December in committee. On this important development, the introduction of the concept of equivalency in a piece of federal legislation, he said the following:

> —the term "equivalency" is very ambiguous and vague. It is very difficult to pin down just what that term means. It is obviously not identical, or it should say that. I ask myself whether it could be equal in effect or equal in purpose.
>
> If that is the case, then I might give you a scenario. Let us say the Province of Alberta decides that under its Provincial Transport of Dangerous Goods Legislation, its regulations of PCB transportation within the province are equivalent—as equal in effect or equal in purpose—to the federal regulations. If it is argued as such, and Cabinet sees it as such, then the provincial legislation will be the one that is used.
>
> To what extent is it necessarily equal? Is it necessarily equal in all the standards, the standards of construction of the vehicles that are transporting the PCBs, the emergency equipment? To what level does this equality extend? To what degree of specificity does it extend?

Mr. Wylynko raises very important, fundamental questions. The third problem he raises with the term "equivalency" is the question of who then does the monitoring, assessment and enforcement under these equivalent provisions. That is a very important question.

One would assume, he argues, that if it is provincial legislation being used instead of federal legislation, then it would be provincial monitoring, enforcement and prosecution that would be used if there were a contravention of that legislation or regulation. Through this equivalency provision, the federal Government may be giving up the whole whereas under the federal legislation, there might be $1 million fines available for a breach of the legislation or regulation. Under the provincial legislation, again using the example of Alberta, it would be $25,000. You may be going against the entire intent of the Act by allowing the provincial legislation to be the legislation used in that case.

• (1510)

This morning I brought to your attention Dr. Alistair Lucas' statement on equivalency. He must be again brought back into this debate because he made the following statement to us on January 26:

> If some provincial legislation is accepted as equivalent under these provisions but other provincial legislation is not so that Bill C-74 applies in those provinces, you then have a patchwork of federal and provincial environmental protection legislation.

That is what it will boil down to. If you want to hear an eminently responsible statement on this complex question then I urge you to listen to that made by Friends of the Earth who, in their brief to the committee, and it is just one paragraph but it says it all very well, said this:

> Granted the government may wish to arrange for a province to carry out federal requirements and will appropriately consult with the relevant provincial Governments. However, the ultimate authority should flow from and rest with the federal government. As it stands, the amendments force the Minister to take an "after you" approach to environmental protection and effectively strip the Government of authority.

They recommend that the original section which required mandatory consultation with the provinces and the amendments which provide for exemption of the provinces from application of federal legislation be deleted. Unfortunately, that advice went by unheeded.

It is interesting again to note, as I brought to your attention this morning, the observation by *Conseil du patronat du Québec*:

[*Translation*]

> . . . le *Conseil du patronat du Québec*, when it told the Committee: Finally, the federal-provincial agreements required for the implementation of this bill are not clearly defined. What standards will prevail? Federal or povincial? Will we have a homogeneous system all across Canada, or will there be important regional variants? A lot of questions have yet to be answered, in our opinion, in that respect.

[*English*]

These questions are still to be clarified.

Enough on equivalency. I have now to take you to the question of the Bill of Rights and a concept that is a good idea *per se*, that was in a way touched upon on a number of occasions by the Minister, but which has been left now without teeth, without muscle, unfortunately. It was very well put to us by Paul Muldoon of Energy Probe when in committee he made the following points:

> What is needed is a straightforward, unequivocal declaration. We can say . . . that all people of Canada have a statutory right to a healthy environment, a right that can be enforced in the courts. Consequently, it would establish the government as a trustee of all public lands, waters, and resources of the province, and impose obligations on it to conserve and maintain the resources. It really identifies and clarifies that each person in Canada has a right to a healthy environment.
>
> There are some clauses within this proposed bill which deal with what I would call an environmental bill of rights. As a lawyer, I am afraid they do not help me very much.

He then elaborated on a couple of cases and continued:

> There are also other clauses which, if you wish, I can deal with, but that is the main thrust. An environment bill of rights therefore is accountability. It is accountability for everyone, individuals, industry and government, and it allows those people who need protection or those who want to enforce the act the opportunity to do so.
>
> Right this minute, before the Ontario Legislature, second reading is being debated on a bill called An Environmental Bill of Rights for Ontario, a copy of which I have included in the package of material. I urge this committee to recommend certain reforms that parallel that . . . that bill does propose to give each person in Ontario an environmental bill of rights, which will be essentially the right to a healthy environment and the right to enforce that right.

On the same occasion he went on to say:

> The way to do it, though, is that clause 128 would simply say anyone, not just those who have suffered a loss or damage, can seek relief in a court of competent jurisdiction who suspects another person, industry or government is breaching a standard of a provision of the act, period.

The first thing would be to remove, and this is a very important passage in the Bill before us, the words "who has suffered loss or damage". The suggestion was made that it should instead read "any person may go to a court of competent jurisdiction to sue and recover". In other words, the provision "who has suffered loss or damage" is a barrier to action by the individual citizen to protect the environment. If you represent a non-government organization, an environmental group, you cannot go to court to enforce the Act. You have to find someone who suffered damage from a breach of that Act. That is what it boils down to with respect to who has the right to take action to protect the environment.

The problem, he went on to say, is virtually that it is impossible in environmental litigation to connect the damage to the source, the damage to the act. A classic case is the Toronto lead smelters. For years a number of industries have been polluting the city with lead to the detriment of children and environmental health at large. However, to prove lead emissions from a company caused those precise injuries to those children is virtually impossible because lead comes from all types of sources, including automobiles. The molecule of lead that damaged the lungs and metabolism of a child, did it come from a certain industry? It is a standard which is impossible to prove and which would render Clause 128 of this Bill totally inoperative.

Therefore, Mr. Muldoon concluded that under this clause he could not proceed because he has not suffered injury or damage. Only a pollution victim, probably for many of the toxic chemicals, can do so. The latency period is anywhere from five to 20 years in some types of contamination. Lead contamination in Toronto is a perfect example. Why does one

want to wait until harm occurs, he asks? His recommendation was to remove the standing barrier. Let anyone enforce the law. What is everyone hiding? If someone is breaking the law, certainly they should be put in a position where they have to comply with the law.

This is not a revolutionary program. It is a simple, logical program where one says that here is an environmental group which is environmentally sensitive and active. It sees industry, an individual or a Government contravening the law. Why can they not go to court and enforce the law? It can be done in common law, Mr. Muldoon concluded.

• (1520)

It is interesting to note that the Minister himself, when he appeared before the committee on November 25 last year said:

> I am more concerned, frankly, about lack of accountability. I think it is terribly important that some of the enforcement clout of a bill involve the citizen, the individual who is affected, when a given chemical violates the environment and perhaps human health.

I applaud the Minister for having said that. The only problem is that it is not in the Bill. Having preached the substance and the theory, the will is not in the Bill. That is what led me to say earlier that this legislation has a history of retreats, contradictions, and flip-flops. That is one example of that.

It is also important to put on the record what the Canadian Environmental Law Association in Toronto said through Toby Vigod in January of this year.

> CELA since its inception in 1970, has been advocating the need for such a bill of rights at both the federal and provincial levels of government. It would seem essential that any comprehensive revision of federal environmental law be updated in its provision of public rights to protect the environment. "Key provisions would include the right to a healthy environment and the right of a member of the public to seek a declaration or injunction for actual or threatened environmental harm,—

Again reference is made to Clause 128 which, Ms. Vigod concluded, can in no way be called an environmental bill of rights and should be amended to provide for broader rights for citizens to protect their environment.

In an editorial in *The Intervenor*, the newsletter of the Canadian Environmental Law Association, in November, 1986, Toby Vigod wrote:

> The EPA does not contain, or even come close to being, an Environmental Bill of Rights, even though the Minister has claimed it to be. While there is a lengthy preamble stressing the importance of environmental protection, preambles are not legally enforceable, and would only be used as an aid for interpreting otherwise ambiguous sections of the Act.
>
> A real Environmental Bill of Rights would contain some of the following elements:
>
> —the right of the Canadian public to a healthful, aesthetically and culturally viable environment; recognition of a public trust in Canada's lands, water and resources; the right of any member of the public to bring a lawsuit for actual or threatened environmental harm or breach of a federal law, without the necessity of having to show personal injury or property interests of that individual; the right of the public to become involved in the federal environmental decision-making process, such rights to include input into the standard setting process and the right to financial assistance, where necessary, to ensure effective public participation.

In 1979 in a debate in this Chamber the present Minister of the Environment eloquently supported the need for an environmental bill of rights. The Bill at that time would have incorporated many of the proposals advanced by the Canadian Environmental Association in this editorial which concludes:

> Unfortunately, these sentiments have not been transferred to the proposed EPA.

Another important chapter in the discussion of this Bill at third reading has to do with federal polluters. I must pay tribute to the Member for York East (Mr. Redway) for the fine role he played in committee, alas, without achieving the intent which he had in mind. However, he certainly put very forcefully a position which we in the Opposition shared and would have very much liked to have seen adopted as an amendment in the Bill itself. The issue was put quite lucidly by Pollution Probe through Kai Millyard on January 20 of this year when he appeared before the committee. He said:

> Probably the most important is in Part IV of the bill—federal lands, works, undertakings and all of that. This concern really only crystalized for us about a week ago when we learned that a number of federal government agencies—Transport Canada and the National Research Council—over the last few years had been releasing some of the hazardous wastes they generate in the process of doing what they do, to an unlicensed trucking company that discharged those wastes into a sewer grate here in Ottawa going out to the Ottawa River.

I would like to pay a special compliment to my colleague, the Member for Ottawa—Vanier (Mr. Gauthier) who has, on a number of occasions by himself in this House, raised the question of pollution by federal government agencies.

Mr. Millyard went on to say:

> The provincial government, which does have standards and regulations about these matters, charged those agencies with violations of the Ontario Environmental Protection Act.
>
> In court the Department of Justice argued federal immunity to provincial laws. Unfortunately, the judge agreed with that argument and the charges were quashed, although I gather the province is now preparing an appeal. This kind of federal immunity might not be such a problem except for the fact that Environment Canada does not regulate the polluters for which the federal government is responsible.
>
> If it did, if there were regulations that applied to all of those companies—we mean corporations that are federally incorporated, such as banks, airlines, railways, shipping concerns and so on, as well as any activities that take place in the Northwest Territories and the Yukon. Of course, provincial laws do not apply there and Environment Canada is the only possible environmental regulator . . . However, the simple message is that Crown immunity really is a concept that is not popular with the public. Pollution Probe certainly sees absolutely no reason why the federal government should not have to meet environmental laws.

Neither does the public, Mr. Speaker, and neither do, I am sure, the vast majority of Members in this House.

Mr. Millyard concluded as follows:

> Whether they are the provincial laws in which the federal agencies operate or whether it is a new licensing regime set up by the federal government is less important. In our view the federal government must control its own polluters if it expects to have any credibility at all.

These are pretty clear and convincing words and they were backed up by the Canadian Environmental Law Association by Toby Vigod. On the preceding day in committee she said:

● (1530)

> We are concerned about the federal Government's failure to exercise its clear authority to regulate federal works and undertakings under exclusive federal jurisdiction.

It is clear as a bell. She then elaborated on the 1981 prosecution by the Ontario Ministry of the Environment of Eldorado Nuclear for a spill into Lake Ontario. She said:

> In that case, charges brought under the Ontario Water Resources Act were thrown out of court on the basis that Eldorado, as a federal Crown corporation, was immune from the application of provincial law, as the legislation did not expressly, or by implication, bind the Crown. More recently the National Research Council and council employees were charged under the Ontario Environmental Protection Act with illegal transfers of waste to an unauthorized waste hauler without completion of any waste manifests as required by the regulations. Again, the Provincial Court held that the Ontario legislation did not bind the federal Crown and the charges were dismissed. The unfortunate result is that federal agencies can continue to hide behind Crown immunity and act in an environmentally unsound manner.

Here we had a golden opportunity, because we cannot amend the legislation every second year and we cannot go frequently into an important exercise such as Bill C-74. We had a terrific opportunity to rectify what is definitely a scandal in the operation on the part of some federal Departments and agencies. That opportunity was missed, and I will explain in a moment why.

The spokesperson for the Environmental Law Centre in Edmonton, Linda Duncan, spoke on December 10 with respect to federal works and undertakings, and this is the explanation as to why the golden opportunity was missed:

> . . . the Bill requires the concurrence of the federal Minister responsible for administering that particular work or undertaking or land before the Minister of the Environment may bring forward regulations for the protection of the environment.

Will the Minister of Transport of the day agree with the Minister of the Environment (Mr. McMillan) to correct the situation, or with the Minister in charge of Science and Technology as it affects the NRC? We know what the obvious answer is.

Miss Duncan went on to say:

> Again, it is our assertion that this provision runs contrary to the stated political intent that the Canadian Environmental Protection Act be viewed as the vehicle to centralize and consolidate protection of the environment. To require the assent of the Ministry proposed to be regulated is to diminish the effect of Part IV of the Bill.

I think she used very mild words when she said "diminish". She said a political decision must be made, and quite rightly so, whether to empower the Minister of the Environment to act to protect the environment. She went on to say:

> A wise Minister will consult with the affected Ministry regardless of legislative requirements. The affected Ministry is also accorded the opportunity of raising objections at the cabinet level.

Many of us in committee fought to have at least this approach taken, but we did not succeed. It is interesting to hear what John McCallum of Ecology North had to say on January 19. He said:

> In the North we paid a lot of attention to Part IV of the Bill, which deals with federal lands and waters. We have long felt that the northern environment is particularly poorly regulated and that we need a more comprehensive system with less discretionary power and greater public input to decisions. Environment Canada also has an environmental role in the North through its responsibility to administer Section 33 of the Fisheries Act. However, the overlap between this section and the Northern Inland Waters Act has never been cleared up.
>
> The GNWT also has some environmental legislation, Although its constitutional basis is cloudy. It does have a clear mandate for management of forestry and wildlife which the Department of Indian and Northern Development has transferred to it.
>
> The federal Government, with DIAND in the lead role, has continued to allow the situation to exist for years with no effort to clarify constitutional responsibility, fill legislative gaps or urge the to do so. For those of us who are environmentally conscious this has not only been frustrating, we feel it is negligence. So it was with great hope that we saw what was originally Part III of CEPA as the portent of someone who was prepared to take responsibility for setting up and enforcing comprehensive, systematic, strict environmental legislation in the NWT.
>
> But a more careful analysis showed that Environment Canada was still nervous about stepping on toes in other jurisdictions—just as, in the original section of CEPA,
>
> DOE worded the Bill so they could only act in consultation with the Minister responsible and only to enact regulations in areas where no other legislation existed or to set guidelines for departments.

So it seems that the Department of the Environment is continuing in the tradition of the Department of Indian Affairs and Northern Development of avoiding the issue. He concluded by saying: "Mr. McMillan's words seem hollow".

Let me move on now to national standards, which is a very important subject as well. It is interesting to note that on November 25, 1987, when we were graced by the Minister's presence in committee, he said:

> We are setting in place a Canada-wide regime for the management of certain forms of pollution, in this context, chemicals; it is a cradle-to-grave approach to management of toxic chemicals. We want to set a national standard below which no province would plunge.

You should read, Mr. Speaker, in the record the acrobatic elaborations through which the Minister's own Parliamentary Secretary went last week in order to avoid using the words national standards and replacement with national control standards, which means quite a different thing. The Minister said: "This does not mean that an individual province like Ontario, which might well have regulations specific to circumstances that are above our national standards, would be prevented from enforcing them". He set the foundation, the framework, for what some of us thought was going to be a pretty good and solid elaboration of the discussion leading to the setting of national standards.

I welcome the arrival of the Parliamentary Secretary to join in this debate because it is very important to her, considering the discussion we had last week at the report stage of this Bill.

When discussing the subject, it would take hours and hours to relay everything that was said on the question of standards, but it is worthwhile for a moment to report what was said by Richard Martin, the spokesperson for the Canadian Labour Congress when he took a crack at the subject of standards. He said:

> On a philosophical basis I suppose we basically agree with a strong central Government establishing uniform controls across the country, because partially what they say is correct. The competition of allowing one polluter, if I can so speak, to have a larger area or more leeway to pollute than another jurisdiction may work against a province's interest to attract investment and development in the province, if it wants to have a clean environment, compared with another province that is lax on its particular laws.
>
> Through various bodies, we have recommended national standards in terms of occupational health and safety matters and limits in terms of exposure to chemicals.
>
> We have also recommended the same thing in terms of the environment. On the other hand, it is quite important to us that national recommended standards should be in place before provinces are allowed to give up or abrogate their responsibilities in terms of the environment, clean air, or any other matter. Otherwise, we are going to have a whole open period during which pretty well anybody can do anything to the environment.

• (1540)

That is the fear that Mr. Martin brought out in committee. He concluded by saying:

> I would recommend that we try to establish those recommended national standards for introduction into the provinces, keeping in mind that the provinces do have many rights and should exercise those rights in terms of cleaning up the environment.

This was a pretty reasonable approach I thought. In a way it was reinforced by Barbara McElgunn when she appeared before the committee on January 19 and stated:

> We know that Canadians deserve health and environmental protection via national standards for air and water quality. However, it appears that the federal government does not have this authority—

She is quite right. The Parliamentary Secretary confirmed it in the debate last week. We will go into that since I have studied the terminology that she used. I will prove to you, Mr. Speaker, that this notion has been abandoned, as well as why and how.

If the Parliamentary Secretary disagrees with me then she does not understand what she is saying in the House, which is even more serious.

Mrs. Browes: You are misinterpreting the witnesses.

Mr. Caccia: The Minister is expected to formulate guidelines and objectives with respect to the environment under this Bill. It is then doubtful, said Mrs. McElgunn, that there will be a federal authority to establish maximum intolerable concentrations for contaminants in air and drinking water in Canada for Canadians. She said that it is doubtful. She went on to say that it is noteworthy that the Decima report in December, 1987, placed drinking water quality at the top of Canadian environmental concerns. She concluded by saying that standards have the force of regulations whereas guidelines and objectives do not.

We have said enough about that subject, except that, when he appeared before the committee on the same day, Mr. Millyard of Pollution Probe made these two very important and clear points. I quote:

> In the 1970s, both under the Clean Air Act and under the Fisheries Act, there were programs the government had, which were systematically going through the industrial sectors that were thought or known to be major sources of pollution, and, along with those industries, were writing regulations and standards to gradually limit and clean up the emissions of those industries. Those programs are gone, both in the Fisheries Act and in the Clean Air Act.

This is another item about which we had lengthy discussions in committee to no avail. Mr. Millyard concluded by saying that there were standards written for four categories of industries under the Clean Air Act. He said that those are being rolled over into this law, and the ability actually to launch programs like that and write such standards is still in Bill C-74, but he is very concerned that there is no program to do these things. That is separate from the statute itself.

As I said, the question of national standards is one that one cannot stress forcefully enough and long enough. However, we have to move on. I could take Hon. Members through the whole question of enforcement of this legislation. It is important that we understand what the Government is offering Canadians here in the words of the Government and those who study the operations of Government. It is important to quote two paragraphs from a study prepared by the Canadian Environmental Advisory Council which reports to the Minister himself. I am quoting from its study of January, 1987 which states:

> Our review of the EPS delegation scheme suggests that federal delegation of environmental enforcement authority amounts to a virtual abdication of responsibility for enforcement and has promoted discrepancies in the nature of enforcement responses across Canada . . . Council is of the opinion that some current trends, such as the delegation of administrative powers to provincial authorities and excessive fears of federal-provincial conflicts, are having negative effects on the implementation of Environment Canada's legislative mandate, and undermine the confidence of Canadians in the Department.

This was not written by some fly-by-night operator, or by a critic of the environment. This was written by the Canadian Environmental Advisory Council under the title: "Enforcement Practices of Environment in Canada". This is a very serious observation that is made which has an important bearing on what will be the effect of this Bill, which in the way it is worded now negates the very spirit and substance of the observation made by the very Council which advises the Minister. So much for consultation and so much for listening to advice.

On the question of enforcement it is also important to have on record an observation made by Ross Hume Hall to which my distinguished colleague from Red Deer referred in his speech this morning. In an essay published in the spring of last year he wrote:

> The single-chemical approach breaks down under the sheer weight of the 60,000 existing industrial chemicals. To illustrate the absurdity of trying to regulate industrial chemicals in this manner, let us do a simple calculation. The 19 member bureaucratic team of the Contaminants Control Branch took 10 years to assess—

Guess how many, Mr. Speaker? Five chemicals. It took 10 years to assess five chemicals, that is, 190 bureaucrat-years to write five regulations, 38 bureaucrat years per chemical. Imagine that Environment Canada puts all its 10,000 employee-years from janitor to Deputy Minister, if you like, all of them, to this task. Actually, now, because of the transfer of the Canadian Forestry Service to Agriculture Canada and because of the cuts in November, 1984, and losses to inflation and the like, to an amount of well over $60 million in its purchasing power, its establishment of strength is now less than 7,000 individuals, I believe. Suppose that Environment Canada puts all its employees to work—the assumption here is 10,000, which is 50 per cent greater than today—to write the regulations. At that rate the Department could write 260 per year. The Department would not keep up with 1,000 new chemicals that enter commerce every year.

If this calculation is correct, and it comes from a person who has a very high standing, so much so that he was appointed to head this special group to which the Hon. Member referred this morning in his speech, to answer this type of emerging problem here as defined by Ross Hume Hall, what does the Government do to make funds available for enforcement? Over the next five years it makes available $37 million to be divided among three Departments. If my arithmetic is correct, $7.4 million a year, divided by three, is approximately $2.5 million per Department to enforce this type of monstrosity. Therefore, one has to conclude that the enforcement aspect, which there is no doubt is a very massive and difficult one, is not being given the administrative, bureaucratic muscle needed to carry out such a massive task, particularly in consideration of the point made by Ross Hume Hall that at the present time there are some 1,000 new chemicals that enter commerce every year.

● (1550)

What is omitted in this Bill is an important aspect that I will touch upon briefly. It deals with our native people and it deals with an international river. I am referring to the question of international riparian rights. I realize that this is a complex issue, but nevertheless it has to be put on the record. I am referring to the brief prepared by the Citizens' Coalition for Clean Water. It was sent to all Members of Parliament in Canada and to the media. It bears the date of April 14, 1988, so it is very recent. In four lines it sets out the problem very well by first quoting Mark Twain. I am sure that the Hon. Member for Red Deer (Mr. Towers) with a penchant for poetry will enjoy this. Mark Twain said, "The Mississippi is a very muddy river, too thick to drink, and too thin to plough".

The Coalition for Clean Water went on to say, "Mr. Twain could clearly see the state of his river, but people in Wallaceburg, Ontario and Walpole Island Indian Reserve cannot".

In a very eloquent, touching, and short manner, the Citizens' Coalition for Clean Water describes to each one of us the situation along that river caused by upstream pollution. It places high hopes in the Canadian Environmental Protection Act, and it urges us to take certain action. It states, "You can reinstate the original preamble of January, 1986", and this is why earlier in my remarks I made a reference to this Bill as being a history of retreat and flip-flops. The Coalition urges us collectively that, "You can reinstate the original preamble of January, 1986, whose language was closely akin to extending environmental rights to all Canadians". This is where the recognition was in the original draft. I cannot understand for the life of me why we gave it up, because it was good stuff. It deserved to remain untouched. This is a point made by Don Laprise, the Chairman, and John Wilkinson, the Secretary-Treasurer in this brief. They go on to state:

> You can reword Section 100 so that ordinary Canadians can gain, unhindered, full access to the law, and stand in court on an equal, legal and financial footing with corporate polluters.

I now ask you, Mr. Speaker, who would disagree with that stuff? I do not see anyone who would disagree with that type of approach. It makes eminent sense. I am sure that even members of the Progressive Conservative Party while campaigning in the next election might take a stand like this in their own ridings. They will sense the pressure of the public to take that type of stance and translate it into legislation.

The Coalition concluded by stating:

> The Parliament of Canada has a trust responsibility to provide all Canadians with a pollution free environment. We strongly urge you as a lawmaker to bring the Canadian Environmental Protection out of the sky and down to the level of the ordinary person where it can be environmentally useful, where it can preserve, protect and eventually be celebrated.

These are beautiful words, Mr. Speaker, of substance and poetry. For the life of me, I cannot understand why collectively we were not able to master sufficient will to do exactly that. That is enough said, Mr. Speaker, on the subject of riparian rights, because time is going by.

The Acting Speaker (Mr. Paproski): I know that time is going by, but at this stage may I interrupt the Hon. Member.

* * *

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Lévis (Mr. Fontaine)—Finance—Reform of legislation—Consequences for Mouvement Desjardins; the Hon. Member for York East (Mr. Redway)—Environmental Affairs—Applicability of provincial law to federal agencies; the Hon. Member for Broadview—Greenwood (Ms. McDonald)—Employment—Innovation program—Request for approval of project/ Request that project proceed.

GOVERNMENT ORDERS

[*English*]

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McMillan that Bill C-74, an Act respecting the protection of the environment and of human life and health, be read the third time and passed.

Hon. Chas. L. Caccia (Davenport): I welcome your interruption, Mr. Speaker, and I will now move on to the subject of the discussion that took place here last week when, by way of our procedure, we debated a number of motions at the so-called report stage. We began with a ruling from the Speaker who gave us an indication of how to proceed.

It so happened that the motion in my name that came up for debate early that day dealt with the desirability to introduce in Clause 2, which is the preamble, a paragraph to the effect that the intent of this measure is to endeavour to establish national standards of environmental quality. Why did we do that, Mr. Speaker? Because the Bill as it is presently worded is weak and it does not reflect and contain the political will with which the same Bill was announced by the Minister himself. It has lost steam, it has lost fire, and it has lost muscle. With that motion, by at least putting an intent in the preamble, I was endeavouring to bring back some of that.

The Government did announce that the Bill was a great measure to clean up the environment, which it does not, unfortunately; and that it would open up a new era for the protection of the environment from damage, for which it does not provide the necessary funds in the enforcement of it.

It was interesting to note that in the draft Bill entitled "Proposed Environmental Protection Act", which goes back to 1986, on page 1 there was a subparagraph which stated: "Provide leadership in the establishment of nationally consistent standards of environmental quality". Would you believe, Mr. Speaker, it was there. It is now gone. We proposed it and we lost. I ask you, Mr. Speaker, why that retreat? That particular measure in the draft Bill, which was the object of consultations, received widespread public support across the country through those public consultations. It became almost a challenge to attempt to bring it back by way of a motion at the report stage. What we have in its stead is the phrase "endeavour to establish nationally consistent levels of environmental quality".

• (1600)

We have moved from providing leadership in the establishment of nationally consistent "standards" of environmental quality to endeavouring to establish nationally consistent "levels" of environmental quality. One is quite a far cry from the other.

In the Bill as it is currently drafted, the emphasis is on consistency. The Government went through an extensive public consultation process in respect of this legislation, and I imagine it did so with the best of intentions. In doing so, however, it created the impression that there was a genuine attempt to consult with the public, and having done so it then retreated from the strong wording of the Bill as introduced to "nationally consistent levels of environmental quality".

There is a world of difference between "levels" and "standards". What a shame!

When a Government retreats from the political will of wanting to establish "national standards" into the mushy world of endeavouring to establish "nationally consistent levels", one has to ask oneself what has happened to the political will of that Government.

What has caused the Government to make a 180 degree turn, backtracking from the strong language of the Bill as first introduced? No longer do we have "national standards"; rather, we have consistency.

I look forward to hearing the response of the Parliamentary Secretary, or perhaps that of the Minister himself on this particular point. An explanation ought to be put on the record, and I invite the Minister or his Parliamentary Secretary to put something of substance on the record in this respect.

The Parliamentary Secretary, in her reply, said that what I was proposing was a seemingly minor amendment to the "administrative duties" section of the Bill. She went on to say that the consequence of this seemingly innocent word change would be to impair the very goal that I was seeking, and she thereafter engaged in a number of points, all of which, to me, are simply sophistry of a kind that is the reflection of a muddled mind. Having reread the record of that debate, that is all I can say. To give you but one example, the Parliamentary Secretary went on to make the point that the word "levels" allows for a "range of regulatory possibilities, guidelines for industries to follow, objectives to be aimed at, codes of practice to be adhered to, standards to be achieved, and outright bans to be implemented, if required".

Mr. Speaker, the Parliamentary Secretary is dreaming in Technicolor, to say the least. The fact that the existence of standards is important is demonstrated and reinforced through our experience with acid rain, in respect of which standards were established, with the abatement programs then following. Given the Canadian geology and climatology, we set a standard in respect of the deposition of wet sulphides, the standard being that the deposition of wet sulphides should not exceed 50 kilograms per hectare per year. That was a scientifically arrived at standard, and from that standard we then developed our policies.

That standard proved to be good for Canada, and it is one that has served us well since its implementation. Given that experience, I felt that there was sufficient ground to ensure the entrenching of the word "standards" in the legislation.

I am tempted to read to you some of the evidence in respect of Clause 8, namely that of Pollution Probe and Friends of the Earth; but to do so would be to infringe upon the territory of the Member for Broadview—Greenwood (Ms. McDonald), and so I shall refrain from doing so. It was very good evidence, and I trust that the Hon. Member for Broadview—Greenwood will find the time to highlight some of it during the course of this debate.

During the report stage, there was some discussion in respect of the representation of industry, labour and non-governmental groups. We wanted to entrench that concept in the law. We wanted to ensure that the sectorial reality of Canada will be entrenched in the legislation. Having involved labour in the deliberations on the draft Bill in committee, we felt it only natural that the description of the advisory committee be such that the various sectors will be specifically spelled out, namely, industry, labour and non-governmental groups, or public interest groups.

Unfortunately, we did not succeed in that endeavour. And why did we not succeed? Here again we heard an interesting reply from the Parliamentary Secretary, who said that there is already an advisory board, the Canadian Environmental Advisory Council, which advises the Minister, and that that should do.

In my view, this piece of legislation requires an advisory board of its own. It is unfortunate that that particular proposal was not accepted. In my view, it is one that had some merit.

We then moved on to a motion that endeavoured to delete the mandatory consultation between the federal Minister of the Environment and a committee which would be essentially federal-provincial in nature, and we did so for the reasons already outlined. In our view, such mandatory consultation would only slow down the process—an undesirable result, given that, in most instances, protection of the environment requires swift action. We also attempted to delete the equivalency policy. Finally, we attempted to remove the requirement that another federal Minister, other than the Minister of the Environment, would have to give concurrence or the green light when the Environment Minister of the day wants to proceed and lay charges against a specific Department or an agency of the Crown.

• (1610)

We did not go very far with these suggestions. We had to accept the will of the Minister through the Parliamentary Secretary and of the Government as a whole. That is where the blame rests, Mr. Speaker, in having back-peddled and retreated furiously under pressure from some quarters, which I am not in a position to name but which I can guess.

We then come to the question of the national standards again. I made reference to it when the Parliamentary Secretary was here a short while ago. Here we have an intervention on behalf of the Government, and I quote the Parliamentary Secretary to the Minister of the Environment (Mrs. Browes) who said, as reported at page 14658 of *Hansard* for April 20:

> —this Bill does provide for national standards—

She has news for us. The Bill provides for national standards. Then she quickly added:

> —national environmental control standards, and I emphasize the adjective "control".

That is where the nice twist comes in. She went on to say:

> These control standards provided for in Sections 33 and 53 will apply—

The notion of control standards is one that must be examined for a moment in debate on third reading. We have to understand what the Parliamentary Secretary means. If environmental protection is equivalent to emission controls, emission controls must be equalized to so much per polluter. That, in turn, must probably mean that each new polluter is permitted to add to pollution. In that sense the total pollution in the end increases. In other words, the controls that have been envisaged and transmitted to us by the Parliamentary Secretary are controls that apply to the totality of the environment, no matter how many polluters there will be between now and 50 years from now.

It is, in other words, not as I said before, the establishment of standards that are permissible as a total load of pollution that indicates the tolerance of the particular environment to a specific load produced by a certain emission, by a certain industry. Having established the tolerance, you work your way back and say that there shall not be more pollution than that which the environment can tolerate. If today there are 10 polluters, so much will be the total tolerance that the environment can take from those 10 polluters. If tomorrow there will be 15 and 10 years from now 25 and so on, that tolerance remains the same. Therefore, the pollution allowed to each individual polluter will have to be decreased accordingly.

This is not what the Bill says. The Bill says that there will be a control that will be applied to each polluter and if the polluters increase in numbers, the amount of total pollution will also increase accordingly and the environment will go to hell in the process. That is what the words control standards in essence mean. That is why national standards *per se* in the Bill were not accepted by the Government. We are taking the wrong tack with this Bill in its very essence as to what it endeavours to do.

The Bill endeavours to establish controls on what the emitters will be allowed to pollute, but it does not establish what the environment can tolerate, and having done that, work its way back to establish how much each polluter, be it five industries today and 59 twenty-five years from now, can pollute. This is from where the serious flaw and damage will arise.

We had enough exchanges on that. It is not an easy part of the Bill to deal with, I must admit, even at third reading without time limitation. But I felt this had to be put on the record.

I will move on now to the question of the cost of investigation from a polluter. In committee, we had in the Bill, almost until the last moment a clause which said that in certain circumstances the Minister may collect the cost of investigation from a polluter. There may be circumstances when the Crown may want to recover the cost from investigating a situation caused by a polluter.

That situation could arise. The clause was right there in the Bill. One day toward the conclusion of the debate we had a motion by the Hon. Member for Niagara Falls (Mr. Nicholson) which said that that clause should be removed. It read that "where an offender has been convicted of an offence under this Act, in addition to any other punishment that may be imposed under this Act, the court may, having regard to the nature of the offence and the circumstances surrounding its commission, make an order having any or all of the following effects"—and this is the item in question—"(g) direct the offender to compensate the Minister in whole or in part for the cost of any remedial or preventive action taken by or caused to be taken on behalf of the Minister as a result of the Act or emission that constituted the offence".

That was in the Bill almost until the last minute. In his greater wisdom, the Member from Niagara Falls, supported by the majority of the government Members, managed to pull it out. What were the reasons given, Mr. Speaker? If I remember correctly, the reason was that it was unprecedented. It is that mind-set which cannot understand that progress has to set a precedent. You cannot be a member of the Progressive Conservative Party and impede progress at the same time. You cannot say that you have to delete a clause in a Bill because it is unprecedented. "It cannot be there because it has never been done before". That is a contradiction in turn to anyone who, bless his heart, joins the Progressive Conservative Party. It is inconsistent, yet here it happened.

I am trying to find the passage in committee when the Member for Niagara Falls made the point, because it is a jewel. He said, "I do not know who the opposition is that you are referring to, but I will explain why I put this in"—which is the motion—"This Bill provides for fines and imprisonment and it allows the court to charge someone who has been found guilty with the cost of remedial action." He went on to say: "I think that is fair and I am certainly not making excuses for polluters or anyone else, but I would take the same stand if this was a Criminal Code offence. Mr. Caccia says it is unprecedented within the Criminal Code which it is". Here we were drinking from each other's bath water in a way.

• (1620)

The Hon. Member for Niagara Falls went on to say: "I suggest that leaving this in adds an element of uncertainty in the sentencing of an individual. No matter how despicable a polluter is, and we all agree that people who pollute are in a terrible category, one that should be punished, that person has the right to appeal to a higher court to see if the penalty is commensurate with that which is given in other Canadian jurisdictions. It is a principle of our law that when someone receives a penalty or a sentence, he has the right to appellate review to make sure there is not too great a disparity between similar cases".

These were words of a Member from the Niagara Peninsula where there has been such a head of steam built up over the years over environmental pollution. First of all, he entirely missed the point and, second, he did not understand what was the real intent of leaving in that very same clause his own Minister put into the Bill in the first place. That is beyond my understanding and it is very unfortunate that, at this stage, there is very little that can be done about it unless the Bill is sent back to committee for review.

I am moving quickly along. This Bill requires a much greater in-depth analysis than that which I have done. I want to draw the attention of Hon. Members to another aspect of the Bill that has been troublesome, and that is that we discovered with dismay in committee that when it comes to international air pollution, the Minister would apply, through this piece of legislation we are debating today, the concept of equivalency that he applied to toxic chemicals. That, of course, is not a desirable route to take.

The equivalency provisions, when applied to international air pollution, are in my view a step backward. To put on record the statements made about that by a number of organizations would take too long. The fact is that although we tried to correct the situation, we did not succeed. In this new Environmental Protection Act, we have now lost a measure which existed under the Clean Air Act, a measure which should exist, and that is the ability of enforcing and setting regulations that are of an international nature.

An analysis of the Bill as a whole leads to some general conclusions. One is that Bill C-74 can be put under the general heading of the mouse that roared. The Bill was heralded as a great measure. Expectations were raised. The draft Bill contained parts that were good and promising, and some of those parts were deleted after the consultations, without consulting again with interested parties except for the provinces. That is something that smacks of a procedural tactic which I do not like and of which I do not approve. I think it is a bad practice. It leaves with people the notion that somehow the Government has not dealt with them in a fair and honest manner.

If the Government consults, and then after consultation makes changes weakening or changing the direction of the document on which the Government has consulted, the least it would want to do in all honesty and good conscience is to let those people know by consulting them about the changes made to the document as it first existed. On those two counts, the raising of expectations and the consultation process, unfortunately I must say that the Government did not do well.

Second, the notion of the clean-up of the existing mess was raised on a number of occasions, particularly by the Minister, and in retrospect, this Bill will not be able to deliver. It is a step in the right direction of regulating chemicals in the market-place, but as such, the Bill will not clean up the existing pollution in the air, the water and the soil. Other measures, legislative or by way of programs, accords and joint action, will be required to do that.

In essence, we have here for third reading a piece of legislation which was written in part by the provinces and which gives to the provinces a say in the environment. This from a constitutional point of view, is tantamount to an abdication by the federal Government in an area in which it has full and clear jurisdiction. I would like to see this challenged and have the courts have a say on that at the appropriate time.

In reviewing this Bill, I see that there has also been a federal retreat on the environment. The Bill requires the Minister, under the equivalency provisions, to consult with this federal-provincial advisory committee prior to the making of regulations. This consultation is mandatory for regulations in areas where federal and provincial powers do overlap and areas that deal with the quantity or concentration of a toxic chemical that can be released, the places or areas where toxic chemicals may be released, the industrial activities that release toxic chemicals, the manner and conditions of releasing of toxic chemicals, the manner and conditions of storage, display, handling and transportation of toxic chemicals, and the disposal of toxic chemicals. Thus, in the key areas of the regulation of toxic chemicals, the federal Government has given up the right to make regulations under federal statute. It simply boils down to that, a surrender.

If a province wishes, it may opt out of the federal regulation proposed for a toxic chemical as defined by the Bill by way of an existing provincial regulation or by creating a new one that is deemed to be equivalent to the federal regulation. The new one need not be the same as, equal to or stronger than the federal regulation but equivalent to it, and that I must say does not mean it would be identical. Whatever that means, the bottom line of the equivalency provision is that the federal Government is abrogating its constitutional right and responsibility to regulate in the area of pollution and the environment. The equivalency provisions have seriously weakened the constitutional rights and responsibilities of the federal Government.

I would like to invite Hon. Members to examine a situation which might occur in the Province of Saskatchewan, let us say, which may find that the province bordering it to the East has an equivalency provision in environmental protection regulations. Let us say that three years from now, there are no regulations in the Province of Saskatchewan. What guidelines or standards will the Government of Canada look at for use by the Province of Saskatchewan which may at that time have no regulations? Will it look to the East and borrow from Manitoba, or will it look to the West and borrow from Alberta? In fact, will it look to the North and borrow the standards of the Northwest Territories?

Most likely, when the federal Government sees it is forced to intervene and apply environmental protection regulations in a province where those regulations do not exist, it will apply the lowest standards available from a neighbouring province. It will have to do that politically because there will be an uproar by the provincial Government concerned, unless there is an unusually difficult and complex environmental situation where public opinion is aroused. That is what is going to happen and that is why the equivalency provisions are for the birds. This is an invasion of federal responsibility and a way of reducing the burden on the budget of the Department of the Environment and other Departments which may be involved in implementing this measure if the equivalency provisions had not been introduced last November.

• (1630)

Another serious flaw is that federal polluters can escape Bill C-74. You have heard me at length about that and I will not repeat myself, but the fact is that, having in a way created the appearance of wanting to prevent pollution by federal Departments and agencies, the Bill still contains a requirement for approval by a Minister other than the Minister of the Environment before you can stop the Bank of Canada, the National Research Council, CN's diesel engines, or any utility which may come under the jurisdiction of the federal Government, from polluting. This is a real cop-out. The individual is powerless. The individual or organization which could have been given the power to take action in the environment without being personally affected is not given that opportunity, despite the great declarations of the desirability of an environmental bill of rights by the Minister. The individual is powerless.

Then we have what I call the triumph of the coward, namely the deletion of the Subclause (g) that I referred to earlier. When the Bill was introduced last June it had a provision giving the Minister of the Environment the power to direct the polluter to pay for the cost of the investigation of a certain offence. It was a good provision because it can be very expensive to investigate crimes against the environment. None of the witnesses before the committee complained about that provision. Not even industry complained about it. However, when it came to clause-by-clause examination, the Hon. Member for Niagara Falls chose to move deletion of that clause because it was too "progressive and unprecedented". The Government then caved in, I suppose, and did not support reintroduction of that clause when we had the debate at report stage.

Finally, we have the fact that there are no national standards. In the draft Act released for public discussion in December, 1986, there was a reference to the responsibility of the federal Government to set national standards of environmental protection. It was there, it was good, it was hailed and supported. Then when Bill C-74 was given first reading in June of last year the standard had turned into "nationally consistent levels". What mush. What a cop-out. What a retreat.

Mr. Shields: What a windbag.

Mr. Caccia: You see the difference in those weaklings on the front benches who call themselves the Government of Canada. What a sham. What a disgrace. It is the responsibility of the Government of Canada to set national standards. It has the responsibility to guarantee to all Canadians this same degree of environmental protection from coast to coast.

Because of the equivalency provisions these very Tories here in this Chamber cannot guarantee national standards in the environment. The result of this policy will be a patchwork of environmental protection dependent on the degree of commitment of a province. When a province will not come through with its own set of regulations, the lowest common denominator will prevail and win the day. That is the philosophy of the Conservative Party of Canada, the lowest common denominator, the triumph of mediocrity.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I am pleased finally to have a chance to rise to speak at third reading on the Bill before us today. The Bill is certainly not all that it is claimed to be by the Minister. I am sorry he has perhaps had some second thoughts about it himself and has been too embarrassed to debate it at second reading or so far on third reading. I hope he will be along to face the music for a little bit on this question.

It has been called cradle-to-grave protection against and regulation of toxic chemicals. In a sense that is true but it is cradle-to-grave regulation of a very limited nature. It still remains the case that the approach to environmental protection under this Act is thoroughly inadequate.

We are going to approve this Act because it has some aspects that we want and which the environmental community have been asking for for a long time. We cannot say no at this stage. However, I am going to argue that when we look to the future we are going to have to do better.

I am going to be a little bit critical of the Hon. Member for Davenport (Mr. Caccia), the Liberal environment critic, because he has gone to town on the Conservative Government on this question. However, there are many places where he could have acted himself when he was Minister of the Environment. Some of the flaws in the Act we have before us now are similar to what is in the current legislation passed by a Liberal Government. Many of the things he could have been doing when he talks about the need for an environmental Bill of rights the Liberal Government could have done. The Liberals were in government for a long time.

Mr. Shields: With the help of the NDP.

Ms. McDonald: The then Liberal Minister of the Environment, now the Liberal critic, could have instituted the very things of which he is criticizing the Conservatives. I will be critical of the Conservatives but I do not want anyone to think I am looking back to some golden past under a Liberal Government which was better than what we have with the Conservatives. That is simply not true either.

We have gone through report stage and extensive debate at third reading stage. Literally hundreds of amendments were proposed, but I am not going to go through them all. Simply by way of summary I will point out that some of the amendments brought forward to improve and strengthen the Act, the vast majority, were defeated by the Government. A number of amendments from myself and my NDP colleagues as well as the Liberal critic and other Conservative Members were accepted, but they tended to be relatively minor amendments. These did not change the thrust of the Bill. They did not really make it the tough Bill which Canadians are working for. They gave perhaps a little more to citizens' rights and a little more accountability in terms of what the Minister would do, but did not fundamentally change the thrust. I am sorry that I have to say that those defects still remain in the Bill.

• (1640)

This is essentially weak legislation. It is called the Canadian Environmental Protection Act, but Bill C-74 is much more modest in scope. It is really an update of the Environmental Contaminants Act, with some aspects of the Ocean Dumping Control Act and the Clean Air Act, and in some cases there has actually been a regression in protection, a weakening of the regulatory power. Not all of the changes have been in the direction of strengthening, although there has been some strengthening in the area of toxic chemicals.

Bill C-74 gives the Government the scope to identify toxic substances and the scope to regulate those toxic substances it had identified. It gives the Government the ability to screen new substances before they are used in the environment. Here we see the one fundamental improvement in the approach, the change in the onus of proof. Heretofore, industry could bring in anything it wanted and, in effect, after the fact people had to go to a great deal of trouble in order to prove that the substance was toxic and then some regulation would be brought in. In one scandalous case it took 10 years to get five toxic substances regulated, most of which were not being manufactured any more by that time in any event.

Industry will now have to convince regulators that the substance is safe to use. It will have to show the criteria used. Substances presently used can be put on to a priority list and tested. We have some means of redressing mistakes of the past. However, let us be very clear that this is a cumbersome and flawed process. It relies overwhelmingly on laboratory tests of various sorts. They deal with substances one at a time and do not take into effect the cumulative results of the different kinds of toxic contaminants. They do not consider what is happening in the environment.

These are lab tests in an unnatural environment, a controlled situation which does not exist in actual practice. They have completely separate regulations for pesticides and radioactive substances. The environment is being harmed by a variety of different sources which are regulated quite separately. It may be the cumulative effects of different components from various industrial, radioactive, and pesticide uses that will be really harmful. I do not think that we have adequate ways of investigating those kinds of effects yet.

Under the Environmental Protection Act Canadians will have the right to complain to the Government when substances are not identified or regulated to their satisfaction. In fact, we even had amendments in this case which reduced the number of people necessary to complain. We have facilitated the role of the public, which role we ought to be facilitating. Indeed, some of us would like to have this role extended because the public includes environmental groups, many of which are active in criticizing this Bill and in providing very helpful and constructive criticism and proposals for a different approach to this. There are concerned citizens with expertise who are a resource for the Government. We would want people to be extremely active in regulation and in alerting us to dangers. The more that can be done in this respect, the safer Canadians will be. The Government made some gestures in this direction and we are going in the right direction, but we could have gone further.

The Bill will ban the export of toxic substances, the use of which is banned in Canada. I was pleased that that amendment was accepted by the Government. If the substance is too toxic for us to be using, certainly we should not be exporting it to some other country which may have fewer resources to assess toxicity and which may be taken in by claims made and not in a strong position to carry out the tests which are, of course, enormously expensive, especially given the vast number of substances on the market.

The Bill will give the Government the right to regulate fuels on the basis of environmental quality. We were pleased to see that because emissions from motor vehicles are a prime source of pollution. They contribute to acid rain, among other things, and that is a significant improvement in the legislation. The Bill gives the Government regulatory authority over nutrients in water conditioners, another relatively minor matter but a step in the right direction.

The Bill will legislate federal authority over environmental matters with respect to federal lands and undertakings. I am sorry to say that further amendments to strengthen this aspect of the Bill were rejected. Again, it is a question of moving in the right direction. It is an important and welcome move for the federal Government. One of the loopholes, curiously enough, was simply a lack of federal legislation on the environment, even in matters clearly under federal jurisdiction. This loophole is now being filled with the Environmental Protection Act.

Bill C-74 legislates governmental authority to make environmental regulations with respect to federal Departments and Crown agencies. This is, again, a very necessary step to take. One wonders why it has not been in place for a long time.

There is also a measure in this Bill to protect whistleblowers who report on breaches of government environmental regulations. I am very pleased to see this because we do have conscientious public servants who, from time to time, in a variety of Departments, find some practice which is weak and improper and may be flagrantly contrary to the laws and to regulations. We have had instances of public servants being fired for reporting on a practice which was quite wrong. The messenger of the bad news that the law was being broken was shot down instead of being welcomed and thanked for undertaking this public service and ensuring that the situation was remedied. There will now be protection for public servants who see breaches. I welcome this and hope that public servants will feel that they can be vigilant in carrying out their duties and not have to toe the line if someone is being slack in their Department.

The legislation gives the federal Government the authority to protect citizens of foreign countries from air pollution of Canadian origin. Most of our air pollution comes from the massive industry in the United States up to Canada. However, it can go the other way, and a small proportion does. It is quite right that Canadians provide adequate protection for the environment of our neighbours whom we may harm. I welcome these measures in the Bill.

The Bill establishes the possibility for boards of review to be created upon petition of individuals who are dissatisfied with regulations under the Act. This is another way in which people in voluntary organizations, academics, researchers, and other people involved in environmental work who see inadequacies in the regulations, can bring these inadequacies forward. There can be a form of petitioning and a board of review will be established in order to re-examine those regulations. We hope that the regulations would be strengthened accordingly if the case is made.

The Bill provides for very considerable fines, indeed up to $1 million, for environmental crimes under the Act. In addition to fines, it provides for prison sentences of up to six months. The fines of up to $1 million are substantial, as they are intended to be. The prison sentences are quite modest, but they do exist. This is a clear sign to the Canadian public, to industry, to anyone who wishes to pollute, to anyone who can see that it will save them money to pollute by way of toxic chemicals, to people who are willing to sacrifice environmental health, the health of our people, and the health of our plant and animal life, that they will have to pay for it.

I hope that these penalties will be an adequate dissuasion from pollution by way of toxic chemicals. This is a clear message that this kind of activity is extremely harmful. It can be more harmful than many crimes in the Criminal Code in terms of the impact. We do not know the full impact. We do not know the number of people who die from toxic contaminations of various sorts. We do not have this information. But we can be very sure that there are actual deaths and injuries, people are maimed, quality of life is disturbed, children are sickened. All of these kinds of things happen from industrial toxic chemicals that get into the environment and have a damaging effect either immediately or there are substances that are carcinogenic and which over time cause birth defects and impair people's enjoyment of life very substantially. These are crimes. They are profoundly wrong and harmful and need to be treated as such. Canadians have made the move. They want it to happen.

• (1650)

Bill C-74, however, does not do many things it ought to. It does not embrace many of the most destructive substances in use today. It excludes substances regulated by other Acts of Parliament despite the fact that the Minister has called this the most comprehensive piece of legislation. It is not a comprehensive piece of legislation. It excludes pesticides, no matter how toxic they are and, of course, it excludes nuclear contaminates no matter how toxic or dangerous they are. It is not comprehensive legislation. It is very narrowly focused.

It does not provide any standards of environmental quality. This is an issue which many of us made quite a bit of at committee stage and at report stage in the House. What we still have are guidelines. They are objectives. They are not as strong as standards that must be met. This is a serious deficiency in the Bill that remains.

The Government may, if it wishes, write guidelines or objectives or codes to suggest emission levels of substances in other aspect of environmental quality, but the Environmental Protection Act does not give Government the authority or the obligation to create the standards that would result in a cleaner environment. I would hope the Government would see the error of its ways and in the future would move to very clear standards.

The Bill does not incorporate a much demanded environmental bill of rights. We have instead merely a preamble at the front of the Bill which goes in that direction. We have a few provisions that allow for citizens to act at various stages, but it is not comprehensive. The Government has shied away from this. We are not entirely clear why. I want to make a few remarks about the jurisdictional question, which seems to be one reason the Government has failed to act. It wants to shove this matter off to the provinces and say that an environmental bill of rights could only be brought in by provincial Governments. That is extremely unfortunate. I am going to argue that we could be doing that at the federal level.

Canadians should have the right to healthy environment. There have been repeated demands to the Government to provide the clout, to give citizens the right to take polluters to court, for example, citizens on behalf of future generations and on behalf of their children and their neighbours. That is not there. It is only if the person has a direct financial stake that he can take the polluter to court. In short, we still have a very narrow focus that pollution may cause some immediate harm that can be dealt with, but there is not the real understanding that pollution is harmful to everyone. We are all in this together. Pollution in one area will move to another. Underground rivers unite everyone. Toxic chemicals in one place will show up in another place by water or by air.

It is said that pesticides which are sprayed in a field in Alabama will turn up in the Great Lakes five days later. The winds carry toxic substances of various sorts. So it is extremely important that we have this more comprehensive approach, that we give citizens the right to act on behalf of the environment, to act on behalf of people who cannot speak, children, animals, the children of the future. We must see that environmental pollution is radically reduced and ultimately eliminated.

The Environmental Protection Act has not done anything on some of our major environmental issues. It is not addressing the issue of acid rain at all. It is not addressing the issue of the overuse of pesticides. It is not doing anything to replace polluting forms of energy with environmentally safe forms of energy. Of course, it does not address the issue of the nuclear industry at all. It does not address the issue of packaging and all the treatment of consumer products and the pollution which occurs there. This is a Bill that is really quite limited in scope, and when we look at the massive problems we have with the environment, we can see that this Bill is not taking us as far as it should.

The Bill does not put a time limit on how long Government can take to decide if a substance is toxic after being put on the priority list, to require Government to list a substance as toxic when its toxicity is established. This ought to be a requirement. We tried to get this built in, but the Government would not accept the amendments. Even when we have gone through the very cumbersome process of establishing the toxicity, the Government may be very slow to act. We do not have time limits to make it act more promptly.

There is no definition of equivalency in the Act or any criteria to describe carefully and precisely what would be required for the federal Government to relinquish the authority to regulate to the provinces. This is a matter about which many of us are extremely concerned. It means a weakening of federal authority, and we can have pollution ghettos as a result. The Government can relinquish the authority, or was planning to relinquish the authority to the provinces, under supposed equivalency provisions, but we do not know if the procedures, the processes or the standards brought in by the provinces will be truly equivalent because there is no firm definition, no criteria that says that established equivalency means precisely this and if it is not good enough then we will not accept it as equivalent. So we have the possibility of a serious weakening there.

I think a very different approach to the environment is really needed. I want to point to some remarks made by a professor Ross Hume Hall in an article. Professor Hall has been extremely critical of this approach to the Act. I note the Liberal critic for the environment quoted Professor Hall as well. I want to point out that Professor Hall criticizes this Act, when he says that these are the same problems we have in the old Act, the Act of 1976. So here we have the irony of the Liberal critic quoting very favourably and seeming to agree with Professor Hall, yet the chief message of Professor Hall is that we are repeating the mistakes of the past. Whose mistakes? The mistakes made by the Liberal Government in its approach to environmental regulation.

What Professor Hall is saying is that things basically have not changed. We are not learning from our mistakes. The processes set up under the old Act were too cumbersome. They did not allow for adequate processing. We have the scandalous example of only five chemicals being banned in a period of ten years. This is a process under the old Act, under the Liberal Act. Now we have a new Act coming forward which even adds to the cumbersomeness of the process. It is not going to speed it up at all. It is still the same old Act.

Professor Hall says it is like having a bridge that is falling down and you hire the same architect and builder to rebuild the bridge. This is foolish. We would not do this if we were talking about bridges. But we are talking about the environment and somehow this Government has not got it through its head that the environment is at least as important as a bridge.

We have the Environment Contaminates Act of 1976. We have 60,000 industrial chemicals in Canada, 50,000 of which have never had any tests done as to their toxicity.

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member's time has expired. She will still have 10 minutes for questions and comments when we commence debate on this Bill again.

[*Translation*]

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

• (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

THE ENVIRONMENT

ADVISABILITY OF INTENSIFYING RESEARCH FOR ALTERNATIVES TO REFRIGERANTS

The House resumed from Tuesday, March 8, consideration of the motion of Mr. Caccia:

That in the opinion of this House, the Government should consider the advisability of intensifying research for alternatives for refrigerants, such as freon, which contain chlorofluorocarbons (CFCs) that erode the earth's ozone layer.

The Acting Speaker (Mr. Paproski): When this motion was last before the House the Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley) had the floor. Since he is not here, I will recognize the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) on debate.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I welcome this opportunity to speak on this important motion put forward by the Hon. Member for Davenport (Mr. Caccia). I want to commend him for bringing this subject to the attention of the House. I urge all Hon. Members to familiarize themselves with the facts concerning chlorofluorocarbons, or CFCs as they are known, and the depletion of the ozone layer. This is a matter of life and death for our planet.

I said before in this House that the crisis in the environment has created a crisis in our system of parliamentary democracy. Unless we can find some way of dealing with the crisis in the environment, then our system of parliamentary democracy is under threat by some sort of totalitarian government that might perhaps offer the promise of being able to deal with environmental crises. Today being the second anniversary of the Chernobyl disaster, I think we should remind ourselves that totalitarian governments do not have any better track record in dealing with environmental questions than do parliamentary democracies.

Mr. Friesen: Not as well.

Mr. Manly: Not as well, perhaps. But the situation is that parliamentary democracies do not have a good track record. Unless we develop a better track record, we are under some threat because there will be the possibility, the appeal, that some other system might have that could manage the environment better. It is incumbent on Members on all sides of the House to deal with this situation, and with all environmental questions, in a much more serious and intelligent manner than we have done so far.

Like the crisis in the environment, the crisis in democracy is not something that can be seen immediately. However, it is insidious and the long-term effects are devastating. Simply put, the continuing degradation of the environment, the poisoning of our oceans, our lakes, our rivers, the destruction of the tropical forests and, indeed, forests in temperate regions of Canada, desertification, acid rain, the destruction of the ozone layer and the stratosphere constitute as much of a threat to human survival as nuclear war. Indeed, nuclear war itself threatens the form of environmental degradation that puts it into a different category from all previous kinds of war. It is the environmental threat of nuclear war that makes it qualitatively different from all other kinds of war because it threatens to destroy the basis on which human life is able to continue on this planet.

The crisis for democracy lies in the fact that we are so slow to recognize threats to our environment. When we do recognize these threats we seem even slower to act. While we wait to act, the silent destruction of our world continues.

If we are slow to move in this House, we are even more slow to move at the international level. Vested interests of large corporations and questions of national sovereignty seem to take precedence over our common future as members of a common family which wants to keep on living on this planet. On September 19, commenting on the Montreal Protocol, Gwynne Dyer pointed out that it took 10 years to reach this Protocol which calls for a 50 per cent cut in CFCs by 1999, when scientists have said that what we need is a 85 per cent cut in CFC production and use immediately. Dyer pointed out that the total annual value of CFC production in industry is only about $1 billion, a comparatively small sum when we look at some of the vested interests in some other industries that are also polluting our world. If we have that much trouble regulating an industry that is worth $1 billion, how much more difficult is it to regulate international industries that mount up into the billions upon billions of dollars?

It is important that we understand the importance of the ozone layer to human life on this planet. The ozone layer and the stratosphere filter ultraviolet radiation B. The depletion of this ozone layer increases the risk of skin cancer in human beings. Scientists have estimated that a 1 per cent loss of ozone translates directly into a 4 per cent increase in the risk of skin cancer. Already, Canadians face a 15 per cent increase in skin cancer because of the loss of ozone that has already taken place.

We can also look at the effect of ozone on the protection that it gives to world food crops. Wheat, corn, rice and soybeans are all sensitive to ultraviolet radiation B. Again, a 1 per cent loss of ozone can translate into a 1 per cent loss in soy production. Phytoplankton, the base of the aquatic food chain, is also affected negatively by ultraviolet radiation. Therefore, it depends on the protection that is given it by the ozone layer.

Given the importance of the ozone layer to human life, and to all life on this planet, we need to recognize that anything that threatens the ozone layer has to be regarded as an enemy of human life. This is precisely what chlorofluorocarbons do.

CFCs are stable synthetics that were developed in the 1930s originally as refrigerants. They are now used as blowing agents in the production of rigid foams, as propellants in aerosols and as cleaners for microchips. When released, these fairly static elements are carried slowly up into the atmosphere and beyond into the stratosphere, taking as long as five years before they get up to the area where the ozone layer is. Then, they are broken down by the intense energy of the sun. A single chlorine atom released from the breakdown of these CFCs can break down 10,000 ozone molecules.

The stability of these compounds means that they last anywhere from 60 to 300 years before they break down. An average life would be around 100 years. In other words, there is a very long lead time before they come fully into effect. They constitute a ticking time bomb. Since there is an annual increase of about 6 per cent or 7 per cent of the amount of CFCs that are released into the stratosphere, and since they only break down at most at a rate of 1 per cent per year, there is a gradual cumulative build-up of these ticking time bombs that are eating away at the ozone layer.

It has been estimated that CFC production and use would have to be reduced by 85 per cent to bring our system back into balance. Even this 85 per cent reduction would not restore the ozone layer to its original condition.

The Montreal Protocol agreed to last fall was an important first step. If ratified, it would lead by a series of phased reductions to a 50 per cent reduction by June 30, 1999 in production and use of CFCs. It is a small step. We need to go further.

The motion that has been put forward by the Hon. Member for Davenport refers specifically to refrigerants, which, as he points out, is the largest of all CFC use in Canada. It calls for intensified research for alternatives.

I believe that this motion is politically realistic. Even though CFCs need to be identified as life threatening, it is not possible to ban them completely even in Canada let alone in other parts of the world. They are too damn convenient for us all. Thus there is a need to step up the search for alternatives.

I urge all Members to accept this motion. I urge the Government to pay attention to it.

• (1710)

[*Translation*]

Mr. Marc Ferland (Portneuf): Mr. Speaker, I welcome the opportunity to speak to this motion. The House now knows all the facts, and our conclusion must be that all groups in our society share a responsibility to protect the ozone layer. Government, industry and consumers share a common point: we are all individuals who live on this planet and who each have a definite interest in protecting a vital element of their environment.

The Government, Mr. Speaker, sets a very high priority on dealing with the problem of the destruction of the ozone layer and its impact on our climate. I may remind the House of the key role played by Canada in drafting two international agreements on protecting the ozone layer. In 1986, Canada became the first country to ratify the Vienna Convention for the Protection of the Ozone Layer. The Convention establishes a framework for international co-operation in research and information exchange. Today, 16 of the required number of ratifications, which is 20, have already been received by the United Nations Environment Program, and three more are expected shortly.

Alternatives to Refrigerants

Last September, Canada, together with 23 other countries and the European Economic Community, signed the Montreal Protocol on substances that deplete the ozone layer. Since then, six more countries have signed this agreement. I may remind the House that it was in recognition of Canada's efforts that the United Nations Environment Program accepted Canada's offer to host the diplomatic conference in Montreal.

Mr. Speaker, the Montreal Protocol is the first national agreement that is actually a tool for managing environmental problems, since it provides an international framework for responding to such problems before they reach the crisis stage. The parties must meet specific objectives for the consumption of control substances. Consumption, defined as production plus imports minus exports, is thus substituted for the term emissions. Every party to the Protocol will have to reduce its consumption of CFCs to that of 1986, and do so by 1990. It will have to do the same with respect to halon levels by 1992. This initial step will be followed by two more, and by 1999, consumption of CFCs must be half what it was in 1986. The Department of the Environment is developing a series of options for freezing and reducing consumption, in accordance with the requirements of the Protocol. A report describing these options will be released within the next few weeks to gauge public response.

Mr. Speaker, recent scientific discoveries show that the international community must speed up its efforts to reduce the emissions of substances that erode the ozone layer, even beyond what is required by the Montreal Protocol, if we are really to stop the destruction of ozone. For this purpose, Environment Canada is considering additional regulations that will take Canada beyond the reduction targets set in the Protocol. Such regulations can include a requirement to put in place codes of technical recommendations for some use sectors that need modern technology to reduce emissions through recycling. Similarly, a ban or other restriction on frivolous uses or on products containing regulated substances, a product labeling program or any other innovative idea that may come up during the regulatory development phase.

Internationally, the Government intends to continue promoting the early implementation of the Montreal Protocol. I remind the House that implementation requires ratification by 11 states representing two-thirds of total 1986 production of controlled substances. To date, only the United States and Mexico have ratified this agreement. The European Economic Community and Japan are expected to ratify it shortly. Canada, for its part, intends to ratify it as soon as the Canadian Environmental Protection Act receives Royal Assent.

Mr. Speaker, if all these nations ratify as soon as expected, the requirements for the Protocol to take effect will be met and the Montreal Protocol will come into force on January 1, 1989. The Prime Minister (Mr. Mulroney) has made known his intention to put the subject of the ozone layer on the agenda at the next economic summit in Toronto in June. I am confident that all Hon. Members will agree that this is appropriate.

Mr. Speaker, all the initiatives that I have just described to you are but a reflection of this Government's intention to find a solution to this world-wide ecological problem. Industry is somewhat more in agreement that the long-term solution lies in environmentally safe substitutes.

Excited with the idea of a multi-billion dollar market, industry has already committed itself to an aggressive research program to develop alternatives as quickly as possible. In many cases, companies have not hesitated to pool their resources to carry out toxicological studies or to accelerate production technology for the most promising substitutes.

I am very encouraged by the recent response from the world's largest CFC producer to the concerns raised by the scientific discoveries that I described a few minutes ago. Not only is the international giant Du Pont encouraging all nations to speed up the ratification of the Montreal Protocol, but it has also set itself the goal of completely discontinuing CFC production. I must applaud such a move since it is the first time that industry recognizes a direct link between the destruction of ozone and CFCs.

Mr. Speaker, obviously, a government publication on substitutes would not be appropriate at this time. We must leave funding for such research to those who will reap substantial rewards from marketing environmentally safe substitutes. Nevertheless, this position does not prevent the Government from following the issue of research very closely and acting if necessary.

In conclusion, Mr. Speaker, I would tell the Hon. Member for Davenport (Mr. Caccia) that although the Government cannot support his motion, it nevertheless thanks him for bringing the matter to the attention of the House. I express the wish that all parties will show the same co-operation in future efforts to resolve the problem of the destruction of the ozone layer and thus ensure a healthy atmosphere for future generations.

Mr. Speaker, it is gratifying to see that already some companies like Provigo in Quebec have announced that they are trying to eliminate all chlorofluorocarbon-based products from their shelves as quickly as possible. That is encouraging. Some companies like Du Pont, corporations that are already distributing products, have followed the Government's lead and I think, Mr. Speaker, that it is very promising for the future of this country and especially of planet Earth.

[*English*]

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, I am pleased to participate in the continuing debate on this motion. I am thankful that the debate is coming to a close. I think that all Hon. Members have the facts before them to be able to vote authoritatively on this subject.

Let me begin my brief intervention by quoting from one voice of concern, my 16-year-old son, Liam. When I told him last night that I would be participating in a debate on this most important subject, and asked him for his thoughts, Liam said: "If the ozone layer is ever destroyed, we'd all get fried". Then he added: "I can't believe people would ever ignore something which is so necessary for our very existence. But it's true, no one cares or even thinks about using aerosol cans. They don't care diddly-squat about the ozone layer".

There you have it, Mr. Speaker, that is what the present generation of young adults think about how we, the present rulers of industry, Government, and the country tend to regard this critical matter raised by my hon. friend.

Yet, using my son's words as a text, this debate pinpoints the responsibility that we all share as consumers, together with Government and industry, to protect the ozone layer for the future well-being of our planet, and for Liam's generation and beyond.

• (1720)

My son points out the responsibility that we all share as consumers. This Government is at present engaged in a number of activities to generate initiatives aimed at bringing about a solution to this problem as quickly as possible, both on the domestic front and the international front. In that connection, let me pay tribute to Canada's Minister of the Environment (Mr. McMillan) and his very able Parliamentary Secretary, the Hon. Member for Scarborough Centre (Mrs. Browes). In my view, both the Minister and his Parliamentary Secretary, along with Members on both sides of the House, are extremely concerned about this very critical threat to the future of this planet. We are working on all fronts to establish a solution to this global problem. We have heard about the activities and initiatives of Environment Canada in respect of the development and implementation of a domestic control program aimed at reducing the emission of ozone-depleting chemicals.

In October of 1986, the National Aeronautics and Space Administration, NASA, the National Oceanic and Atmospheric Administration, NOAA, the Federal Aviation Administration, FAA, the World Meteorological Organization, WMO, and the United Nations Environment Program, UNEP, formed an ozone trends panel that involved more than 100 scientists from around the world. This panel, which included scientists from the Atmospheric Environment Service of Environment Canada, was established to study the question of whether carefully re-evaluated ground-based data and satellite data would support the model predictions. The conclusions of that panel, reported in the spring of 1988, revealed that there is undisputed observational evidence of atmospheric concentrations of source gases important in controlling stratospheric ozone levels, including chlorofluorocarbons, halons, methane, nitrous oxide, and carbon dioxide, all of which continue to increase on a global scale as a result of the activities of humans. There has also been a large, sudden, unexpected decrease in the abundance of spring time Antarctic ozone over the last decade.

Alternatives to Refrigerants

The total column of ozone in the austral spring of 1987 at all latitudes south of 60 degrees south was the lowest since measurements began 30 years ago!

Many of these same scientists have reached the conclusion that global emissions of chlorofluorocarbons, or CFCs, and halons, need to be reduced by in excess of 85 per cent in order to reduce the rate of depletion of the ozone layer.

Our scientists have warned us that increasing concentrations of CFCs and halons, both of which are very efficient infrared radiation absorbers, in the atmosphere will contribute significantly to increasing the earth's temperature over the coming years to a level which has not existed for millions of years! This is frightening stuff.

They tell us that we are already committed to a significant global warming, and they are calling the accelerated change in the climate of our planet "potentially catastrophic".

These effects are predicted to occur in a manner and at a rate that makes the future sound like some sort of long-running science fiction horror movie. We will face rising sea levels, with the consequent submergence of coastal communities such as Prince Edward Island; changes in the location of deserts; extremely high temperatures in cities during the summer months—as if they weren't high enough already; an increase in the number and severity of hurricanes; and the death of a significant quantity of the world's forests.

These recent scientific findings signal a warning to the world's political institutions: the continuing depletion of the ozone layer must be effectively arrested. We must hear about the response of this Government and industry to these findings.

This Government is committed to effective ozone layer protection, and it is prepared to back up that commitment with concrete action.

Let me turn for a moment to the role of the consumer in the resolution of this problem, because the power of the consumer is paramount. For some years I was the consumer affairs critic for our Party, and I know that if a consumer does not want to buy, the product will not survive in the market-place.

Regulations prohibiting the use of CFCs as propellants in certain aerosols, notably hairsprays, deodorants and antiperspirants, were put in place in 1980 pursuant to the Environmental Contaminants Act, and that came about as a direct result of pressure from consumers.

Reduced Canadian consumption of CFCs dropped to about one-half of the 1974 peak level. But the success was temporary. Since that time, consumption levels have again reached the peak levels of 1974, all due to the substantial growth in unregulated uses. Once again, alarmed Canadian consumers are voicing their strong concerns about the continued production and use of ozone-depleting CFCs and halons. Many are calling for a variety of measures to control the problem, including a complete ban on the use of CFCs and halons, the mandatory labelling of products, and a boycott of some forms of plastic foam packaging made with CFCs.

Last August, McDonald's announced its plans to phase out the use of plastic foam packaging made with CFCs. More recently, Provigo, a major chain food and convenience stores in the Province of Quebec, announced its intention to follow suit.

So, consumers' influence can be used to facilitate the switch to non-ozone-depleting consumer products. Driven by these express consumer preferences and the substantial market incentives emerging therefrom, industry has mounted a major research program to develop and market environmentally safe substitutes for all uses of CFCs. Environment Canada has developed, and will be implementing in the very near future, a control strategy to deal with the depletion of the ozone layer.

In conclusion, industry must begin now to plan for cutting back consumption of CFCs, regardless of whether they produce, use, import or export controlled chlorofluorocarbons. In order to provide an enhanced level of protection for the ozone layer, Canada will implement additional control measures. Toward that end, a report will be circulated for consultation and discussion later this summer.

As is apparent, this Government is clearly committed to the resolution of this problem. This Government is fully prepared to consider involvement in research, should areas be identified in the future where the Government can play a role.

Mr. Speaker, the facts bearing on this issue speak for themselves, and for generations to come.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is as follows: Mr. Caccia, seconded by Mr. Foster, moves that, in the opinion of this House, the Government should consider the advisability of intensifying research for alternatives to refrigerants, such as freon, which contain chlorofluorocarbons (CFCs) that erode the earth's ozone layer.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): I hear no "nays". I declare the motion carried.

An Hon. Member: No.

The Acting Speaker (Mr. Paproski): On division.

Ms. Copps: You have to act on these votes, guys.

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

• (1730)

Mr. Hawkes: Mr. Speaker, I rise on a point of order. If there are no objections in the House, I think we might proceed to the normal Adjournment Debate at this time. I understand Members are present, for the most part, and others have been informed. We could save time by moving to the Adjournment Debate.

Mr. Rossi: Mr. Speaker, if we check the "blues", we will see that the Speaker said "I declare the motion carried".

An Hon. Member: On division.

Mr. Rossi: No, Mr. Speaker.

The Acting Speaker (Mr. Paproski): It was carried on division.

Motion (Mr. Caccia) agreed to.

The Acting Speaker (Mr. Paproski): Is it agreed that we proceed to the Adjournment Debate?

Some Hon. Members: Agreed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved

ENVIRONMENTAL AFFAIRS—APPLICABILITY OF PROVINCIAL LAW TO FEDERAL AGENCIES

Mr. Alan Redway (York East): Mr. Speaker, have you ever received a parking ticket? Don't feel badly, because virtually everyone in this country has had a parking ticket from time to time. I have had parking tickets myself and friends of mine have had parking tickets.

One of my friends whom I recall very vividly was an old law school classmate of mine, a fellow by the name of Jack Pinkofsky. Jack and I went to law school in Toronto. We attended Osgoode Hall Law School when Osgoode Hall was in downtown Toronto. Just to the north of it was a piece of property on which was located the old University Avenue Armouries. Jack used to park on the boulevard of that armoury property. You are right, Mr. Speaker, the University Avenue Armouries was torn down some years ago and the new Toronto court-house was built on that property. When the old University Avenue armouries was there, Jack Pinkofsky used to park his car every day on the boulevard of the University Avenue Armouries. As you can expect, Mr. Speaker, anyone who parks on such a boulevard gets a parking ticket, especially when parking all day and where there is a sign which quite clearly says that you cannot park there at any time. Jack got several parking tickets. The police got after him and he was taken to court on one ticket.

Jack was an ingenious sort of guy, and he still is. He decided to fight the ticket, and he fought it on some very interesting grounds. He argued that the ticket was based on a municipal by-law; that the municipal by-law was passed under the authority of a provincial law; and that, in fact, the armouries property stood on federal property, not an provincial property. Therefore, municipal by-laws authorized by provincial laws did not apply to federal property.

The courts found that Jack was right and that federal property was immune from any law passed by the Province of Ontario, or authorized and passed by a municipality. Jack did not have to pay his parking ticket. He got off not because he was not parking there illegally but because of a technicality.

The Jack Pinkofsky situation is the same sort of situation which the federal Government ran into recently when a federal polluter was charged under the Province of Ontario's environmental laws with breaking those laws, being in breach of them, and thus subject to all the harsh penalties for which the Ontario environmental laws provide.

• (1735)

What happened in that case? We find that in the federal Department of Justice there are some ingenious people like Jack Pinkofsky and that in fact they fought and defended that case, not on the grounds that this particular federal polluter had not broken provincial law, not on the grounds that this federal polluter was not a polluter, but on the technical grounds that in fact provincial laws did not apply to federal polluters. That is the sort of defence used not only by Jack Pinkofsky with parking tickets but now by the federal Justice Department with federal polluters.

I do not know about you, Mr. Speaker, but I do not think that a federal polluter should be able to get off on technical grounds like that. It is one thing for a parking ticket, but it is an entirely different thing for something severe like that.

Fortunately the Minister of the Environment (Mr. McMillan) agreed with us. In answer to a question I put to him in the House he said that he felt that the new Canadian Environmental Protection Act would apply to all federal polluters and that there would be no problem with that sort of situation. Unfortunately that is not really the case.

In fact the Minister realized that and said that he would be prepared to see the legislative committee dealing with this matter actually put forward some amendments to change the Bill and to ensure that any federal polluter who actually breached the law would be convicted and penalized as a result of that breach.

Of course the Parliamentary Secretary knows that the legislative committee dealing with the Environmental Protection Act went through a great process. Over 300 amendments were put and many were accepted. The Parliamentary Secretary who is here tonight played an outstanding role on that committee, as did the Minister, and I have nothing but praise for the process. Unfortunately it left something to be desired in the area of whether or not a federal polluter would be quite clearly subject to and penalized by this Act and by federal pollution laws.

Clauses 52 and 53 of the Bill leave something to be desired—

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

Mr. Redway: —and for that reason I hope that tonight, if you will give me a chance to put this sentence on the record, Mr. Speaker, the Parliamentary Secretary will agree to amend the Bill so that we will ensure that federal polluters are subject to federal law and penalties.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, thank you for providing me an opportunity to respond to my colleague from the great riding of York East, my neighbour in Metro Toronto. I am pleased to respond to the Hon. Member's question on the matter of enforcement of environmental legislation concerning federal polluters. Indeed, just today, we have been debating Bill C-74, the Bill in question.

There has been concern expressed that Bill C-74 did not bind the Crown. That fear, in the Government's view, is groundless. Clause 4 of the Bill states that the Canadian Environmental Protection Act is "binding on Her Majesty in right of Canada or of a province". This means that the statute is binding on the Government of Canada and on both provincial and territorial Governments.

The only circumstance in which it could be argued that the aforementioned might not be true is an offence by a federal Department, agency, board, or Crown corporation where a province or territory is enforcing its own regulation recognized through an Order in Council under the Canadian Environmental Protection Act as equivalent to requirements of the federal Act.

The Government is indebted to a lawyer for an environmental law group, the Canadian Environmental Law Association, for pointing out this deficiency. The Minister of the Environment (Mr. McMillan) urged the legislative committee charged with the clause-by-clause review of Bill C-74 to make the necessary amendments to close the loophole, and the committee did so.

On repeated occasions the Minister has declared his concern that federal Departments, agencies, boards, and Crown corporations must not be above the law when the environment is at stake. The committee of which the Hon. Member himself was an outstanding member and contributed a great deal was of the same mind. It made further amendments to Bill C-74 to ensure that no longer will there be any doubt on the matter.

• (1740)

The revamped Bill now empowers the Government, on recommendation of the Minister of the Environment, to make regulations setting limits for emissions and effluents released by federal Departments, agencies, boards, and Crown corporations. Waste handling and disposal can also be regulated. It further requires that if a harmful substance has been released into the environment, the federal body which had management, charge or control of the substance immediately prior to its unauthorized release must report to an inspector or other designated person. That body must then take all reasonable emergency measures to prevent danger to the environment, human life or health, and to notify members of the public who may be adversely affected.

Bill C-74 now specifically indicates that inspectors have the right of access and entry to federal property and may take emergency measures if the relevant federal Department, board, agency, or Crown corporation fails to do so.

With the amended provisions in place—and there were a number of them—the Minister can now set about developing regulations to ensure that activities of federal Departments, agencies, boards, and Crown corporations do not pollute what we recognize as Canada's most precious resource, its environment. The concerns of the Hon. Member have been met in the amended Bill C-74 now before the House.

[*Translation*]

EMPLOYMENT—INNOVATION PROGRAM—REQUEST FOR APPROVAL OF PROJECT/REQUEST THAT PROJECT PROCEED

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I should like to address tonight the whole issue of household garbage collecting and recycling process. My question in the House to the Minister of Employment and Immigration (Mrs. McDougall) had to do with an application from a Quebec group from Lotbinière, more specifically from Victoriaville, for support in a development of its household garbage collecting and recycling program. The Minister of Employment and Immigration wants to know whether it was a job creation or conservation project. Well, it is both. It is a household garbage collecting and recycling project for environmental purposes, which also aims at preserving jobs, because jobs have been created in Victoriaville, in Bois-Francs, for this recuperation demonstration program. There are about 25 people working there full-time, including a number of unskilled workers who, without these jobs, would be on welfare. So these are good, wholesome, permanent community jobs. Our purpose is not to send people to look for jobs in other regions, but to create jobs in our own area by using recoverable household garbage.

I have also visited "Cascades" in the Lotbinière region, a private corporation which is using recycled paper. Now, in Canada, we are using only 20 per cent recycled paper. In Europe, they use as much as 60 per cent. They are much more advanced in Europe. It is much better for the environment to use recycled paper. Why? Because the pulp and paper making process results in the pollution of our rivers and lakes, because of the detrimental effects of chlorine on water and the production of dioxins. Recycled paper avoid these negative effects on the environment by re-using paper.

There was a whole lot of correspondance on this subject. An application was sent to the Prime Minister (Mr. Mulroney) who referred it to the Minister of the Environment (Mr. McMillan) but the Department of Environment could not provide funds for this *Bois-Francs Récupération et Recyclage* project. So an application was sent to the Minister of Employment and Immigration who replied that it was not the responsibility of her Department. What we need is a collecting and recycling policy, because it would be better for the environment and for job creation. We need a policy which would take the environment, investment, the prices of recycled products into account, as well as the need to create full-time jobs within the community.

We now have those projects, but the problem exists. For example, Bois-Francs has experienced an increased demand for recycling from municipalities. Well, this means that more products and waste are carried to dumps. The price of recycled products has gone down because there is not enough demand from manufacturers for them. A fine national project is in financial trouble as a result of decreased demand. What should be done? We have to promote demand and tax non-recycled products. There is the possibility among others that a satisfactory policy to encourage recovery and recycling would be to make more costly the refusal to use those recycled products.

• (1745)

[*English*]

In conclusion, Mr. Speaker, this is a very good enterprise. It is extremely encouraging and is employing people. It could expand its educational work, its work in the municipalities, to ensure that even more jobs are created. They would be good jobs in the community.

What response have we received?

[*Translation*]

As stated by the Minister of the Environment, in reply to Bois-Francs: "The recovery and recycling of waste contribute to the economic development of regions by creating jobs and reducing the use of natural resources". The activities of the industrial sector also contribute to reduce environmental problems affecting urban centres and to improve the management of domestic waste.

It is quite clear that those two objectives are aimed at and can be attained with a satisfactory financing of recovery and recycling. The Government should review that basic issue and promote a real policy for recovery, protection of the environment and creation of jobs.

[*English*]

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I am pleased to answer on behalf of the Minister of Employment and Immigration (Mrs. McDougall). I would first like to point out that there are at least six streams in the Canadian Jobs Strategy and that it involves probably thousands of projects across Canada.

If the Hon. Member had really been interested in a fulsome explanation from the Minister on that day, it would have been helpful for her to have given notice to the Minister so that he could have been briefed on the details of this application. Even the Member, who has an encyclopaedic knowledge of Canada and of everything going on in Canada, would agree that the Minister cannot, on a day-to-day basis, be totally briefed on every project in Canada.

Ms. McDonald: You've had weeks now to respond.

Mr. Friesen: And I will respond. I suggest that the Hon. Member may not have been searching for a fulsome answer, that there may have been some politics involved.

The Member has raised an environmental question and has praised the quality of this application. Neither I nor the Minister would quarrel with the quality of the project or the application. However, the Member is a well educated person; she has had extensive university training. If, during the course of her pursuit for her economics degree, she had applied for a scholarship toward economics in the fine arts department, she would have probably been told that it was a great application but that she was in the wrong department. Therefore I suggest to the Member that talking about quality of the project really is not the question before us.

• (1750)

Ms. McDonald: But it is creating jobs.

Mr. Friesen: The question is: Does it follow the criteria? While we all agree that the project the Member has promoted is a good one, it does not fall within the criteria. It does not help for her to say that the Minister should stop sending it around. Actually, the project came to the attention of the Department in April, 1987. It responded to the proposal on April 16, 1987 and again in June, 1987. It is pretty hard for the Member to say that it has been simply sent around the Department. Actually the Member brought it to the attention of the House on March 8, 1988, whereas the Hon. Member for Lotbinière (Mr. Tremblay) has been working on this project for a year and a half—

Ms. McDonald: Without success. Where is the funding?

Mr. Friesen: —in the sense that he has tried in every employment department to see whether there was a program where the project would fit.

Ms. McDonald: But you have turned him down. Every department has turned him down.

Mr. Friesen: This lady insists on talking from her seat. She did not say all this when she was speaking. The Hon. Member for Lotbinière has gone to every office in the innovations department and the employment department and has looked for a way to help this particular project. It simply does not meet the criteria. To meet the criteria it must first be a new project. I think the Hon. Member knows that. In addition, proposals should clearly demonstrate that their effects would be widespread in improving the Canadian labour market.

Ms. McDonald: It does that.

Mr. Friesen: The proposal by this group has already been tested in Laval, Quebec and in Alberta. It would not be a pilot or demonstration project.

Although the proposed activities would increase productivity in recycling businesses, they would not solve specific labour market problems through a systematic global approach. The Association de gestion wrote to CEIC officials in May, 1987 asking that the proposal be reconsidered. CEIC was very pleased to look again at this matter and responded in June, 1987 confirming that the decision did not meet the criteria.

As I said before it is not fair for the Member to say that we just sat on the proposal for a year. That is just not the way it is. It would be helpful if she would state the facts as they are.

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

[*Translation*]

FINANCE—REFORM OF LEGISLATION—CONSEQUENCE FOR MOUVEMENT DESJARDINS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on April 15, 1988, I briefly expressed to the Minister of State (Finance) (Mr. Hockin) my concern about this Government's legislation dealing with trust and loan companies.

As you certainly can imagine, Mr. Speaker, I put that question because of the possible implications for the Mouvement Desjardins.

As you know, Mouvement Desjardins alltogether is one of the most important, if not the single most important financial co-operative group in Canada.

Its assets are nearly $31 billion. This means it is very important to hear Desjardins's considerations in this process.

When I myself analyse the trust company legislation, I hardly see how Desjardins and its group of companies would be exempted from the new requirements that would be imposed upon trust and loan companies by the legislation.

Indeed, I believe that when administering the legislation, bureaucrats could view the Desjardins group as a corporation, although the Desjardins group is a huge financial co-op.

As you know, Mr. Speaker, the legislation's intent is to prevent conflicts of interests within small groups of companies with business links, which conflicts could in some cases lead to some stockholders catering to their own needs at the expense of investors, consumers.

That legislation is aimed at preventing inequities that could harm consumers and investors, which is both just and reasonable.

However, Desjardins is not a corporation. Under its structure, that institution is for all pratical purposes completely protected from conflicts of interests. Here is why, Mr. Speaker.

There are no small groups at Desjardins. Desjardins belongs to 4,200,000 shareholders. In Quebec, one out of five of every man, woman and child is a Desjardins shareholder.

The development strategy of Desjardins is determined by 18,330 volunteer directors, working together with a team of 28,500 Desjardins employees.

Mr. Speaker, if a conflict of interest were found in the growth of the Desjardins group, it would affect all Quebecers.

For all these reasons, speaking as the Member for the riding where Desjardins himself was born and where the headquarters are located, and considering the significance of this immense financial co-operative movement, of a tool whose continued growth is essential to Quebecers, I would ask you to further clarify this proposed legislation. I agree with the objective which is to protect Canadians who depend on trust and loan companies, but it should not, for want of definition and clarity—and that is what is important—be detrimental to the continued growth of the collective property of 20 per cent of the population of Quebec.

Sir, I thank you, and I trust your decision.

• (1755)

[*English*]

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would like to apologize to the Hon. Member for Lévis (Mr. Fontaine). From time to time in the House we finish our business a little earlier than anticipated. The Hon. Member has good reason to expect a response from the Parliamentary Secretary to the Minister of Finance (Mr. Vincent). However, he is not with us today because of the change in time. If we had gone on to the "Late Show" at the normal time, I am sure he would have been here. However, I will do my best to provide a response on behalf of the Government to the Hon. Member.

[*Translation*]

In the House, Mr. Speaker, the Hon. Member for Lévis has a reputation for being a good MP and he always represents his electors' interests passionately and also intelligently.

But regarding the Mouvement Desjardins, he has a reputation that perhaps goes beyond this House and into the community as well. He always defends the interests of the Mouvement Desjardins in this House, in committee and in his community too, I think.

[*English*]

It is that kind of intelligent and compassionate approach which ensures that any piece of legislation brought forward to the House is examined with thoroughness and skill to ensure that the legislation will do good things on behalf of the people in the movement and on behalf of the communities which are involved, as well as with the co-operative. I am sure interventions he has already made in this Chamber, as well as the interventions he has made directly to the Minister and the interventions which will come as the legislation is introduced and moved forward to committee, will be reason for the people connected to this movement to feel confident that nothing in the legislation will do them harm. Indeed, the legislation will facilitate the movement and will facilitate the strength and capacity of Canadians to dream and to care about their children, their communities, and their standard of living.

That is the best I can do on short notice, Mr. Speaker, but I feel it sincerely. This Member is one Member of the House who approaches things, does not forget, and keeps working on them in order that they come out right and are helpful.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

The House adjourned at 6.02 p.m.

HOUSE OF COMMONS

Wednesday, April 27, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—CANADA-UNITED STATES RELATIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, according to Jeff Simpson of *The Globe and Mail* the Prime Minister (Mr. Mulroney) declared that acid rain represented the litmus test of Canada-U.S. relations. If so, the Americans have flunked the test, and so by implication has the Prime Minister. His Government's strategy of less rhetoric, reduced lobbying, fewer public complaints, and the special envoys' process produced meagre results—more U.S. research and a statement by the President that acid rain was indeed a transboundary problem.

• (1405)

Unfortunately, the Prime Minister's policy also disheartened Canada's congressional allies. Every time they sought to get something going, the Reaganites could respond that even the Canadians accepted the administration's approach.

The Prime Minister now says Congress is at fault for not passing acid rain control legislation. Yet his Government's policy hurt congressional efforts.

This toughening reflects the political reality that nothing further can be gained from the administration. President Reagan is already history. The rhetoric also reflects the need to deflect criticism back home that the close relations with President Reagan led Canada up a deadend street.

What a sham, Mr. Speaker.

* * *

ABORTION

CHARTER OF RIGHTS—PROTECTION OF UNBORN CHILDREN

Mr. Gordon Taylor (Bow River): Mr. Speaker, "The testimony of modern science and technology asserts most emphatically a truth that was not so certain even 20 years ago, namely, that from the moment of conception everything is present for the gradual development of a unique human person; nothing is added by the mother or any other source".

This sentence is taken from an open letter to Members of Parliament from His Excellency the Bishop of Alexandria-Cornwall. He goes on to say: "With this present scientific knowledge and the assurance of our Christian faith my request to you", that is, Members of Parliament, "is to enshrine the right to life from the moment of conception in law and in our Charter of Human Rights . . . "

I urge the Government and all Members to heed this message from the Bishop.

* * *

IMMIGRATION

OPPOSITION TO DEPORTATION OF REFUGEE STATUS CLAIMANTS TO EL SALVADOR

Mr. Dan Heap (Spadina): Mr. Speaker, telegrams from Canadians are demanding that the Government stop its new program of trying to railroad Salvadoran refugee claimants back to El Salvador.

Recently a Salvadoran trade unionist who had been imprisoned and tortured for his union work there, lost his plea for refugee status in Canada and was to be deported to El Salvador until Amnesty International intervened to ensure that his appeal is heard before he leaves Canada. On the record documented by the American Civil Liberties Union and the General Accounting Office of the U.S. Congress, he has good reason to fear persecution if forced back to El Salvador.

Another Salvadoran whose bus driver brother was murdered by the Salvadoran Army, fled rather than be conscripted by that same army to kill his neighbours. Here he was imprisoned so that he was unable to get a lawyer to help his case, and in discouragement withdrew his refugee claim. Fortunately, his case will be reviewed by the Refugee Status Advisory Committee, since in El Salvador he is under death squad threat.

Is this the purpose for which the Government recently dumped some of the best qualified members of the Refugee Status Advisory Committee, to intimidate the rest into sending Salvadorans back to death squads?

S. O. 21

[*Translation*]

POLITICAL PARTIES

PROGRESSIVE CONSERVATIVE PARTY—PRIME MINISTER'S ACHIEVEMENTS

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, most Canadians are in favour of free trade. I would like to point out the visit my Prime Minister is paying to Washington today. Three cheers to Brian Mulroney for his tenacity and his efforts to strengthen bilateral trade with our southern neighbour!

Liberals and New Democrats, the end is near. You have only one thing left to do: pay tribute to our Prime Minister, the Right Hon. Brian Mulroney, who is leading our country so brilliantly. He is a very talented statesman whom we are pleased to follow and support. I thank the residents of the riding of La Prairie for giving me the chance to live such moments in this House.

Yes, Mr. Speaker, there is a postscript to this comment. Canadians are living through a time of glory, rejoicing and pride, all because of the Conservatives in the country.

Victory in Manitoba! Congratulations! And even at the risk of repeating myself, I say that Canada has the greatest Prime Minister ever elected.

* * *

[*English*]

HISTORIC EVENTS

ISRAEL—ANNIVERSARY OF STATE'S FOUNDATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, last Thursday with pride and joy I joined approximately 6,000 Montrealers in song and dance to celebrate Israel's fortieth birthday.

Growing from the ashes of the Holocaust, that blot on the collective memory of mankind, this state has settled Jewish refugees from over 75 nations of the world, renewed the land, planted trees, built roads, housing, industry, set up hospitals and health services, and put in place a modern democracy founded on the basic values of traditional Jewish culture, respect for learning, justice and charity.

Yet even with these successes no nation is whole without peace. This fledgling state has withstood assaults from its Arab neighbours, and survived continuous hostility and a condition of quasi-war ever since it was born.

• (1410)

Since its founding days Israel has fought five wars for survival, and its citizens still face an ongoing difficult security situation.

While the present unrest concerns us all, we must not give up hope. We must persevere in our support for peace in the region, a peace which history has yet to record for Israel and its Arab-Palestinian neighbours, a peace negotiated directly by Israel and the Palestinians, a peace that includes full recognition of Israel by her neighbours and acceptance of her right to secure borders.

Surely Israel and the Palestinians deserve such fundamental democratic rights as we hold so dear here in Canada.

* * *

WELFARE

REDUCTION IN POVERTY LEVELS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, if there is one accomplishment in which this Government can take pride, it is the significant reduction in poverty levels since it took office.

The National Council of Welfare, in its recent publication "Poverty Profile 1988", says that, in our first two years in office, the poverty rate decreased from 17.3 per cent to 14.9 per cent. Some 525,000 individuals were removed from the ranks of the poor between 1984 and 1986 alone.

The real success story has been the reduction in poverty among Canada's elderly. Our prime area of concern is now to repeat this success for families headed by single women.

The economic and social policies of the Conservative Government have been unparalleled when it comes to alleviating hardship amongst the less well off.

* * *

DISARMAMENT

PROPOSED ESTABLISHMENT OF ARMS REGISTER

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, last year, prompted by growing public concern about the export of arms and military related goods from Canada, I called upon the Secretary of State for External Affairs (Mr. Clark) to establish a public commission of inquiry to undertake a thorough and careful study of Canada's military export policies and practices. Unfortunately, the Minister failed to establish such a commission of inquiry. However, he has now agreed to set up a technical working group, as recommended recently by the Canadian Institute for International Peace and Security, to examine the feasibility of an arms register. This is an encouraging and timely development.

While I welcome the Minister's decision, I must protest his Department's failure to invite representatives of disarmament groups, particularly Ernie Regehr, of Project Ploughshares, who has skilfully and eloquently promoted a need for an arms register for many years, to attend the inaugural meeting of the working group.

Unless the Minister broadens the representation of this group to include disarmament organizations, the group's credibility is put seriously in question.

* * *

THE DISABLED AND THE HANDICAPPED

NATIVE CANADIANS—LACK OF SERVICES

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, Canadians who live with mental or physical disability face many challenges that are, in and of themselves, hard enough to overcome. If, on top of that, you happen to be a native Canadian, the barriers can be truly awesome.

In 1981 a special parliamentary committee recommended a series of steps to help disabled natives lead independent and dignified lives. In 1985 those recommendations in respect of native Canadians were endorsed a second time, in the parliamentary committee report "Equality for All".

To date, however, there is little indication from either native or non-native sources that any significant progress has been made.

In the initial report of the Committee on the Disabled, brought down exactly one year ago, I advised the House that the Department of Indian Affairs had no services for disabled natives, had no future plans for such programs, and did not consider disability prevention to be an issue of concern.

It will come as no surprise, therefore, that the Parliamentary Committee on the Status of Disabled Persons intends to investigate this situation.

* * *

[*Translation*]

SCIENCE AND TECHNOLOGY

MORE FUNDS REQUESTED FOR QUEBEC

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, after looking at their newspaper today, Quebecers must feel very neglected by the Conservative Government. After being cheated on the frigates and all the other contracts for the shipyards, because the Conservative Government has closed down two shipyards in Quebec, after being had in the rail transport area when CN was allowed to buy locomotives in the United States rather than from Bombardier in Quebec, we learn that under the federal Government's science and technology policy, Quebec receives only $25 million out of $251 million. Only 10 per cent! That is scandalous, considering that the Minister of State for Science and Technology (Mr. de Cotret) is a Quebecer. It is unacceptable and I would hope that he will take corrective action as soon as possible so that Quebec receives its fair share.

• (1415)

[*English*]

POLITICAL PARTIES

PUBLIC OPINION POLLS—RESULTS OF MANITOBA PROVINCIAL ELECTION

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, opinion polls, they say, 19 times out of 20 are far less accurate in Manitoba than in other parts of Canada.

Yesterday Manitobans went to the polls, and the survey said the Conservatives are the most popular Party and the New Democrats have fallen into a bottomless pit. No doubt, some credit should be given to Sharon Carstairs who was able to convince more Winnipeg people to vote Liberal in two years while the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) has failed to convince anyone to vote for the Liberals in the past 15 years, other than a few friends in his riding.

Is it possible that the Leader of the Official Opposition (Mr. Turner) is more popular than the pollsters would say, that is, 19 times out of 20? Is it possible that the NDP is far less popular than the polls indicate, that is, 19 times out of 20?

Doesn't the suspense of this information just drive you crazy, Mr. Speaker?

Some Hon. Members: Oh, oh!

ORAL QUESTION PERIOD

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S ADDRESS TO UNITED STATES CONGRESS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question either for the Deputy Prime Minister or the Secretary of State for External Affairs on the Prime Minister's visit to Washington, particularly concerning acid rain.

The Government's record in solving the acid rain problem with the United States is one of retreat and failure. The Prime Minister has adopted a non-strategy of little or no lobbying of the United States Congress, fewer appeals to American public opinion, and has been utilizing the special envoys' process. For what conclusion and for what achievement? The answer is nothing.

Now the Prime Minister belatedly discovers that the Congress of the United States, the Senate and the House of Representatives, does exist and is a key player in the acid rain game.

Will the Prime Minister in his address to the Congress this afternoon finally lay his so-called special relationship with the

President on the line, and state Canada's position on acid rain clearly and unequivocally on behalf of people north of the 49th parallel who now consider this to be the most important issue of our neighbourship with the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this Government has not only known that acid rain is a major priority in the relationship between Canada and the United States but we have acted on that knowledge. We have acted on that knowledge in the United States in seeking agreements, including specific agreements, in the context of an accord, and we have acted here at home by giving leadership with the provinces to a number of actions that allow us to go to the Americans and indicate that we are doing our part in dealing with that continent-wide problem.

I am very interested to note that the Right Hon. Leader of the Opposition would make reference to acid rain in the context of a speech by a Canadian Prime Minister to the United States Congress, because the last time there was such a speech by a Liberal Prime Minister acid rain was not mentioned once.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the right hon. gentleman knows that our Prime Minister at three consecutive summits has been inveigled into a presidential commitment from the United States for yet more research, when everybody knows the solution is not more research but more action.

UNITED STATES POLICY ON NITROGEN OXIDE EMISSIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Secretary of State for External Affairs hopefully is aware, and Canadians today learned with dismay, that the U.S. negotiators in Geneva have rejected Canada's demand that a planned increase in the United States emissions of nitrogen oxide, which is the key ingredient of acid rain, would only be permitted and should only be permitted if this increase did not result in more pollution for Canada. That was Canada's demand which American negotiators have rejected.

Will the Secretary of State tell us whether the Prime Minister today in Washington will insist that the President reverse this short-sighted and disastrous policy announced in Geneva today, because it really means that the United States still plans to increase, and not decrease, the acid rain pollution of our lakes, forests, rivers, and our environment. Did the Prime Minister know the President was going to allow this to happen by way of his negotiators in Geneva on the very day he was addressing the United States Congress?

• (1420)

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, one-third of the acid rain that wreaks havoc on the Canadian environment comes from nitrogen oxide. About two-thirds of that NOx comes from the United States. Clearly, the Prime Minister will be raising that dimension of the problem with the President during his private and public meetings.

The position of Canada has always been clear in Geneva at successive meetings of our top officials there. We oppose any American position that has been on the table at successive meetings that would have the effect of increasing NOx emissions from such a source. We have opposed it in the past, we oppose it now, and we will oppose it at future meetings. The Prime Minister of Canada will be expressing his opposition in the most unqualified terms in Washington today and tomorrow.

[*Translation*]

QUERY WHETHER PRIME MINISTER WILL SHOW FIRMNESS IN SPEECH TO UNITED STATES CONGRESS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it may be an unfortunate coincidence for the Canadian Government and the Prime Minister of Canada that, on the very day he addresses the U.S. Congress, American negotiators in Geneva announce a decision that is very negative for Canada.

Now that the Prime Minister has discovered the existence of the U.S. Congress, will he show some firmness in his speech today before Congress or is he going to soften his position so as not to compromise the passage of his free trade agreement with the United States? Are we heading towards free trade in acid rain?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I really am puzzled. The Right Hon. Leader of the Official Opposition attaches a great deal of symbolic importance to the fact that there is a meeting in Geneva today when the Prime Minister of Canada is in Washington. The negotiators from 34 countries have been meeting almost non-stop for the last year and a half, or two years.

The meeting in Geneva is important, but it is no more important than the meetings held in February or in November, or those that will be held in future months. We are not completing a protocol in Geneva this week. Indeed, I would doubt whether enough progress will be made by the international community to make it possible to sign such an Accord by next October, which was the original deadline.

In any event, the Prime Minister of Canada, unlike the Prime Minister of the day in 1977, Pierre Elliott Trudeau, will be expressing, on the floor of Congress, Canadian concerns in very unqualified terms. This is in sharp contrast to the situation that prevailed when the Liberal Party of Canada was in power. It would not raise the subject on the floor of the House of Commons, let alone on the floor of Congress in Washington.

POSITION OF PRIME MINISTER

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Axworthy: How sweet it is, Mr. Speaker.

I have a supplementary question for the Minister of the Environment. He has just said how the Prime Minister will be taking tough stands and strengthening his rhetoric with the President. It was not so long ago that in this House the Prime Minister was castigating a Member of the U.S. Congress who had the nerve to suggest that the Canadian Prime Minister and the Canadian administration were selling out on acid rain.

Why has the Prime Minister now changed his tune? Will he retract or repudiate those statements he made in this House when he was saying that it was wrong for U.S. Congressmen to be asking for a Clean Air Act and that they should go along with the Reagan plan?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Prime Minister said no such thing. The Government of Canada should be judged by its actions and those actions are a heck of a lot tougher against acid rain than those taken by any previous Government. We have slashed acid rain-causing emissions from Canadian sources by 50 per cent and that will take effect by 1994, based on levels that prevailed in 1980, as far as sulphur dioxide is concerned.

We have instituted the toughest anti-NOx program in the world. When we took office in September of 1984, emission controls in Canada for nitrogen oxide were only one-third as strict as those that prevailed in the United States, greatly undermining our capacity as a country to point the finger at Washington for stronger measures. Now we have slashed allowable emissions by 60 per cent for light cars and trucks, and by 50 per cent for heavy-duty vehicles. That control program is the toughest in the world. We should be judged by our actions, and our actions have been very strong.

• (1425)

GOVERNMENT ACTIONS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Minister said we should judge the Government by its actions. We know that the actions of the Government were to cut back on efforts in Washington to work with Congress to develop the Clean Air Act. It tried to sort of soft sell and soft soap the President to get action. It completely disbanded efforts by the Canadian embassy to work with the administration. Those are its actions.

Some Hon. Members: Question!

Mr. Axworthy: Is the Government going to change its actions now? What it has done has resulted in absolutely no success, no achievement, no accomplishment in dealing with this major problem of acid rain coming from the U.S. Is the Government going to change its actions now?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, we certainly do not need to take a back seat to the Liberal Party on acid rain. When the Liberal Party was in office, Sir, the Prime Minister of the day would return to Ottawa from Washington and other foreign capitals, after meeting with then President Carter, and we would ask him in Question Period whether he used the occasion to raise Canada's very deep-seated concern about this lethal pollutant. Prime Minister Trudeau would shrug his shoulders and say: "Well, the Hon. Member cannot expect the Prime Minister of Canada to raise just any bilateral problem." For Prime Minister Trudeau acid rain was merely another bilateral problem.

Mr. Broadbent: Mr. Speaker, all the Minister did was to confirm that after four years of talk our Prime Minister has got absolutely nothing from the President. I do not know what he is boasting about.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

QUERY WHETHER MONTREAL REGION ECONOMIC DEVELOPMENT COMMITTEE STILL EXISTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Last week, the Prime Minister's office published the list of ministerial task forces, which no longer includes the Montreal Region Development Committee. A spokesman for the Prime Minister confirmed this unfortunate state of affairs.

Today, however, according to the media, the Minister's spokesman said the Committee still exists. Who is telling the truth?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I am quite prepared to set the record straight. The sub-committee of the Economic Development Committee for the Montreal region was created at the same time as the Montreal Region Advisory Committee, so that appropriate recommendations could be made, based on information provided by the Advisory Committee.

Subsequently, the Advisory Committee's recommendations were considered and largely agreed to by the ministerial task force, and these recommendations were referred to the respective departments, while the Economic Development Committee, which is in charge of these matters, took over the responsability.

So we are talking about an *ad hoc* committee, a sub-committee like many other committees that still exist today and are not on the list. This Committee did a lot of work during the time it was working with the Advisory Committee, which has submitted its report. The report has been approved and its implementation is in progress.

QUERY WHY GOVERNMENT IGNORED PICARD REPORT RECOMMENDATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, according to officials at the office of the Mayor of Montreal, the Committee still exists. However, if I understand correctly, the Minister confirmed today that the Committee is no longer active.

My second question is very straightforward: According to the office of the Mayor of Montreal, the Picard Report made some very concrete and practical suggestions but the federal Government completely ignored them. Why?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Sub-Committee on Economic Development of the Montreal region, which reported to the Cabinet Committee on Economic Development, may be asked to meet at any time, if this is judged to be appropriate. The sectoral Departments are acting on the recommendations of the Picard Report. There were about 86 recommendations. Some of them are exclusively concerned with the city and others with the province. Of the remaining recommendations we approved about 95 per cent. We are acting on these recommendations, and the benefits are being felt in a very concrete way in the Greater Montreal area.

• (1430)

FEDERAL GOVERNMENT'S RESPONSE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister knows perfectly well that the people of Montreal did not like the Government's response in this respect and more specifically, the Picard Report recommended that the federal Government support the Vieux-Port, the Space Agency and a number of projects concerning the region's infrastructure. Why hasn't the federal Government given a concrete response to projects that are so important to the people of Montreal?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): If the Leader of the Socialist Party was as well informed about events in Quebec as he is about events in the other provinces, he would know that in many instances the Government has already taken action. He referred to the Vieux-Port. We have approved the entire plan. We are now taking concrete action on capital investment in the Vieux-Port. For instance, we have just agreed with Quebec to sign a three-way agreement by May 15.

I can mention many more programs that have been started in the Montreal region. There is the program for Montreal East, where $35 milion in new money has been invested by the federal Government. The Montreal Museum of Fine Arts has received $20 million from Communications Canada and $5 million from Tourism Canada. The International Reception and Information Centre in Montreal has received $3.3 million. Pétromont received $15 million in 1984 and $55.8 million in 1985.

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REGIONAL INDUSTRIAL EXPANSION

DISSOLUTION OF MONTREAL ECONOMIC DEVELOPMENT COMMITTEE—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I agree with the Minister of Regional Industrial Expansion. The Leader of the New Democratic Party doesn't know what is going on in Montreal. However, there is one point where they are both wrong: the Minister is equally ignorant of the reason why the Committee was established.

The Minister will recall that following complaints by Montreal businesses, by Montreal's elected representatives and by the Survival Committee for Montreal East about the fact that Montreal Island does not have a single Member or Minister who is effective enough to make the Government listen to these people, the Prime Minister had, in response, formed the so-called Montreal Economic Development Committee with the Picard Committee, headed by the Minister.

My question to the Deputy Prime Minister is this: Now that the Minister is no longer responsible, could he perhaps inform the House why the Government disbanded the Montreal Development Committee, although no concrete announcements were made following the Picard Report?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Hon. Member for Montreal—Sainte-Marie says I am no longer responsible for the Montreal region, because an *ad hoc* committee finished its work and the Committee over which I preside is taking care of the follow-up. Whether I happen to head a sub-committee or the committee, it boils down to the same thing. And I can inform the Hon. Member that we are acting on all the recommendations we approved in the Picard Report. We are acting on recommendations for the development of Montreal. That is, in fact, one of the reasons why 114,000 jobs have been created during the past few years in Montreal, while there was a sharp drop in employment under the previous Government.

OPPORTUNITY TO LISTEN TO MONTREALERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, this is a big joke! Whether he was chairman or not doesn't make any difference, since we are still waiting for the space agency. We are still waiting for $130 million in new money for the development of the Vieux-Port of Montreal. Nothing has been done about the Port of Montreal or pre-retirement benefits for the people of Montreal East. What I want to know is . . . today we heard that as far as science and technology contracts are concerned, Quebec will get only $25

million out of $251 million. Now there is no one left, how are the people of Montreal going to make themselves heard here in Ottawa? Quebec has to pay a lobbyist to speak on its behalf. Could the Deputy Prime Minister inform the House how the people of Montreal can expect to monitor these projects and get concrete answers on the development of the new Port of Montreal and the space agency?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I simply want to point out, for the benefit of the Hon. Member for Montreal—Sainte-Marie, that Montreal's economy is in better shape today than it has been for a number of years, with 114,000 new jobs, a sharp drop in unemployment, significant economic renewal and a substantial contribution by the federal Government. Mr. Speaker, all this happened despite comments by the Leader of the Opposition in August 1987, that the City of Montreal had suffered considerable hardship and was not out of the woods yet, and that it might take 20 years before subsequent governments would be able to reverse the trend, provided Quebec remained in Confederation.

Mr. Speaker, in four years we managed to reverse the trend. Despite the gloomy forecast of the Leader of the Opposition, it didn't take us 20 years to make Montreal a little more visible, a little more dynamic and enhance its economic potential for Quebec and Canada.

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—CLOTHING INDUSTRY—POSITION OF U.S. SENATORS

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I have a question for the Minister for International Trade. Thirty United States Senators released a letter yesterday saying that Canada should drop support plans for the clothing industry since Canada's moves "could seriously jeopardize ratification of the free trade agreement". Even before this deal is passed the United States is trying to tell us what to do.

Is the Prime Minister going to speak bluntly today to the United States Congress? Is he going to say that we are an independent country and that we do not need this kind of direction from the United States?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I am far more interested in what 250 Canadian economists had to say about the U.S.-Canada Free Trade Agreement. They said that it is Canada's best option in the face of increased protectionism because it increases access to the American market. They said it would provide better investment opportunities and lead to a higher standard of living for Canadians.

Those are the people we listen to, Canadian economists and other Canadians, not the U.S. Senators to whom the hon. gentleman is always referring and of whom he is so afraid. We are not afraid of them.

Mr. Langdon: Mr. Speaker, I am certainly more interested in the 76 per cent of Canadians who say that there should be an election.

Some Hon. Members: Hear, hear!

Some Hon. Members: Call an election.

Mr. Broadbent: Go ahead, have the election on free trade. See if Reagan will approve it today. Maybe Brian can ask Ronald today.

[*Translation*]

ECONOMIC LIBERTY—GOVERNMENT POSITION

Mr. Steven W. Langdon (Essex—Windsor): I wish to ask a supplementary question, Mr. Speaker. Do these efforts to control and reduce Canada's independence in this matter related to the textile industry not show that the trade agreement itself would impede our economic freedom in future?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, 76 per cent of Canadians say that they want an election. They certainly did not say that in Manitoba. They had to be dragged, kicking and screaming, to the election. There is hardly an NDP Member left there—

Mr. Broadbent: Count your vote. It went down, John.

Mr. Crosbie: —and Premier Filmon will take care of the rest of them before he is through.

With respect to the body of the question, if there is anything left of the body of the question, Mr. Speaker, this U.S.-Canada Free Trade Agreement increases economic opportunities for Canadian people, increases their chance to better their standard of living, gives them more options, and is no threat to our sovereignty whatsoever, only to that of frightened, timid New Democratic personages.

* * *

• (1440)

AIRPORTS

PEARSON INTERNATIONAL—CONSTRUCTION OF TERMINAL III—DEVELOPMENT FEES

Hon. Bob Kaplan (York Centre): Mr. Speaker, in the absence of the Minister of Transport, my question is directed to the Acting Minister. It concerns Terminal III at Pearson International Airport.

The Minister knows that there is a dispute between the City of Mississauga and the developer over $5.2 million of development fees, and perhaps $2 million more of hydro fees. The Minister said in Toronto on Monday that this was a dispute to be settled between the parties, yet this is contradicted by a term of the lease which was made public in Mississauga this morning. The lease states: "Unless otherwise permitted by Ottawa, the developer must comply with provincial, regional and municipal bylaws whether or not there is a legal requirement to do so".

Does Ottawa intend to exempt the developer from paying these substantial development fees?

Hon. Gerry St. Germain (Minister of State (Transport)): Mr. Speaker, the discussions are going on between the developer and the City of Mississauga. I believe it would be inappropriate at this time to comment further on this particular issue while negotiations are taking place.

POSITION OF FEDERAL GOVERNMENT

Hon. Bob Kaplan (York Centre): Mr. Speaker, let the negotiations go on, but I am asking about this contractual power that is reserved by the federal Government, to waive requirements that the developer comply with municipal bylaws. Does Ottawa intend or not intend to waive those requirements for this developer?

Hon. Gerry St. Germain (Minister of State (Transport)): Mr. Speaker, I believe this is a legal dispute possibly arising as a result of information presented by the Hon. Member. I think it would be best left in the hands of the City of Mississauga and the contractor to resolve. If the Minister of Transport can assist, he will be there.

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[*Translation*]

EXTERNAL AFFAIRS

SALE OF EXPLOSIVES TO FOREIGNERS BY EXPRO COMPANY—REQUEST FOR RESULTS OF MINISTER'S INQUIRY

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, last Friday, the Hon. Secretary of State for External Affairs assured the House that he would look into the question of the alleged use by Expro of previous licences to export gunpowder after he had ordered that no further export permit be given to the company. Is the Minister prepared to tell the House of Commons, first, what the results of the investigations are, and second, why the previous permits were not withdrawn last November?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am in a position to answer the questions raised by another Hon. Member on Friday and raised again by the Hon. Member. We are informed that no explosive material was sent to Portugal since last October. Three shipments of explosive material were sent to Holland last year, but I believe ... my officials are analysing the information, I am informed that there are no more ... that the amounts involved were not sent by the Dutch authorities to another destination.

[*English*]

EXPRO COMPANY—FEDERAL ADVANCE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my supplementary question is directed to the Minister of Supply and Services. Since it must have been evident to the Government last November that the major part of Expro's production was destined for a market that was not only murderous but illegal, according to Canadian law, why did he authorize an $8 million advance to the company? Was it to pursue its illegal traffic, or was it to finance the lock-out of its employees?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will have to take that question as notice, except there is an implication in it that the Government of Canada would be deliberately assisting in illegal operations. That is not the case.

Indeed, since this matter of export permits came to light in October last year, our position has been very clear. We have been looking into the possible abuse of export permits or other matters. We have had co-operation by and large from Expro. I have given the Hon. Member assurances as a result of the investigations I undertook to make last Friday. I have just given those assurances.

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[*Translation*]

THE ENVIRONMENT

PARC SAGUENAY—MINISTER'S INTENTIONS

Mr. André Harvey (Chicoutimi): Mr. Speaker, my question is directed to the Minister of the Environment.

This is a great day to talk about the environment, at a time when our Prime Minister is trying to make up for 25 years of neglect by the Liberal Party. In Quebec, an obvious example of Liberal arrogance and neglect is Saguenay Park.

I therefore want to ask the Minister of the Environment if he could tell the House what he intends to do in this respect.

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I believe the Saguenay region is important to all Canadians because of its environmental characteristics, and especially the presence of the beluga whale. Relocating the National Park to the Saguenay region is one of my priorities. First of all, because of the need for protecting this very special site, my Department has ordered a feasibility study that will be completed very shortly. I intend to take an active part in

speeding up this particular process, in co-operation with the Government of Quebec.

I will keep the Hon. Member for Chicoutimi informed of further developments.

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[*English*]

WELFARE

CHILDREN LIVING IN POVERTY—EFFECT OF TAX REFORM

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Minister of Finance. Current figures from the National Council of Welfare show that over one million Canadian children, or one in six, live in poverty. Yet the Minister's proposed tax reform will return to a couple with two children and a total income of $20,000, only $175 a year. This is after he has taken much more than that from them in the past three years. Why is the Government not recognizing the dire situation of child poverty in this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I appreciate the question by the Hon. Member. This is a matter which has been of concern for the Government.

Let me point out that since we came into office the number of children under age 16 who live in poverty is down by 193,000. That is contrary to the impression she left with her question. I am sure she regrets that.

The other point I want to make is that, as my colleague has said on another topic, we should be judged by our actions. We have introduced a refundable sales tax credit. We have increased the child tax credit and have brought in a prepayment provision on the child tax credit. Under tax reform some 850,000 people will not be paying tax next year for this current tax year.

We have shown by our actions that we are concerned about that problem and are getting those numbers down.

Miss Nicholson (Trinity): The figure that I quoted came from the National Council on Welfare. It is 1,016,000 children under age 16.

TAX STRUCTURE—EFFECT ON FAMILIES

Miss Aideen Nicholson (Trinity): Mr. Speaker, while the Minister talks about some current proposals, he leaves out the fact that his Government increased taxes over a three-year period. With the current proposals, a single person with a $20,000 income will save $340 in income tax as against $175 for a couple with two children. Does the Minister not recognize that his tax structure is discriminating against families with young children?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member said that she is quoting from a certain set of figures. I do not quarrel with those figures.

I am stating quite clearly that in the three years prior to our taking office, the number of children under age 16 who were in poverty increased by 94,000. Since we came into office that figure is down by 193,000. That is the difference in the actions. It reflects what we have done as a Government.

• (1450)

Mr. Gauthier: Are you happy?

Mr. Wilson (Etobicoke Centre): The Hon. Member asks me whether I am happy. I am happy that it is down by 193,000. However, I am not happy with the level. The level is still too high.

That is why we have introduced a number of changes that are directed at changing the situation. Let me give the Hon. Member some additional programs that we brought in.

The spousal allowance for those people who are age 60 to 64 living on low incomes has increased. The training for those people who are on welfare—

Mr. Speaker: The Hon. Member for Skeena.

* * *

INDIAN AFFAIRS

SASKATCHEWAN TREATY LAND ENTITLEMENT BANDS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. In 1976, Canada, Saskatchewan, and the Saskatchewan Federation of Indians reached a compromise formula to calculate treaty land entitlements based on the December 31, 1976, band populations. On March 3 of this year the treaty land entitlement bands of Saskatchewan rejected the Minister's proposal to base settlement on the date of first survey, which would reduce the settlements by 90 per cent.

Since the Minister's communication strategy is based on honouring commitments and being fair, why has the Minister chosen to tear up the 1976 tripartite agreement?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member's question on entitlement in Saskatchewan, and other prairie provinces, is an important one. The reason at this time that I have informed the entitlement bands that the Government is prepared to go to date of first survey is because the bands themselves have asked for changes in entitlement.

Originally, when the 1979 formula was signed, bands were requesting land only. Now some of the entitlement bands are requesting money in lieu of acres. They are asking for urban

acreage as compared to rural acreage. There is not a consistent way of measuring the value and the acres that can be offset.

That discussion will take place in Cabinet. When we have reached a decision we will inform the entitlement bands.

FEDERAL FUNDING

Mr. Jim Fulton (Skeena): Mr. Speaker, I think the Minister is trying to suggest that the bands are now asking for less, and they are not. In the Minister's Estimates we find a reduction in funding for specific claims from $30 million in 1987 to $1 million in 1988, a reduction of over 90 per cent. In the Minister's secret summary on treaty land entitlement we find the statement: "not prepared to go further unless forced to by the courts".

Where does the Minister expect that policy to lead when his own policy now prohibits test case funding at the trial level? Where is it all leading?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member has put forward a question that is based on inaccurate information.

Mr. Fulton: It is in the Estimates. You tabled them.

Mr. McKnight: What the Hon. Member does not understand, although I am sure he does and just does not want to express it publicly, is that specific claims are based on findings. If there are no judgments for specific claims, naturally the amount of money provided would be less this fiscal year.

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FISHERIES

CANADA-FRANCE DISPUTE—THIRD PARTY MEDIATION

Mr. George Baker (Gander—Twillingate): Mr. Speaker, on April 21 as reported at page 3205 of the *Debates* of the other place, the Government House Leader, a member of the Cabinet, said: "—setting fishing quotas in Canadian waters, is the responsibility of the Canadian government, not of a third party." Yet the Hon. Member for St. John's West on behalf of the Government announced Friday night third party mediation between France and Canada for the fishing dispute.

Does this now mean that Canada is actually contemplating giving France more than the already generous 7,000 metric tonnes in area 3PS? It wants 50,000 metric tons. That is 9,000 tonnes more than the total TAC, total allowable catch, for all of Canada. Will the Government tell France to stop overfishing in 3PS a.s.a.p. before they "KO" the "TAC"?

Some Hon. Members: Oh, oh!

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. Member usually has "OD" on "b.s."

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Crosbie: The position is that the negotiators for Canada and France have reached an agreement on a process of mediation. Of course, mediation is exactly that. It is not binding on either of the parties. It is to get an outside third party who can help the two parties involved to see if they can reach an agreement between them. There is nothing compulsory about it. Canada is not offering any more quotas to France.

As the hon. gentleman knows, we have taken a firm position that is having results. If this position had been adopted in 1972 we would not have this problem today.

GOVERNMENT POLICY

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Hon. Minister is saying today that what they have is non-binding mediation, whatever that is. He should call it the Minister's "Milk of Magnesia mediation".

Why then when I said in the House last week that the Government was going to announce non-binding arbitration—in fact I said we are going to be Ex-laxed at that time—did the Minister deny it, and then on Friday night he turned around and announced this third party non-binding mediation with the Government of France? Whether it is "Ex-laxed" or Milk of Magnesia, you get the same results, don't you?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, obviously the Hon. Member is an expert on those results. He is certainly very loose on what he says in this House.

Some Hon. Members: Oh, oh!

Mr. Crosbie: I can only refer to my statesmanlike first answer. Hopefully, if we can find a mediator acceptable to both sides he will help us reach a settlement of this issue. The hon. gentleman can be sure that we are going to continue in the firm and reasonable posture that we have adopted. We would like to settle this matter in a fair and reasonable way. We think we have made fair and reasonable offers.

I ask him to hold on a little longer.

Some Hon. Members: Oh, oh!

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INDUSTRY

GOODYEAR CANADA—GOVERNMENT SUPPORT

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, my question is for the Minister of State for Finance. Seven weeks ago in the House I asked the Minister, for reasons that I outlined at that time, if he would rescind the remission order

worth up to $50 million that had just been granted by the federal Government to Goodyear Canada. Since then the Ontario Government has come up with a $32 million interest-free loan to Goodyear Canada. Last week it was revealed that the U.S. parent company is now imposing a new service charge on Goodyear Canada that will take some $25 million to $30 million from this Canadian company.

My question is a very simple one. Can the Minister still justify this continuing financial support to Goodyear in face of this truly outrageous arrangement whereby Goodyear Canada is merely a conduit for Canadian tax dollars going to Akron, Ohio?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I thank the Hon. Member for his concern about this issue. First, as he correctly noted in his question, the funds that have been forthcoming so far have been from the provincial Government and not from the federal Government. I want him to know that I share his concern about this particular matter.

Right after the annual meeting of this company in Canada I contacted my officials to make sure that these issues were properly understood. I have instructed them to meet immediately with the company to clarify the matter.

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FISHERIES

CANADA-FRANCE DISPUTE—BOUNDARY ISSUE—FISHING QUOTAS

Mr. Jack Harris (St. John's East): Mr. Speaker, my question is for the Secretary of State for External Affairs. It has to do with the fact that last January the Canadian Government agreed to trade northern cod just to get the Government of France to the bargaining table on the boundary dispute over St. Pierre and Miquelon.

• (1500)

Now after some theatrics by the fishermen and some politicians of St. Pierre, the Government is offering to go to non-binding mediation to give some more fish to the St. Pierre fishermen, and also, we hear, to metropolitan France, just to get them talking about fish again.

Why has the Government refused, or is no longer continuing to keep together the two issues of the boundary dispute and the issue of fishing in Canadian waters? Can the Minister assure the House that there will be no concessions to the French Government unless it agrees to submit the boundary dispute to third party arbitration?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman does not seem to understand the process that has been under way now for several years. That is a process in which the Government of Canada is most anxious to settle the question of the territorial boundaries of St. Pierre and Miquelon. It can only be settled by an international arbitration, or by the International Court because the two parties cannot otherwise agree. We believe it is the duty of both to go to an international adjudication on this.

In the same manner as France and Great Britain went to international arbitration on the question of the Channel Islands, so should France now agree to go with us.

Unfortunately, France is trying to tie to that and make a condition of it agreeing to go to arbitration on that question, the settlement of the issue of what quotas it should receive under the 1972 treaty in Canadian waters for the next three years or so while the matter goes to arbitration. France has been making that a condition, and that is what the process has been about for the last several years.

The Government has taken a firm position. We have closed our ports to French vessels because of their overfishing in 3PS. We will continue on that course. We will take a firm and reasonable stand meeting our international obligations, but trying to get these issues settled in a way that will protect the fishermen of Atlantic Canada.

Mr. Speaker: I wish to advise the House that there will be a single question from the Hon. Member for Saint-Léonard—Anjou, followed by a single question from the Hon. Member for Saint-Henri—Westmount, and that will close Question Period.

Mr. Harris: My supplementary question, Mr. Speaker—

Mr. Speaker: The question was long, and it was answered. In view of the time, I wish to move on. The Hon. Member for Saint-Léonard—Anjou.

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CANADA POST CORPORATIONS

OPPOSITION TO SUPERMAILBOXES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is directed to the Minister responsible for Canada Post Corporation. Last Sunday, RAM Ontario, Residents Against Mailboxes, organized a national conference for Canadians from Newfoundland to British Columbia to protest the Government's policy of supermailboxes being installed throughout the country this spring. At that conference were politicians from all levels and all Parties. All the citizens present were unanimous in demanding that the Government abandon its supermailbox policy.

Will the Minister listen to the demands of RAM, Residents Against Mailboxes, and abandon that policy, or will the Minister wait for the Residents Against Mailboxes to ram the Mulroney mailbox?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, what happened on Sunday was that the

unions paid for a lot of people to fly in to hold a media event, which I acknowledged was a successful media event.

I find it a little pathetic, frankly, that people who are supposedly concerned about this country and public policy would gather together and say, "The most important issue facing Canada is that, along with door-to-door delivery of milk and door-to-door delivery of bread, door-to-door delivery of mail may be changing in some areas". That is a pretty pathetic thing on which to base a political policy.

Mr. Speaker: This will be the last question. The Hon. Member for Saint-Henri—Westmount.

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INDUSTRY

CDC LIFE SERVICES—POTENTIAL ACQUISITION BY FRENCH STATE CONTROLLED CORPORATION

Hon. Donald J. Johnston (Saint-Henri—Westmount): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Regarding the potential acquisition of control of CDC Life Services by a French state controlled corporation, Institut Mérieux, could the Minister tell us what steps are being taken to preserve for Canada and Canadians the critical, and I might say, unique manufacturing and biotechnology research capacities of the two subsidiaries, Connaught Laboratories of Toronto, and Bio Research Laboratories of Montreal?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I can only say that there are a number of unresolved issues in this particular case. I have taken some steps to date. First, I have asked Investment Canada to review thoroughly whatever information we had on the transaction; second, to obtain additional information before the end of the day today; third, to obtain outside legal advice on the position of Investment Canada in this case.

Given my deep interest in this question, I can only assure the Hon. Member that we will be following it very closely, and I might be in a position to give him a definite answer as early as tomorrow in Question Period.

ROUTINE PROCEEDINGS

[*English*]

CANADIAN WHEAT BOARD

TABLING OF ANNUAL REPORT

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, I wish to table in both official languages the Annual Report of the Canadian Wheat Board for the 1986-87 crop year. Pursuant to Standing Order 67(4), this document is deemed permanently referred to the Standing Committee on Agriculture.

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PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table in both official languages, the Government response to 10 petitions, Nos. 332-4103, 332-4134, 332-4159, 332-4160, 332-4168, 332-4174 to 332-4176 inclusive, 332-4192 and 332-4193.

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INTERPARLIAMENTARY DELEGATION

PRESENTATION OF THIRTY-FIRST AND THIRTY-SECOND REPORTS OF CANADIAN NATO PARLIAMENTARY ASSOCIATION

Mr. Bob Hicks (Scarborough East): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the thirty-first and thirty-second reports of the Canadian NATO Parliamentary Association.

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

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PETITIONS

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Paul Gagnon (Calgary North): Mr. Speaker, I have the honour, the duty, and certainly the privilege of presenting a petition signed by 1,194 residents of Calgary, 884 of whom reside in the constituency of Calgary North.

The petitioners state that whereas biology and genetic science proves conclusively that human life, including all inherent characteristics of sex, intelligence, and physical features commence at conception; and whereas abortions deprive the unborn of the right to life; and whereas no one should be entitled to an unrestricted right to take away another human life, the undersigned humbly pray and call upon Parliament to expediently enact legislation to prohibit procurement of an abortion, except for life threatening reasons. In duty bound the petitioners will ever pray.

I think that this is a very straightforward petition, and I would like the Government to take rapid action in this area.

OPPOSITION TO BILL C-72—OFFICIAL LANGUAGES

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour and privilege today to present to the House 16 petitions regarding Bill C-72. These petitions represent the views of some 400 Canadians from Calgary South, southeast, north, northeast, west and centre, and indeed all of southern Alberta. The petitioners humbly pray and call upon Parliament to cancel Bill C-72, so that unilingual speaking people have a chance for a position in government.

REQUEST TO MAINTAIN FLOW-THROUGH SHARES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have two petitions to present today. One is signed by well over 100 residents of the community of Pickle Lake, Ontario, and also by the reeves or mayors of 12 communities in my riding. The petitioners humbly pray and call upon Parliament to keep the flow-through share mechanism which is attractive to investors because of the very beneficial effect it has had on economic development in remote communities in northwestern Ontario.

NORTHERN TAX ALLOWANCE

Mr. John Parry (Kenora—Rainy River): The second petition that I have the honour to present, Mr. Speaker, calls upon Parliament to declare all communities in Tier III ridings as eligible for the northern residents tax deduction.

• (1510)

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, I have a petition from residents of the City of Toronto, who point out that the trade agreement recently signed between the Prime Minister (Mr. Mulroney) and the President of the United States has no mandate from the Canadian people since it opposes the position he took before the last election.

An Hon. Member: Not true.

Mr. Heap: The petitioners go on to point out that the trade agreement would reduce Canada's ability to plan the economic, social and cultural programs that Canadians need, and would integrate Canada further into the North American "defence" industrial base.

For these reasons, the petitioners ask Parliament to ensure that a national debate take place on the Mulroney-Reagan trade deal, and that that debate take place in the form of a national general election before the trade deal is finalized.

Some Hon. Members: Hear, hear!

OPPOSITION TO TRANSPORT OF PLUTONIUM OVER NORTHERN CANADA

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I have the honour and duty to present petitions signed by residents of Canada in such diverse locales as Ottawa, Nepean, Yellowknife, and Toronto. The petitioners are concerned about the proposal to transport plutonium by air over the Canadian North, including our northern waters.

Given the devastating consequences that could result from an accident or an act of terrorism involving aircraft transporting plutonium, the petitioners call upon the Parliament of Canada to recognize the dangers of such flight and to say "no" to the transport of plutonium over northern Canada.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Bruce Halliday (Oxford): Mr. Speaker, I have the honour to present a petition from the Tillsonburg Right to Life group, a petition that has been signed by over 100 residents of Tillsonburg. The petitioners indicate their displeasure at the recent ruling of the Supreme Court of Canada. They go on to indicate that it is their belief that the unborn is a human being from conception, and they humbly pray and call upon Parliament to draft laws to protect the unborn.

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. David Daubney (Ottawa West): Mr. Speaker, I have the honour to present a petition on behalf of hundreds of residents of my riding, and other residents of the National Capital Region. The petitioners in this instance are schizophrenics and their relatives and friends, all of whom are desperately hoping that a cure and method of prevention can be found for schizophrenia as soon as possible through larger research efforts being dedicated to this major illness in Canada, an illness that affects approximately 1 per cent of our population. It is a disease which causes severe mental anguish and suffering on the part of those afflicted, as well as on their relatives and friends. As well, it is an affliction that is costing Canadian society more than $3 billion annually.

The petitioners, therefore, humbly pray and call upon Parliament to ensure that the research effort in respect of schizophrenia in the future will be commensurate with the seriousness of this illness in Canada.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Derek Blackburn (Brant): Mr. Speaker, I rise under Standing Order 106, on a matter of concern to many of my constituents, namely, the Mulroney trade deal with Washington. The petitioners call upon the Government to call an election as soon as possible so that the people of Canada can decide the issue, and not a Government without a mandate in respect of that issue.

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, it is my honour to present, pursuant to Standing Order 106, a petition signed by citizens of Edmonton, Toronto, and Hay Lakes, Alberta.

Whereas the Progressive Conservative Government has no mandate from the Canadian people to conclude a trade agreement with the United States, and whereas the trade

agreement negotiated by the Mulroney Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians, or to equalize opportunities between the regions, the petitioners humbly pray and call upon the Government to dissolve Parliament and allow the people of Canada the opportunity to accept or reject the proposed trade agreement through a national general election.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour to present a petition, on behalf of a number of my constituents, pursuant to Standing Order 106. To summarize, their concern, in line with the poll released today indicating that 76 per cent of the people want an election called before the trade deal actually goes ahead, is that there be a general election before the trade deal is finalized.

OPPOSITION TO BILL C-72—OFFICIAL LANGUAGES

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have the honour to present a petition on behalf of residents of the Crossfield and High River areas of my riding. The petition states, wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to cancel Bill C-72 so that unilingual-speaking people have a chance for a position in Government, as in duty bound your petitioners will ever pray.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present, on behalf of a number of citizens of Shellbrook, Prince Albert, Birch Hills, Spruce Home, a petition calling for a national general election before the Canada-U.S. trade deal is finalized, on the ground that the Government had no mandate to conclude a trade agreement. They hold the view that the trade agreement compromises Canadian sovereignty, and for that reason they feel that Parliament should be dissolved, with the people themselves being given the opportunity to accept or reject the proposed free trade agreement through the holding of a national general election.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, question No. 277 will be answered today.

[*Text*]

IRRADIATION OF POTATOES

Question No. 277—**Mr. Althouse:**

In December, 1987, did Atomic Energy of Canada Limited make arrangements to have 20,000 pounds of potatoes irradiated as part of a promotional campaign at an A & P store in Hamilton, Ontario and, if so (*a*) were any of them distributed to (*i*) charitable organizations, such as food banks (*ii*) employees of any department or agency of government and, if so, to which ones (*b*) were the bags labelled to indicate that the potatoes had been irradiated?

Hon. Marcel Masse (Minister of Energy, Mines and Ressources): Atomic Energy of Canada Limited reports as follows:

No potatoes were irradiated for the market test of irradiated potatoes, announced by A & P Canada in November, 1987. However, approximately 12 tons of potatoes were irradiated for the market test planned for May, 1987.

(a) (i) & (ii) When the May market test was cancelled, the irradiated potatoes were distributed to AECL employees, to government employees involved in this technology in the Departments of Agriculture, Energy, Mines and Resources, Health and Welfare and Consumer and Corporate Affairs and to the Canadian Nuclear Association's New Brunswick Chapter.

Some unirradiated, non-chemically treated control potatoes were offered to the Ottawa Food Bank and were accepted.

(b) All irradiated potatoes were fully labelled with a label that conformed to both current and proposed regulations by the Department of Consumer and Corporate Affairs.

[*English*]

Mr. Lewis: I would ask that all remaining questions be allowed to stand.

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

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I would ask that all Notices of Motions for the Production of Papers be allowed to stand.

Mr. Speaker: Shall all Notices of Motions for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EMERGENCIES ACT

MEASURE TO ENACT

The House resumed from Monday, April 25, consideration of the motion of Mr. Beatty that Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, be read the third time and passed.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the Parties, leading to all-Party agreement on the disposition of Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof.

As will be seen from the projected order of business for today, Bill C-77 was to be called at 6 p.m. this evening, with the question on the motion for third reading to be put immediately.

As all three Parties are in favour of the Bill, there is unanimous agreement that Bill C-77 be called as the first item of business this afternoon, with the question being put immediately, in order that the Bill may be referred to the Senate, with the unanimous consent of the House.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, there have indeed been discussions among the Parties, and we certainly are prepared to co-operate with the Government at this point in respect of Bill C-77.

The way in which the progress of Bill C-77 has been handled, both in the House and in committee, presents us with a fine example of just how well this House and its related committees can work.

The Hon. Member for Brant (Mr. Blackburn), and the Hon. Member for Spadina (Mr. Heap) put forth 43 amendments, all of which were accepted by the Government. Those amendments improved the Bill.

Bill C-77 will replace the War Measures Act, a piece of legislation which we have been wanting to replace for some time.

All concerned, through their co-operation, made the process a success. For our part, we appreciate the co-operation shown by the Government, and in particular the willingness on the part of the Government to accept the amendments put forward during consideration of the Bill.

Mr. Speaker: Is the House agreed that I put the question on the motion for the third reading of Bill C-77?

Some Hon. Members: Agreed.

Mr. Speaker: The question is as follows: It is moved by Miss Carney, for Mr. Beatty, seconded by Mr. Clark (Yellowhead), that Bill C-77, an Act to authorize the taking of special temporary measures to ensure safety and security during national emergencies and to amend other Acts in consequence thereof, be now read a third time and passed.

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

Some Hon. Members: Agreed.

Mr. Speaker: I declare the motion carried.

Bill read the third time and passed.

* * *

GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, as reported (with amendments) from a legislative committee.

Mr. Speaker: There are 50 motions on the Order Paper and notices offered in amendment to Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts.

• (1520)

Motions Nos. 1 to 4 inclusive, Nos. 7, 9, 11, 12, 15 and 33 stand in the name of the Hon. Member for St. John's East (Mr. Harris). Motions Nos. 5, 6, 8, 10, 13, 16 to 32 inclusive and 34 to 50 inclusive stand in the name of the Hon. Member for Gander—Twillingate (Mr. Baker). Motion No. 14 stands in the name of the Hon. Minister of Transport (Mr. Bouchard).

An amendment similar to Motion No. 1 was moved, debated and negatived in committee. There is a slight variation in the wording, but the intent and object remain the same. Therefore, pursuant to Standing Order 114 (10), it will not be selected for debate.

Motions Nos. 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11 are acceptable and each will be debated and voted on separately.

[*Translation*]

The Chair has some reservations about Motion No. 12, because it provides that the Agency will have to hire all employees who are affected, while Clause 24 of the Bill provides as follows:

> 24. Every indeterminate employee in the public service of Canada who is transferred to a position in the Agency . . .

The House will appreciate the dilemma these two wordings created for the Chair.

However, after due reflection, I decided to give the Hon. Member the benefit of the doubt and declare the motion in order. It will be debated and voted on separately.

[*English*]

Motion No. 14 in the name of the Hon. Minister and Motion No. 15 in the name of the Hon. Member for St. John's East are out of order for three reasons. They both go beyond the Royal Recommendation. They are substantive amendments to an interpretation clause and are also beyond the scope of the Bill.

Having said that, the Minister has a Royal Recommendation for his motion, and I understand that discussions have led to unanimous consent for the Minister to move his Motion No. 14. At the proper time I will ask the House if it wishes to give that consent. I could not seek such consent with respect to Motion No. 15 as it is not covered by a Royal Recommendation and only a Minister of the Crown can request such from Her Excellency, the Governor General.

[*Translation*]

Motion No. 33 is in order. It will be debated and voted on separately.

[*English*]

Motions Nos. 13, 16 to 32 inclusive and Nos. 34 to 50 inclusive are in order but will be grouped for debate.

The vote on Motion No. 13 will be applied to Motions Nos. 16 to 32 inclusive and also to Motions Nos. 34 to 50 inclusive.

The House will now proceed with the first grouping, Motion No. 2, and I will now propose the question to the House.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. In your comments you said that later this day or at another time you would put Motion No. 14 in the name of the Minister.

[*Translation*]

. . . and that the Minister has a Royal Recommendation for this amendment. I wonder whether you could inform the House when the Chair will propose the question to the House. When can we expect this motion to be debated? After all motions before the House have been disposed of or in between?

[*English*]

Mr. Baker: Mr. Speaker, I rise on the same point of order. Just a notation here that this particular motion in the name of the Minister is to amend Clause 26. There are amendments to Clauses 24 and 25 prior to Clause 26 if I am not mistaken. If those amendments were adopted, they would make this particular motion by the Minister out of order. However, that I suppose does not prevent you from putting the question before the other questions are put.

Mr. Harris: Mr. Speaker, I rise on the same point of order. Can you confirm that the unanimous consent which may be sought will be for the purpose of debating that motion here in the House, not for unanimous consent to pass such a motion? In order for the motion to be debated, unanimous consent is required. Will that be done at the time of debate, or now?

Mr. Speaker: First, to respond to the Hon. Member for St. John's East he puts the matter correctly. It would be consent to debate.

The Hon. Member for Ottawa—Vanier (Mr. Gauthier) asks when this motion would come up. It would normally come up according to the chronology of the motions as set out in my reasons. I have just had a moment to discuss this with the Table. I think that that is the situation.

With respect to the Hon. Member for Gander—Twillingate, I think we will just have to wait and see.

Mr. Jack Harris (St. John's East) moved:

Motion No. 2

That Bill C-103 be amended in Clause 7

(a) by striking out line 14 at page 3 and substituting the following therefor:

"the order, any area in Atlantic Canada, which may be a sub-region in a province,"

(b) by striking out line 18 at page 3 and substituting the following therefor:

"employment by means of pilot projects and multi-year comprehensive area development strategies and action plans and other means as necessary."

He said: Mr. Speaker, as was just indicated, there are a series of amendments to the Bill that I have proposed as a member of the legislative committee. A number of other amendments were proposed in committee which were defeated, including Motion No. 1 which referred to the requirement by the Atlantic Canada Opportunities Agency to have, as one of its advisory boards, an advisory board to advise the agency on programs with specific relation to women in business. As Mr. Speaker has just ruled, it can no longer be debated in this House.

The motion presently before the House provides for an amendment to Clause No. 7. Clause No. 7 provides for special areas to be designated by the Minister within the Atlantic provinces, special areas for which special rules may be able to govern. If we look at the provisions in the legislation with respect to special areas, we will see that the Minister has the power to designate special areas in the Atlantic region. The Bill says:

—a designated area, for the period set out in the order, any area in Atlantic Canada where, in the opinion of the Minister, exceptional circumstances provide opportunity for locally based improvements in productive employment.

The motion provides to amend that particular clause as follows to clarify so that it will be beyond any doubt that those areas may be "a sub-region in a province". It need not be an entire province. It need not be a particular community but it may be as well a sub-region of a province. It would add as well to the end of the clause the following, and would now read:

That where, in the opinion of the Minister, exceptional circumstances provide opportunities for locally based improvements in productive employment by means of pilot projects and multi-year comprehensive area development strategies and action plans and other means as necessary.

This motion would amplify and make it clear that these special areas in Atlantic Canada would have opportunities under the agency to have not merely special programs and special rules related to the accessibility to funds under the Atlantic Canada Opportunities Agency, but also support by the agency directly for plans made by community based development groups, such as those presently organized under the Department of Manpower and Immigration. An example of this is the Community Futures Program.

• (1530)

The legislative committee heard representations from organizations such as the Cumberland Community Futures Committee which was quite concerned about the fact that its work, in a sense, mirrors on a community or county basis the community-based or local decision-making that the Minister suggests would be undertaken in Atlantic Canada for development projects. Together, there is a co-operative plan between businesses, communities, municipalities and the federal Government. The comprehensive plans for development will meet local concerns. These organizations are aware of the plans of local communities and of how special programs could be set up to meet the needs of those communities.

In the Province of Newfoundland and certainly in my own riding, there are areas where there are not only special opportunities but also special needs for particular development programs and strategies that are comprehensive in nature. I am thinking in particular of the community of Bell Island in my riding, a once prosperous mining community with a population similar to that of the islands of St. Pierre and Miquelon of which we have heard so much lately. This island is less than a mile from the mainland of Newfoundland. Its population has gone down from about 16,000 in the 1960s to somewhat less than 5,000. Job opportunities are very few and special programs are necessary in areas like this.

This legislation would allow a strategy or action plan to be developed for such a region, permitting broadly based initiatives of community development organizations which could offer a broad range of activities in support of small scale economic development as well as long-term planning for promotion, marketing, assistance, training and providing development and planning assistance to businesses and municipalities. I suppose it is an opportunity to recreate on a more local level the kind of activity the Atlantic Canada Opportunities Agency proposes to undertake on a regional level in Atlantic Canada.

Therefore, I would commend this particular amendment to the House. It improves upon Clause 7 and amplifies the ability of the Minister to create special areas under the Bill and have them defined in such a way as to provide these kinds of opportunities. It would make it clear that those opportunities are available to integrate some of the activities of community development to bring about greater success and more opportunities in economic development initiatives.

The Acting Speaker (Mr. Paproski): Is the House ready for the question? The Hon. Member for Thunder Bay—Atikokan (Mr. Angus).

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, I wish to make a few remarks on the motion submitted by my colleague. As someone who spent a number of years doing community development work in Thunder Bay, I can appreciate the need for this amendment to the Bill. As well, coming from an area that is similar in many ways to Atlantic Canada in terms of smaller populations, fewer centres and widely diverse communities, I recognize that we must be able to look at the smaller components. We must be able to allow locally based entrepreneurship of a co-operative nature to flourish. I think my colleague's amendment would help to facilitate that.

When we are talking about community based development projects, we are not talking about megaprojects. We are not talking about bringing in steel mills or automobile manufacturing facilities, we are talking about two, three, six, eight or 10 jobs being developed to provide a particular service or to meet a particular need in a community. Obviously, part of the goal is the creation of employment, but the other part of the goal is the furthering of the local economies to ensure that the people in these areas have the opportunities we have elsewhere in Canada.

I know that Atlantic Canada has a great history of community based development. In fact, there is a university in Atlantic Canada that is known throughout the world for its co-op programs and its attitude toward teaching about the developing of co-operatives. I think it is ideal to enshrine this particular amendment in a Bill that deals with Atlantic Canada. It is appropriate to recognize that Atlantic Canada has as one of its key roots people working together against the elements and against an economy based outside their region to ensure that they too have opportunities.

Let me tell Hon. Members of an existing example of this in Atlantic Canada, the Kent-LEDA initiative. This is a federally funded local economic development agency with a total funding of $350,000. The Kent-LEDA organization has made debt and equity investments in numerous small projects and has provided counselling and technical assistance to local entrepreneurs.

The organization is directed by a group of local Kent area business people and invests, on average, in 10 new or expanding businesses a year. Thus far, its success rate compares favourably with DREE's former RDIA program. Ninety per cent of the firms in which it invested are still operating. It has created over 50 new jobs in a year in one of the most economically-depressed regions of the country.

There are also reasons to believe that this example gives a more accurate assessment of jobs created than those claimed

under DREE's old RDIA program. In many instances, LEDA represents the lender of last resort, so that the new businesses would not have gone ahead without its financing.

A community based organization that reviews proposals is composed of people who know the applicants. They know the track records of the applicants and they know how hard they are prepared to work. They also know their community. Rather than having a bureaucrat or a politician who is far removed either in a provincial capital or in the nation's capital have this opportunity, the local people will have the opportunity to help shape their own economy.

In my riding, the community of Atikokan has opted into the Community Futures Program. It has developed an excellent approach that will see not only community-based decisions made but it will see the tax dollars it has been given by the federal Government rolled over and over. As the business ventures it has invested in grow and it repays the loans, that money in turn will be invested back into the community once again. This is not an open-ended tap that will see tax dollars pour continuously into smaller areas, it is an investment.

We must recognize, as the motion states, that two communities in close proximity might have totally different economies. Yet they are lumped into the same catch-all category for Statistics Canada, for unemployment insurance and for the like. We should allow them to carve themselves out and to say that they are unique and should not be lumped in with community *x* or community *y*. This, I think, will be of great assistance to them. I would encourage Hon. Members to support my colleague's motion. I think it makes eminent sense.

• (1540)

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I want to speak to this amendment because I think it is really important that it be adopted. One area where we have failed badly in this country concerns regional disparity. We have not taken into account the need to look at what local community development groups are all about. It seems to me some of the studies done on local economic development have recognized the fact that if we encourage co-ops and local groups to develop what they see as priorities in the local economy, not only are we making a sound investment but we are making it possible for long-term development to take place.

We have seen what mega projects from outside have done and it certainly has not been successful. What we are looking at here is the ability of an organization like the Community Futures Committee to be able to identify what its priorities are.

There have been some good examples right across the country where investments have been made in this type of community development, and they are still ongoing. Perhaps they are not as fancy as a huge factory which employs huge numbers of people, but they do not result in heavy lay-offs because of plant closures. Instead you find ongoing local community development.

It seems to me that it would have been a great advantage to a large part of the Canadian economy if we had done more work from the grass roots up rather than from the top down. Certainly this amendment will make that possible, and I commend my colleague for putting it forward. Certainly it will help the Atlantic region.

It is worth noting that more than 73,000 people in Newfoundland are involved in co-operatives. When we realize that, we recognize that this is an instrument we want to use in local community economic development.

As I said, I rose to speak on the amendment because I feel strongly that if we really do care about local economic development and people having some choice in where and how they are going to work, this amendment will make it possible.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I rise to support this amendment. Many years ago I was an officer in the region of Inuvik in the Northwest Territories. In the process of trying to develop the kind of economic base necessary to keep certain communities going, it became very obvious that there was a need to designate areas in such a way that they could develop their own programs as part of the texture of the particular community rather than having something directed from the outside. To do this you must define your areas in very specific terms. You must also allow the kind of experimentation appropriate to that particular community.

Places like Newfoundland have seen a lot of attempts to impose development on them. In most cases large corporations come in and skim off the money allowed to them by provincial or federal Governments for development. They have no real vested interest in long-term job creation in those communities. Consequently, they have a tendency to take what they can as quickly as they can and leave. Instead of that, it is much more to the point to allow people who have a vested interest in the community to be part of the development. To do that, you have to direct the money very much more directly to those communities.

My colleague from St. John's mentioned Bell Island in northern Newfoundland. If someone goes in there once a week or once a month to try and direct development, it will not work particularly well. However, if you have assistance based in that community, it will work well. That is what is necessary to develop these kinds of programs so I call upon the House to support the amendment.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the clauses in question are already extremely broad and give the Atlantic Canada Opportunities Agency the power to assist any enterprise in Atlantic Canada, including co-operative enterprises and the like. Therefore, I certainly do not see why we should support this amendment.

One has to wonder whether it is a deliberate tactic on the part of the NDP to have five, six or 10 speakers on each of these clauses in an attempt to hold up, for some reason, a Bill

which is so important to Atlantic Canada. We even had a contribution from the Hon. Member for Hamilton Mountain (Ms. Dewar) and former mayor of Ottawa. I would not be surprised if we get a contribution from her on every single blessed amendment.

One has to hope that the members of the NDP will be reasonable, short and pithy so we can vote on these amendments and send the Bill to the Senate where we will see what happens to it. The unelected Liberal majority there are coiled, ready to spring. I forecast that the Liberal majority in the Senate will not allow this legislation through. I believe the Celtic Sphinx is waiting there to pounce and that he has given orders to the Liberal caucus that they are not to let this Bill through the House. He vows that if it does go through the House, he will not let it through the Senate.

I trust NDP Members will assist us in getting it up to the Senate so we can test their mettle and see whether they are really going to prevent this kind of development in Atlantic Canada or not. Therefore, I ask Members to be reasonably pithy in their comments.

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I would like to start by reiterating what the Minister said regarding the length of time we spend on this. Bill C-103 was at second reading stage for 11 hours and four minutes, at which time 26 Members of the House took the opportunity to address it. The legislative committee spent 34 hours and 20 minutes on hearings and gave an opportunity for 73 witnesses to appear. Certainly there has been a fair amount of debate on this issue, and I share the concern that what we may be seeing today is an effort to drag this out and in some way deny the people of Atlantic Canada the benefits this legislation has to offer.

Speaking specifically to the amendment, the way the clause is worded now places only two restrictions on designated areas. One, they must be in Atlantic Canada. Two, they cannot extend to all of Atlantic Canada. In other words, designated areas, the way Clause 7 is currently written, could be within a province, could comprise the whole of a province, or even straddle two provinces. Therefore, this amendment is not necessary because the power already exists in Clause 7 to deal with a designated area.

• (1550)

The second amendment deals with a number of references to pilot projects in multi-year comprehensive area development strategies and so on. Clause 23 authorizes regulations to be made with respect to designated areas which vary from the generally applicable regulations. This will permit ACOA to give special treatment to areas which provide exceptional opportunities. With respect to pilot projects, strategies, action plans and so on, the agency, under its powers flowing from Clause 12, has been given the authority to undertake these types of initiatives.

Therefore, there is in this legislation adequate provision to cover both of the items outlined in the proposed amendments and it is certainly not necessary for the House to accept the amendments proposed today.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I just want to say a couple of words on the first amendment being proposed to this Bill which establishes ACOA, the Atlantic Canada Opportunities Agency. It should be renamed the "Atlantic Canada Overblown Agency" because there is nothing new in this legislation. The amendment introduced by the Hon. Member would, I suppose, ensure that the Minister has the power to carry out pilot projects and multi-year comprehensive area development strategies—whatever that means—and action plans and other means as necessary. All of this, of course, depends on the Minister. The clause says:

> The Minister may, by order, establish as a designated area—where, in the opinion of the Minister, exceptional circumstances—

What exceptional circumstances, Mr. Speaker? Could it be an election? Is that an exceptional circumstance? Could it be whether or not that particular area is represented by a government Member? Is that an exceptional circumstance?

As well, who is the Minister? According to the Bill the Minister is the Prime Minister (Mr. Mulroney). The Hon. Parliamentary Secretary said: "Look at all the witnesses we had before the committee and all the Members who spoke before the committee". However, the person who introduced the Bill into the House of Commons did not appear before the committee, and that was the Prime Minister, the person who is moving the adoption of this particular Bill.

We all know that the Prime Minister is moving the adoption of the Bill because the Minister who has the authority under this Act is not here in this place at all. Where is he? I am not allowed to say where he is, am I? I am not even allowed to say where the Minister is. Someone listening to that would think it is a bit crazy that I am not allowed to say where he is. However, we are not allowed to say that. He is in what they call "the other place". In other words, he is not in this place here at all, not in the House of Commons. He is in the other place down the hall about a half a gunshot away. He is in the other place. He is not allowed to introduce something into this place, so the person who introduced it into this place is the Prime Minister who was not in his place to address the Bill in the first place. That is all I have to say, Mr. Speaker.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 2 standing in the name of the Hon. Member for St. John's East (Mr. Harris). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the motion stands deferred.

Mr. Jack Harris (St. John's East) moved:

Motion No. 3.

That Bill C-103 be amended in Clause 12 by striking out line 28 at pages and substituting the following therefor:

"velopment of Atlantic Canada, and to reduce the economic disparity between Atlantic Canada and other regions of Canada, with particu-".

He said: Mr. Speaker, this is probably one of the most important motions before the House at report stage. The motion expounds upon the object, powers and duties of the Atlantic Canada Opportunities Agency specified in Clause 12. The legislation written by the Government proposed that:

The object of the Agency is to support and promote opportunity for economic development of Atlantic Canada, with particular emphasis on small and medium-sized enterprises, through policy, program and project development and implementation and through advocacy of the the interests of Atlantic Canada in national economic policy, program and project development and implementation.

My motion indicates that one of the objects should also be "to reduce the economic disparity between Atlantic Canada and other regions of Canada". That is the core and the essence of what we in this Party think the Atlantic Canada Opportunities Agency ought to do. That is the pinnacle, the whole purpose of having this agency in the first place because of the astounding disparities that exist in the various regions of this country.

My Party and I make no apologies for the fact that in addition to myself, the Member for Hamilton Mountain (Ms. Dewar), to whom the Minister for International Trade (Mr. Crosbie) referred as the former Mayor of Ottawa—and a fine mayor indeed she was—is speaking on this Bill. As the Mayor of Ottawa I would expect the Hon. Member for Hamilton Mountain to have great concern about regional disparity in this country. Members of this Party from other regions of Canada have already spoken on this Bill. The Hon. Member for Thunder Bay—Atikokan (Mr. Angus) from northern Ontario has spoken. He is interested in regional development, not only in northern Ontario where he and his constituents reside, but also in Newfoundland, Prince Edward Island, Nova Scotia, and New Brunswick. It is not only before those Members of the House of Commons that we place this amendment. We place it before all Members of the House of Commons and in particular those Members who are not from the regions which suffer from the disparity that we have experienced in Newfoundland for many years.

I say shame to the Member for St. John's West for being upset that an Hon. Member from what we sometimes call Central Canada is concerned about issues of regional disparity. We need more Members like the Member for Hamilton Mountain to speak out in this House on issues of regional disparity and regional development. It is shameful for the Minister for International Trade to say that when someone does that there is something inherently wrong. It is a sign of the concern that this Party has for regional development that our Members from other parts of the country are willing to speak out on behalf of the needs of Newfoundlanders, Nova Scotians, New Brunswickers and Prince Edward Islanders who need the assistance of an agency such as the Atlantic Canada Opportunities Agency in order to reduce the disparities which exist.

Why is the Government afraid to put into the legislation a commitment to the reduction of regional disparity? It may or may not want to answer that question, but I have my own interpretation of the Government's action. It has developed an agency which does not have that goal. This is an agency that is basically designed to assist business and economic development. It has no goal to reduce the regional disparity between the Atlantic region and other regions of the country that are more prosperous. Without that objective, we simply see another agency to assist business and enhance the economy.

• (1600)

The amount of money the Government is allocating to this Agency is a measure of its commitment. If there was a real commitment toward the reduction of regional disparity, the Government would have committed substantially more funds to this Agency.

There is an increase of $200 million per year over a five-year period. This is the famous $1.05 billion we hear about. However, that money represents a five-year commitment for four provinces, amounting to $200 million a year.

The Budget of the Minister of Finance (Mr. Wilson) is close to $130 billion, $200 million of which, in addition to the other regular expenditures, is destined for the four provinces through this agency. That $200 million represents 15 per cent of 1 per cent of the entire Budget. It shows that the Government's priorities do not include the regional development that is required to reduce disparity.

The reduction of regional disparity is not a goal of this legislation because the Government has no real commitment toward reducing that disparity. Otherwise, it would be willing to be tested on its success in reducing regional disparity.

While there has been much discussion about government policy on regional disparity and regional development in the last 30 years, we have not seen any progress. Although the statistics I gave at second reading are quite startling, I will not repeat them again, except to say that some of those statistics show there has been very little progress and, in some cases no progress at all in the reduction of regional disparity between the Atlantic provinces and other regions of Canada.

This amendment is essential in order to focus the attention of the Agency, the Government, and the people of Canada on the elimination of regional disparity in this country. Regional disparity results in an inequality of opportunity not only for businesses, with which this legislation is concerned, but in areas like education, where there is a lack of opportunity and equality. That is what our Party aims to reduce.

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, the concept behind this amendment is not really new. It is certainly not the first time the Member has brought forward the topic of regional disparity and the impact the agency might have on that.

In the legislative committee an amendment was proposed by the Member that would provide in the five-year annual report from the Agency an evaluation of its activities and the impact of those activities upon regional disparity. However, to include it as it has been proposed by this amendment is really a negative concept of a Bill that I believe provides a very positive opportunity for Atlantic Canada.

This Bill promotes opportunities in Atlantic Canada. Certainly, as an Atlantic Canadian Member, I am much more anxious to promote opportunities than to go about measuring disparity. It has already been said that this Agency has a slender staff operation throughout Atlantic Canada and its efforts should focus on finding a way by which the Government of Canada, through Bill C-103, can help develop economic opportunities in that region of the country.

We are anxious to build upon what exists, and upon the opportunities that are presented in Atlantic Canada. This is more productive than making an effort to write a report and provide statistics that will really have no meaning. It would be extremely difficult to evaluate a reduction in disparity because one must be able to make the comparison. I presume the comparison would be between the Atlantic economy and the economy of another region, but is it northern Ontario, British Columbia, western Canada or central Canada? What does one measure it against? Certainly, the areas chosen for the comparison make a significant difference. I suggest, for instance, that there are parts of Atlantic Canada that are doing much better than other areas of Canada. If we measure that, we see great success in reducing disparity in Atlantic Canada.

On the other hand, there are other places which do not enjoy some of the benefits of the economic activity in central Canada and would not measure the same way. In that regard, it makes very little sense to put verbiage in the legislation which does not have any real bearing in practical application.

It would also require us to make an evaluation when we do not have all the areas under our control. For example, the Atlantic economy could get very strong and the Atlantic Canada Opportunities Agency could be expanding greatly those opportunities. As well, there could be an increase in the world price of oil and gas resulting in a resurgence of that industry in western Canada. Therefore, when we measure the western Canadian economy against eastern Canada, the results would really have nothing to do with the agency but with factors far beyond the control of the Minister and the legislation being put forward here today. If the economic activities on the Prairies declined as a result of a drought there, Heaven forbid, the disparity between those provinces and the Atlantic provinces would decrease. However, one cannot suggest that the Agency is very successful because another part of the country had the misfortune of a drought.

We want to put the staff time, energy and effort toward expanding our opportunities rather than measuring negative factors that really have no value in assessing how the Atlantic Canada Opportunities Agency works.

Obviously, we believe this amendment should be defeated because it is only verbiage that will not give us anything.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I believe this is a substantive and very important amendment. I suggest that if legislation is to lay out objectives, those objectives should be made very clear. The objectives listed in this Bill simply state that the Agency is designed to support and promote opportunities for the economic development of Atlantic Canada with particular emphasis on small and medium sized enterprises through policy program and project development and implementation, and through advocacy of the interests of Atlantic Canada in national economic policy program and project development and implementation.

It does not lay out its over-all objective, beyond a vague description of what it will be doing. It simply says that it will help. It does not lay out any reason for the help. It does not lay out any goal or any real objective which one would normally see stated in a statement of objectives in a new Bill for a new agency. My colleague from Newfoundland has proposed that that problem be corrected, that that shortcoming be rectified by giving it an objective, namely, to reduce the economic disparity between Atlantic Canada and other regions of Canada.

• (1610)

I do not think that we have to go out with very discreet measuring devices to know that Atlantic Canada has for quite a long time had a higher rate of unemployment than the rest of Canada. We do not have to do a lot of research or measuring to know that the incomes in Atlantic Canada are generally lower than in the rest of Canada. This sort of general knowledge has gone into some of the previous initiatives in the

country over the past 40 or 50 years. We have had forms of revenue sharing at the federal level with regard to tax revenues so that the lower income provinces have the benefit of increased revenues from the federal coffers. There has been quite a well established system for defining which are the have and which are the have-not provinces in this country.

It only makes sense if we are going to be proposing, as this Bill proposes to do, an economic development proposal for a particular region in the country that one of the clear mandates of that new agency should be to try to reduce the economic disparity that now exists and is recognized with or without any further measuring techniques. It is there and measured each year when the amount of funding to go to revenue sharing is decided upon. This work is already being done. It is simply a test that one would give oneself as a manager or a Minister in charge of the Atlantic Canada Opportunities Agency, to see whether or not some ground is being gained or not.

I think that if the Minister, whoever it is, goes into his or her job without having any objective other than to interfere in Atlantic Canada, no further vision as to what the role of government should be in Atlantic Canada, that Atlantic Canadians will not gain anything from this particular initiative.

We do not think that this handcuffs the Minister in any way. It provides him and future Ministers with a very laudable goal, one of decreasing the economic disparity that now exists and is measured and is known for Atlantic Canadians. We think it is a very useful item to be put into the Bill as one of the main objectives of this legislation.

It is something that this and future Ministers can use as their target to say: "If I am Minister of this Agency my job is to reduce the economic disparity between the Atlantic region and the rest of Canada. I will therefore attempt to reduce unemployment and to increase incomes on investment in this particular area". This is something that the Bill does not now give as a mandate for the Minister. I think this amendment would correct that shortfall.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, with respect to this particular amendment, we cannot see anything wrong with it. Certainly, if Atlantic Canada were to become an area that was richer than other areas of Canada, then we would expect the federal Government to pay more attention to the other areas of Canada. Under the present circumstances Atlantic Canada is at considerable disparity with the rest of Canada, employment-wise and in every other way. We cannot see anything wrong with this amendment. If Atlantic Canada were better off than the other regions of Canada, then what is wrong with still having that in the Act? There is nothing wrong with that.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I think you will find that the representative of the Official Opposition will agree with just about every silly suggestion that might be made by the Hon. Members of the unofficial Opposition. We can hardly expect that he will take an impartial view to this.

It has just been explained by the Hon. Member for Moncton (Mr. Cochrane) why this would be an inappropriate amendment.

It might also be pointed out that we did accept one of the amendments of the Hon. Member for St. John's East (Mr. Harris) which deals with Clause 21 and with respect to the Agency producing after every five years a comprehensive report providing an evaluation of all activities in which the Agency was involved and the impact those activities have had upon the region of disparity. It was accepted to see if we could make a measurement to see what progress is being made. As the Hon. Member for Moncton has advised the House, this would be inconsistent with the present objective which is much clearer and much more satisfactory.

We are not just wanting to overcome regional disparity in Atlantic Canada. We do not think it is satisfactory just to make comparisons between Atlantic Canada and the rest of the country. Atlantic Canada could progress tremendously and other areas might progress even more. It all depends upon the economic resources or on the price of oil and gas and the connection with western Canada and the like.

The present object is to support and promote opportunity for the economic development of Atlantic Canada, with the particular emphasis on small and medium-sized enterprises, and so on. What could be more clear? We do not need, and it would be detrimental to introduce, this negative concept. Naturally, we are wanting to overcome regional disparity. That is the whole objective. We are trying to promote economic development and growth in Atlantic Canada.

I hope that our colleagues will agree not to pursue this matter and drop this amendment so that we can vote on it and proceed.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 3 standing in the name of the Hon. Member for St. John's East (Mr. Harris). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the motion stands deferred.

Mr. Jack Harris (St. John's East) moved:

Motion No. 4

That Bill C-103 be amended in Clause 12 by adding immediately after line 35 at page 4 the following:

"(2) In carrying out its object the Agency shall ensure that there be equity between the Atlantic Provinces in the allocation of resources, effort and programs in a manner to be determined by the Agency, and the Agency shall report annually to Parliament on the fulfillment of this objective.

He said: Motion No. 4 provides a direction to the Agency that in carrying out its object—this is right after the objects clause that we just discussed—it shall ensure that there be equity between the Atlantic provinces in the allocation of resources, effort and programs in a manner to be determined by the Agency, and the Agency shall report annually to Parliament on the fulfilment of this objective.

I suppose it speaks for itself in terms of what we are aiming at with respect to this amendment. The reason that this is necessary is that because this particular Agency as devised by the Government is one that is designed to be responsive to applications generated in particular by business enterprises.

We know that as a part of the disparity between the Atlantic region and other parts of Canada that there are disparities in the level of development of business enterprise, the level of development of entrepreneurial enterprises, from one region to the other.

• (1620)

Within the Atlantic region there is a similar type of disparity. In some areas of the Atlantic region there are large numbers of corporations that are active in enterprise and ready to put in their applications and take advantage of any program that might be devised. We have seen that not only in the Atlantic region, but in the operations of the Department of Regional Economic Expansion, which was a predecessor of DRIE. The consequences are that these programs that were originally set up to support regional development ended up helping regional development in north Toronto, and regional development programs ended up responding to requests, demands, and lobbying from larger business enterprises.

In the first period since the Atlantic Canada Opportunities Agency was announced on June 6, 1987 in St. John's, Newfoundland, we have seen the expenditure of this Agency operate in accordance with that type of history. We have seen the programs administered by that Agency respond again to the same types of economic forces where there was a certain level of development; in some cases development already promoted by government as in the case of Cape Breton, and in other cases driven by other aspects of the economy, as in the case of other parts of Nova Scotia or New Brunswick. I am told that there are some dozens of times more in absolute quantity of business enterprises in New Brunswick than there are in the Province of Newfoundland.

From June 6 to February 29 under programs such as the Atlantic Enterprise Program and the IRDP program, which when one includes loan insurance as well as the IRDP, the Atlantic Enterprise, and the IBD contributions, the expenditures total $126 million. Of that money, $63 million was spent in Cape Breton alone, which is part of one province. In Newfoundland $9.4 million was spent in the whole province with a population in the range of five times more than that of Cape Breton. In Nova Scotia, exclusive of Cape Breton Island, there was an expenditure of $19 million. In Prince Edward Island $5.3 million was spent out of a total $126 million. In New Brunswick $20 million was spent.

Therefore, we have a concern that in carrying out its programs the Agency itself, which is supposed to promote the economic development of the Atlantic region, will be favouring one region or one province, or one part of a province over another. That is not necessarily by design, but merely by something akin to the law of the jungle.

If a business enterprise, or a large number of business enterprises in the Province of Nova Scotia are ready because they have sufficient equity or have in place their business plan or market plan and have the backing and the financing for a percentage of a project and know that they can get the rest of it from ACOA, then they will be off and running. Whereas, in some parts of Atlantic Canada, and I am particularly concerned about Newfoundland, the enterprises and the entrepreneurs with the ideas and the projects, the activities and the plans, while being very good plans that would promote and lead to economic development in their region, will be left behind. Perhaps they will be smaller and not be able to take the same advantage of programs that may be offered to the whole Atlantic region.

This amendment would force the Agency to ensure that if the programs that it already had, or had been handed over from other Departments, or those it devised on its own, were acting in a way that was not fair to all of the provinces, that others would be devised which perhaps would have a particular application to the Province of Newfoundland, or the Province of Prince Edward Island, or in some other way would balance the equity between the provinces with respect to this program.

I think that there are ways of doing that. There are ways of allocating resources that are equitable. They are not included in the proposed amendment. They are available for the Agency to design and to decide those measures and formulas, if formulas are needed, but the requirement, in addition to ensuring equity between the provinces, is that they must report

annually on how they achieve equity. The Agency must say that it has a certain set of standards, "Here is how we applied them and here is how we achieved equity". If we do not like that, we can argue about it in the House and propose other amendments. But we will know what the Agency is doing and what the justification is. If we leave it to the Agency's own devices, we do not know what will happen, and after the fact we will be wondering what went on and be attempting to get some justification from the Government on it.

It is a big concern because we do not want to see Newfoundland fighting with Cape Breton or Prince Edward Island fighting with New Brunswick over the allocation of money for a program that is supposed to benefit the entire region. I have a fear that that might happen, if the Agency is not told from the very beginning to pay attention to this principle and ensure equity between all four provinces. The Agency is to report annually on what progress has been made, or if the programs were lopsided one year, then what it plans to do the next year to make up the balance. I do not think it is a very long way to go to insist that an agency of the Government be fair as between the provinces in the operation of this particular program.

The Atlantic provinces are not a homogeneous unit. There are problems of development that are different in Newfoundland than those in Nova Scotia. This fear is not merely my own. It was expressed by the Newfoundland Government in its discussion paper presented to the Government in December, 1986. It proposed a formula of allocation based on some type of regional disparity index that it devised. It looked at such issues as low earned income and the unemployment rate. The gross provincial product, the low earned income per capita, and the unemployment rate are three factors that could influence a disparity indicator which would show that a particular province deserves more attention than perhaps another province in terms of handing out the funds.

I am not suggesting any rigid formula to the Agency. I am suggesting that the Agency adopt, and be forced to adopt by legislation, the principle of equity between the provinces, and report to Parliament annually on how it has achieved that in order that we could determine in committee, or wherever, whether the Agency has applied the funds fairly.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I wish to speak for a moment on this particular clause. It is a very straightforward and direct requirement to recognize that there are diverse provinces and regions that in some cases, have different requirements and different amounts of regional disparity. This particular clause does not establish a basis on which the Government or the Agency must deal with these differentials and disparities, but it recognizes that it is the Agency's responsibility to look at each of the provinces and ensure equity between those provinces and regions as they are defined in the Act.

• (1630)

Mr. Walpole, in giving a definition of what he considered to be economic disparity, suggested that regional disparity existed where the earned income of a particular area was no more than two-thirds of the Canadian average. In establishing equity as between the various regions of Atlantic Canada, one might look at that standard of disparity, with the attempt being to bring the Atlantic provinces as close as possible to the Canadian average.

That is the kind of equity which Clause 12 would require of the Agency.

To my mind, it is fairly straightforward, and it is a point on which the Agency should be given direction.

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I have read, with interest, the proposed amendment. As well, I have listened to the various comments made thus far in the debate. Those promoting the amendment constantly refer to how flexible it would be, and the fact that it would not be necessary to do certain things.

Let me read the proposed amendment:

> In carrying out its object the agency shall ensure that there be equity between the Atlantic Provinces—

The use of the word "shall" implies that there be some kind of a formula by which the Agency "shall" ensure that there be equity between the Atlantic provinces.

The amendment goes on to talk about equity "in the allocation of resources".

Like the Hon. Member for St. John's East (Mr. Harris) I, too, have some statistics in respect of the ACOA program from June 6, 1987 to March 31, 1988. I could read you some of these numbers and ask you to tell me what is equitable. For example, it talks about the authorized contributions in the Province of New Brunswick under IRDP and the AEP being $15 million. In Nova Scotia it was $31 million.

Does that constitute equity? In the Province of Newfoundland, it was $9 million. But when one looks at that in conjunction with the loan insurance, the numbers change considerably, with Newfoundland moving up to $44 million; Nova Scotia to $81 million; and New Brunswick, to $63 million. Is that equity?

When one looks at the special category of Cape Breton, no reference is made to it. I presume from the lack of a reference that it is included in the figures for the Province of Nova Scotia. When one looks at the programs in the context of the federal moneys they have been able to deliver to Cape Breton, one sees that the contribution is $50 million, and that the authorized loan insurance is $17 million.

There is nothing in the proposed amendment that would separate Cape Breton from Nova Scotia. In that circumstance, how does one measure that? If there are special programs for Cape Breton—something which will be discussed later in this

debate—should we then ensure that that much more goes into New Brunswick, into Prince Edward Island, and into Newfoundland?

We are all aware of the difficulties that have been experienced in attracting industry to Cape Breton. Is that equity?

We can talk about equity in terms of the number of jobs created. In Newfoundland, for a total projected cost of $44 million, 692 jobs were created. But in Nova Scotia, for a projected cost of $81 million, only 520 jobs were created; and for New Brunswick, at $63 million, 583 jobs. How does one measure equity in the allocation of resources?

The amendment then goes on to speak of "equity of effort". That is a dandy! I would like to be able to measure "equity of effort". I do not know precisely what one would measure. There are offices in Newfoundland, in New Brunswick, in Prince Edward Island, in Cape Breton, and in Nova Scotia. Who is going to run around measuring the "effort" of the employees of those various offices in terms of the delivery of this program?

Motion No. 12, to be debated later, talks about the assignment of existing employees.

I can envisage a real scramble around the managerial table to ensure that they do not get anyone who will not be able to add to the "effort" of that particular office, because someone, somehow, is going to run around and measure that effort.

The last item in the trilogy relates to the measuring of the "equity of programs".

One of the aims of this legislation is that the Minister, in conjunction with his advisory board, have the opportunity to create programs, to designate areas. But all of a sudden, he must ensure that there is equity as between the provinces. That, in my view, would seriously limit the flexibility that the Minister must have.

The amendment also talks about the Agency reporting annually to Parliament in respect of the fulfilment of the objective of equity. One can immediately envisage the scurry in New Brunswick to rush an application through on December 31 in order to have that reflected in the annual report on the equity of resources.

I would much prefer that the Agency take its time and make its decisions on applications on their merit. The criterion should not be merely to justify a bureaucrat's annual report in respect of equity in the allocation of resources.

To my mind, this amendment, among others, would bring about a situation in Atlantic Canada which was not contemplated by the legislation itself. Certainly, it would decrease the flexibility of the Agency. The Atlantic Canada Opportunities Program is not meant to be an entitlement program. We just got rid of an entitlement program in the context of the various tiers in past programs. As a representative of a municipality on the edge of another tier, I can tell you that I have seen industry move just across the border in order to get additional benefits.

We do not want to entitle a certain region or a certain province to a given amount of money under this program; rather, we want all Atlantic Canadians to have the opportunity to chase after every economic opportunity that presents itself.

In reading the proposed amendment, the implication is that moneys will have to be withheld from certain areas in order to achieve equity as between the provinces. What about putting more money into given areas? If there is a bona fide economic opportunity in Newfoundland, I want to ensure that the Atlantic Canada Opportunities Agency will be able to provide funding and assistance to that area in order that the economic benefit can be achieved.

The Agency has to be able to take advantage of every opportunity presented. I do not want the Agency placed in the position of having to deny an application on the basis that to approve it would be to throw out of whack the "equity" formula.

If this amendment is adopted, a formula will have to be devised in order to ensure that there is equity in the allocation of resources, effort and programs as between the Atlantic provinces.

To my mind, the best way to ensure fair and equitable allocation of the resources of the Atlantic Canada Opportunities Agency within Atlantic Canada is to rely upon the parliamentary process, with the parliamentary representatives of these areas making the appropriate representations to the Minister, to the employees of the Agency. In that way, there will be every opportunity for good projects to get positive consideration. It should not be done in accordance with some formula, or in accordance with some numbers set by Ottawa in respect of achieving equity between the Atlantic provinces in the allocation of resources.

As a Member of Parliament from Atlantic Canada, I would not want to run up against any such formula. I want to be in a position to fight as hard as I can for any project that is going to be good for my region of the Province of New Brunswick; and as an Atlantic Canadian Member of Parliament, I will fight hard to ensure that every economic opportunity that presents itself in Atlantic Canada gets every consideration possible from the Atlantic Canada Opportunities Agency.

For all of the reasons I have set out, I do not think we should consider accepting this amendment. Any amendment that would result in someone going around measuring equity of resources, equity of effort, or equity of programs should be rejected.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, it is precisely for the reasons listed by the Hon. Member for Moncton (Mr. Cochrane) that this amendment is necessary; it is for those very reasons that this amendment has been introduced.

In so far as "equity" is concerned, if there is $12 million available, that amount could be divided equally among the four provinces, giving each province $3 million. Then if you had $8 million, you would divide four into eight and get $2 million. That is one measure of equity. You could do it on a per capita basis. Certainly the intent of the motion is very clear.

• (1640)

There is only one thing in the motion he presented on which I have to differ with the hon. gentleman. It is a minor point. It is certainly better to have the amendment approved than disapproved. Where I differ with him is where he says, "in a manner to be determined by the agency". I do not think the Agency should be allowed to determine the manner in which the distribution of equity would be made. That is more precisely why the following motion is being proposed in my name, but it removes the authority of the Agency to determine what is equity and what is not.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 4. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11) the recorded division on the motion stands deferred.

Mr. Althouse: Mr. Speaker, I rise on a point of order. Would the Speaker remind the House of the rules for voting. Is it not to be done from a Member's seat?

The Acting Speaker (Mr. Paproski): Yes, it is done from Members' seats.

Mr. George Baker (Gander—Twillingate) moved:

Motion No. 5

That Bill C-103 be amended in Clause 12 by striking out lines 36 at page 4 and substituting the following therefor:

"mentation with equal emphasis in each of the four Atlantic Provinces".

He said: Mr. Speaker, this motion is approximately the same as the motion just dealt with, but it omits the method by which equity would be determined and it omits the ability of the Agency to determine what the equity is. In other words, this says quite clearly that there will be equal emphasis in each of the four Atlantic provinces. There are no ifs, ands or buts about it. The reason for the motion is very clear. We have under this Agency 300 or 400 people I suppose, some of them highly paid. Some of them will make $100,000 a year. Imagine making $100,000 a year to determine what projects will be approved or disapproved for funding under this particular agency. That is not good enough, Mr. Speaker. It is not good enough to have somebody making $100,000 a year in a poor province in which the average income is perhaps $8,000 a year and some prime executive, what we would call some fat cat, sitting down making decisions simply based on what is thrown at him.

If the process were left alone, the majority of the applications for funding under this Agency would, as they say, with emphasis on small and medium-size enterprise, come from the fairly industrialized areas of Atlantic Canada. In other words, where business and money exists, that is from where the applications will come if the process is left alone. I object strongly to having people who are making $100,000 a year in Atlantic Canada or anywhere else just sitting down judging applications as they come over their desks. They should be forced in Atlantic Canada to go out and make sure that the applications come from the poorest areas of Atlantic Canada, not from the richest areas, not from where the moneyed people are located or where the industries are presently located. They should make sure the applications do not come from the growth centres of Atlantic Canada, the cities of Atlantic Canada, where there is presently lots of employment and where people from the poorer areas of Atlantic Canada have to flock to get jobs. These are the places where the businesses are and where the people with the money can get money from the banks and the agencies to create more jobs. No, Mr. Speaker. This Agency will have highly paid civil servants, earning $100,000 a year, and assistants making anywhere from $60,000 to $75,000 a year. I looked at the salary list and said, isn't this wonderful to have those types of salaries being paid to so many people?

Then I looked at their functions. There is only one place in the Bill to make sure these people get out and work for their dollar which will force them out of the city offices into places where jobs should be created, where the opportunities are but where private enterprise is not willing in some cases to invest money in the creation of jobs for the resources.

A good example would be in the Province of Newfoundland where we still export the vast majority of our natural resources

in a raw state—even our fish. We have the frozen cod block syndrome in Newfoundland—

Mr. Crosbie: Free trade will change that.

Mr. Baker: It is sent to other foreign countries to be sent back to us as a finished product.

Mr. Crosbie: Support free trade.

Mr. Baker: I am not in agreement with allowing the Government of Canada to create these highly paid jobs, giving people the fattest of salaries and the greatest of guarantees to sit in offices in Atlantic Canada without saying to them, "You get out of those offices, dig up the applications, help the poor people, the poor regions and create the jobs where they should be, not where you, the fat cats, think they should be or where the financial institutions think they should be". That is a sure bet, but where it is not such a sure bet is where the taxpayers' money is being spent. These people should be forced to spend the taxpayers' money in areas where there is high unemployment, not in our so-called growth centres, such as certain cities in Atlantic Canada which over the years have benefited more than the other regions of Atlantic Canada.

Mr. Jack Harris (St. John's East): Mr. Speaker, I would like to add a few comments to the remarks made by my colleague, the Hon. Member for Gander—Twillingate (Mr. Baker).

This motion of the Hon. Member is similar to my previous motion. It is slightly different. It requires equal emphasis in all four provinces. I would like to think that that would be interpreted in the same way as providing equitable treatment to the four provinces. I do not think that the Hon. Member intends the money to be divided in quarters and passed out or that the same kind of money be spent in Prince Edward Island perhaps with its population as will be spent in Nova Scotia with its population.

I think the thrust of the Hon. Member's motion and his remarks are very important. There has to be in this legislation something to ensure that the people working in this Agency are required to promote economic development in those areas where that development will not grow naturally. I support the Hon. Member's remarks about the fact that private enterprise on its own will not provide equity between provinces or even within a province. Private enterprise will go where the money already is. Those who already have the money, the equity and the economic development will go to the Agency to look for more money and it will grow where it already exists.

• (1650)

We need to force the Agency to be fair not only by ensuring that everyone has copies of applications. That is not enough. The results of this will be as predictable as day following night.

Suppose that there are applications in every town, village and post office in Atlantic Canada, or at least in those post offices that will remain after the Government has finished closing them down. Suppose there were applications in every post office, every town hall and every municipality in Atlantic Canada, and suppose there was equal access to the applications for the programs in that way. The results will be that the money, the programs and the economic development will be attracted to the places where those things already exist.

The Agency must be required to place its emphasis equally on the provinces by insisting that each province have equitable programs. If a program is picked up in one place and not in another, new programs must be devised and implemented in those other parts of the Atlantic provinces.

Although the Hon. Member for Gander—Twillingate (Mr. Baker) did not use the word "equitable" when he spoke, "equity" meaning fairness, he used the phrase "equal emphasis". Should the previous motion fail, should the Government use its overwhelming majority to denounce it when it comes to a vote, then I think the motion of the Hon. Member should be supported.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I will not speak at any length on this because we dealt with the same concept a few minutes ago. The Hon. Member for Gander—Twillingate (Mr. Baker) has certainly just done his own home City of Gander a great disservice. It was a paean of criticism of growth centres, even in Atlantic Canada. It was anti-city, anti-town. I do not know where he wants development to go. Why should he be prejudiced against a town like Gander, for example?

The Hon. Member's dissertation was to suggest that development should not go to the towns and the growth centres that already exist. That is just astonishing. I hope that Mayor Sheppard and his council will pay particular note to the fulminations of the hon. gentleman against his own home town.

The Hon. Member would add the words: "with equal emphasis in each of the four provinces". What in the name of heavens does that mean? How can we emphasize equally activities in each of the four Atlantic provinces? What does that mean? If anyone would know what the heck that meant, it would certainly be quite a rigid standard. Of course, it would be contrary to the whole spirit and the approach of the Atlantic Canada Opportunities Agency which is to encourage initiatives being taken by the people who live in the regions, by the entrepreneurs, the co-operatives or whatever group it might be. That is how this has been designed, not to place artificial barriers.

If the people are more alert, more on the ball, more active and have more initiative in Nova Scotia, P.E.I., New Brunswick or Newfoundland than in the other places, then they deserve to have a response to their initiatives. The success of this program will depend to a great extent on the areas involved. The program is designed to give entrepreneurs, risk-takers and those who have initiative a chance to move ahead.

How can we have a rule such as the one the hon. gentleman suggests?

The few remarks of the Hon. Member for St. John's East (Mr. Harris) were simply a poem against success. He sounds as though he did not like success, as though he were against the people who are successful. The implication of his remarks was that the people who are successful should not be assisted by this Agency. Has one ever heard such absolute tommyrot? Should this Agency only give assistance to those who have never had a success in their lives, those who have been completely unsuccessful up until now? Is that what the Hon. Member for St. John's East suggests? He suggests that there is a need to force the agency to do this and that. He is completely confused.

I would certainly suggest to the House that we defeat this even more feeble attempt on the part of the Hon. Member for Gander—Twillingate who cannot be creative like the Hon. Member for St. John's East. At least the Hon. Member for St. John's East is creative and is making some suggestions. In fact, several of his amendments were adopted. The Hon. Member for Gander—Twillingate is trying to climb on the Jack Harris bandwagon by making this more silly and frivolous suggestion than the one made by the Hon. Member for St. John's East.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 5 standing in the name of the Hon. Member for Gander—Twillingate (Mr. Baker). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), a recorded division on the proposed motion stands deferred.

MESSAGE FROM THE SENATE

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed Bill C-125, an Act to enable the Northern Canada Power Commission to issue shares, to authorize the sale of those shares to the Government of the Northwest Territories, to repeal the Northern Canada Power Commission Act, and to provide for related matters, without amendment.

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that a communication has been received as follows:

Government House,
Ottawa

April 27, 1988

Sir,

I have the honour to inform you that the Honourable Claire L'Heureux-Dubé, Puisne Judge of the Supreme Court of Canada, in her capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 27th day of April, 1988, at 5.15 p.m., for the purpose of giving Royal Assent to certain Bills.

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

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed consideration of report stage of Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, as reported (with amendments) from a legislative committee.

Mr. George Baker (Gander—Twillingate) moved:

Motion No. 6.

That Bill C-103 be amended in Clause 13 by striking out line 37 at page 4 and substituting the following therefor:

"shall".

He said: Mr. Speaker, this is the clause in which the Government spells out exactly what the Agency is responsible for. Clause 13 starts out by saying, "In carrying out its object," and we already dealt with the object of the Agency. In carrying out this object for economic development, which is

very all-encompassing and broad, "the Agency," and then it spells out for two or three pages what the Agency's intentions are.

The Bill provides, for example, that the Agency will support business associations, it will study the development of business opportunities, it will improve business communications, it will promote scholarship related to business, it will assist investors, it will make loans to people, it will guarantee repayments and it will do practically everything. However, it will do nothing because the key word in Clause 13 is "may". The Bill says that in carrying out its object which is contained in the previous clause, the Agency may do this and the Government may do that.

The purpose of this amendment is to say that the Agency shall do these things. There is quite a difference between the words "may" and "shall". "May", according to the *Oxford English Dictionary*, means expressing possibility. That is not what we are dealing with here today. These hundreds of people will be paid such great salaries to belong to an agency in Atlantic Canada. We want to make sure they do something, not just express the possibility of doing something. Therefore, I suggest we substitute the word "shall" for the word "may". The word "shall" according to the dictionary means that it is a command, or an obligation to do what the Act says it will do. What is the sense in having an Act if the agency you are creating need not do anything in the Act? That is precisely what this particular clause is all about.

• (1700)

We spoke a few moments ago about equality. There is no equality under this Agency when you have, for example, 17 employees in Newfoundland, 14 in Prince Edward Island, and far more in Ottawa, as is presently the case.

This amendment is very clear. It simply changes the word "may" to "shall" and forces the Agency, as the Bill suggests, in concert with concerned departments and agencies of all Governments in Atlantic Canada, to carry out its responsibilities. It will have no choice, it has to carry out its responsibilities or it should not be in existence. That is the purpose of the amendment.

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, when we apply what the Hon. Member is saying to a few parts of this particular clause it may not look too bad. However, I am going to show you some parts of the Bill where it will certainly make a difference when you apply the program to Atlantic Canada.

One of the things that is so important in this legislation is that the Agency have as much flexibility as possible so that it can choose the appropriate program instrument according to the circumstances. The Agency can look at an application from Prince Edward Island and decide which program will give the most beneficial kind of support to the application. Obviously we are concerned about flexibility, and normally in legislative drafting program authority is discretionary. The Minister can determine the allocation of resources in the most appropriate manner possible in order to take advantage of the biggest number of economic opportunities in Atlantic Canada.

Having said that, if you change the word "may" on page 4 to "shall" it would probably not be a big concern with regard to Clause 13(a), (b) or (c), but when you get down to Clause 13(d) it will say:

> —shall
>
> (d) assist investors—

What if they do not want assistance? What if they do not want, unfortunately, to establish an enterprise in Atlantic Canada? We shall assist them whether they want assistance or not. Going on a little further to Clause 13(e):

> —shall
>
> (e) make loans to any person with respect to the establishment and development of enterprises—

What if they decide that this is not the proper procedure and the guy does not want a loan? Perhaps he wants something under IRDP or ERDA. No, we shall make a loan. You do not know what is good for you and we are going to give you a loan. He might prefer a direct contribution with nothing to be repaid. The circumstances in the particular area where the application is generated may dictate that that instrument be applied, but according to this amendment we are going to give him a loan. Then it goes on to say:

> —shall
>
> (f) guarantee the repayment—

What if we do not want it back? What if it is a direct contribution from one of the programs? No, we shall guarantee repayment. Or, we shall guarantee loan insurance or credit insurance. What if they do not need it? According to this amendment we shall go out and make sure they get loan insurance or credit insurance.

The amendment may look all right when you talk about planning or directing and managing and so on, but one of the key elements of this legislation, and I do not know how they missed this in the 11 hours of debate on second reading and 34 hours in committee, is to provide flexibility so that we can provide the optimum federal government assistance in a particular area of the Atlantic provinces so that we can all expand our economic opportunities. We want that flexibility, and adoption of this amendment will not allow us that flexibility. It will not allow the applicants the flexibility we now have with the current wording.

Mr. Jack Harris (St. John's East): Mr. Speaker, I guess it would not be surprising, after hearing the last speaker, to think that the Government does not like the word "shall". It wants to use "may" every time. Yet in the very next clause the Bill says that the Agency shall assist the Minister. It lists four, five or six things that the Agency shall do to assist the Minister. If the Agency shall assist the Minister, why can it not be required to do the things that the Agency is set up to do? I do not see what is so wrong with that and I support the good

intention of the mover of this motion in requiring the Agency to do the very things it has been set up to do.

However, I must confess to a certain difficulty further on down in the clause when such an amendment would require the Agency to make the loans to any person with respect to the establishment and development of enterprises, and more particularly small and medium-sized enterprises in Atlantic Canada. That would allow us all, everyone in this House and I presume everyone who asks for a loan, to be given a loan by ACOA to set up any kind of agency or enterprise that he or she wants. I do not think even the Hon. Member for Gander—Twillingate (Mr. Baker) would like to see so much largesse distributed by this Agency even if it is in Gander—Twillingate, his own riding.

The amendment, which is very well intentioned, when one applies it directly to everything contained in Clause 13, can be applied and still maintain the integrity of the program. I thank the Hon. Member for bringing once again to the attention of the House the fact that the Government does not want to assist the Agency in carrying out its obligations.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 6 standing in the name of the Hon. Member for Gander—Twillingate (Mr. Baker). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Mr. Jack Harris (St. John's East) moved:

Motion No. 7

That Bill C-103 be amended in Clause 13

(a) by striking out line 7 at page 5 and substituting the following therefor:

"port and promotion of enterprises and community economic development organizations, and"

(b) by striking out line 36 at page 5 and substituting the following therefor:

"enterprises and community economic development organizations, and more particularly small"

(c) by striking out line 44 at page 5 and substituting the following therefor:

"prises and community economic development organizations, and more particularly small and".

• (1710)

He said: Mr. Speaker, this amendment may be considered somewhat technical in nature. It relates to the powers of the Agency in terms of establishment of programs in Clause 13. Even though Clause 13 is written in a permissive way, we would like to have it amended to add "community economic development organizations" to the kinds of organizations and enterprises which the Agency may assist. That is repeated in the motion three times, in Subclause (a), (b), and (c). We would like to add this to emphasize the important role which these kinds of organizations play in economic development within the Atlantic region.

An example of such an organization is the Cumberland Community Futures. Co-operative organizations have put forth similar arguments and proposals to the legislative committee. In Atlantic Canada there are various kinds of community-based initiatives for people, many of whom are not engaged in economic development for personal profit but rather for economic development in their community. One such example is the Community Economic Development Co-operative on Bell Island in my riding. There are community co-operatives in many other ridings in Atlantic Canada as well.

The Great Northern Peninsula Development Corporation is not a co-operative but is in essence owned by several regional development associations. It is a community-based economic development organization which supports particular programs and activities. It may not be an enterprise, but it is certainly a community economic development organization which is promoting economic development in its own region. We would like ACOA to be empowered to assist those organizations as well.

In some of the programs which have been announced by ACOA there has been a form of assistance to certain kinds of enterprises or non-profit agencies. That is commendable, but we would like that emphasis to be in the legislation so that it is clear that we can expect this type of program and other types of programs among the activities of the agency in the future.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 7 standing in the name of the Hon. Member for St. John's East (Mr. Harris). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Mr. George Baker (Gander—Twillingate) moved:

Motion No. 8

That Bill C-103 be amended in Clause 13 by striking out line 9 at page 5 and substituting the following therefor:

"sized enterprises, with emphasis on the utilization of primary resources, particularly the fishery and agriculture in Atlantic Canada,".

He said: Mr. Speaker, this motion was suggested by many Members of Parliament from Atlantic Canada and people who appeared before the standing committee who are concerned that nowhere in the Bill is it mentioned that the fishery, agriculture, and mining would qualify for programs under the Agency being established by the Government of Canada.

There is nothing at all wrong with this amendment. You will note that various parts of the clause to be amended emphasize "particularly" this or that. What is wrong with inserting "with emphasis on the utilization of primary resources, particularly the fishery and agriculture in Atlantic Canada"? There is nothing wrong with putting particular emphasis on the primary resources of Nova Scotia, Newfoundland, New Brunswick, and Prince Edward Island which remain underutilized and underdeveloped. We know that the fishery is underdeveloped and underutilized. The Government of Canada and the provincial Governments in Atlantic Canada, particularly the Government of Newfoundland, will have to pay special attention to the utilization of primary resources, particularly in the fishery, to create finished products. There should be particular emphasis as well on agriculture in Atlantic Canada.

It was brought up in this House one day that the potatoes which are used on government jets and by Air Canada and VIA Rail are actually imported from Belgium. If you board a VIA Rail train in Moncton, New Brunswick, where the Parliamentary Secretary is from, you are served potatoes which were grown in Belgium. That is not very nice. If you board an Air Canada jet at an international airport in Atlantic Canada the potatoes you are served are from Belgium and the cake is from Holland.

Through this motion we want particular emphasis put on our primary resources; our fishing industry, our agricultural industry, and our mining industry in Atlantic Canada under this Agency. Why not spell it out? They spell out data banks and networks and investment requirements in various industries. Why not spell out the industries which are important to Atlantic Canada?

There is no reason in the world why the Government cannot accept this amendment. In fact, by not accepting the amendment the Government is saying that it does not agree that the primary resources; the fishery, agriculture, and mining, are the most important aspects of economic development in Atlantic Canada. In other words, the Government does not know anything about economic opportunities in Atlantic Canada.

The problem in Atlantic Canada is that the money has not been directed to the area to which it should be directed, that is, to making finished products with our primary resources rather than exporting them to foreign countries and then buying them back. We are exporting the jobs in our fishing industry to the eastern United States. Frozen cod blocks are thawed out in Massachusetts where thousands of people are employed. Companies like National Sea Products and Fishery Products International, which are being supported all the time by the Government of Canada, are making loads of money.

• (1720)

It should be spelled out in the Bill that it pays particular attention to the mining resources of Cape Breton Island, the fishery in Cape Breton Island and agriculture in Cape Breton Island, just as it does throughout the Atlantic provinces.

The Government will not accept this amendment because it is afraid to do so. It does not want to get involved in the primary industries of Atlantic Canada, or to create jobs in Atlantic Canada. It would rather create this Agency that will employ some people at $100,000 a year to process applications. The Government will not agree to include the fishery, agriculture and mining resources in this Bill. Shame.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I want to reiterate what my colleague, the Member for Gander—Twillingate (Mr. Baker), said with respect to Motion No. 8, which would include in the Act the utilization of primary resources, particularly fisheries and agriculture in Atlantic Canada.

Atlantic Canada is definitely facing economic problems at this time. The Government seems to be restructuring the assistance in order to accomplish what it wants to happen. However, quite often, such objectives are not possible.

I think the Government must give more consideration to the needs of Atlantic Canada and determine where the jobs and economic base can best be fostered. I suggest it is a mistake

not to include the primary resources of the fishery and agriculture.

We have many towns that have only one industry. If that industry is fishing, agriculture or mining, it is not eligible for assistance. As a result, many of these smaller towns will disappear and create a great deal of hardship.

It is significant to note that the Government is ignoring this vital area. Some agricultural areas are experiencing great difficulty, while others have been increasing their yields in recent years. This Bill should permit the Government to aid these primary resource industries. It will be a very definite mistake not to do so.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I move, pursuant to Standing Order 9(4)(a):

That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of report stage of Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to others Acts.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion moved by the Minister for International Trade. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): According to the provisions of Standing Order 9(4)(b), if 15 Members rise in their places to object, the motion is defeated. Shall the motion carry?

And fewer than 15 members having risen:

The Acting Speaker (Mr. Paproski): There being fewer than 15 Members rising in objection to the motion, according to the provisions of Standing Order 9(4)(b), the motion is deemed to be carried.

Motion agreed to.

THE ROYAL ASSENT

[*English*]

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

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

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

And being returned:

• (1730)

The Acting Speaker (Mr. Paproski): I have the honour to inform the House that when the House did attend Her Honour the Deputy to Her Excellency the Governor General in the Senate Chamber, her Honour was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-76, an Act to provide for emergency preparedness and to make a related amendment to the National Defence Act—Chapter No. 11.

Bill C-125, an Act to enable the Northern Canada Power Commission to issue shares, to authorize the sale of those shares to the Government of the Northwest Territories, to repeal the Northern Canada Power Commission Act and to provide for related matters—Chapter No. 12.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed consideration of report stage of Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, as reported (with amendments) from a legislative committee, and Motion No. 8 (Mr. Baker, p. 14889).

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I have a few comments to make on the amendment. While the amendment looks very nice, I am sure it is playing to a certain audience, nonetheless its contents are covered in the legislation and in the wording currently proposed.

The philosophy behind Bill C-103 is to provide support where opportunities exist in Atlantic Canada for economic development. The agency has the flexibility to respond to all opportunities to get involved in good business proposals. Emphasizing one or two sectors in Atlantic Canada would only serve to unbalance the approach that is being adopted in Bill C-103.

Where in the agriculture and the fisheries industry there are opportunities, ACOA will have a role to play. If there is an opportunity and a business is involved in agriculture, in fishing, in forestry or in mining, then ACOA is anxious to assist them in the development of that opportunity.

In addition to that, the Minister of Fisheries and Oceans (Mr. Siddon) and the Minister of Agriculture (Mr. Wise) currently have programs to assist people in those sectors. Provinces have programs, as does the federal Government through those two Departments. Obviously, ACOA does not necessarily want to parallel those programs and to provide an overlap. It wants to fill its role in order to co-ordinate the effort of Governments toward those various sectors.

When we look at the legislation we see that it is clear in this clause that it will help in the promotion of enterprises, particularly small and medium-sized enterprises, and when they are available in those sectors ACOA will have a role to play and will be glad to provide assistance. However, when we look at other clauses in the legislation, for example, Clause 5, we see that it deals with the fact that the Minister may exercise powers and perform duties and functions that affect economic opportunity and development in Atlantic Canada over which Parliament has jurisdiction and that are not by or pursuant to law assigned to any other Member of the Queen's Privy Council for Canada, or to any Department, board or agency of the Government. So if there is an opportunity in a sector that is not assigned to someone else, then there is an opportunity for ACOA to get involved.

Clause 9 deals with a rather unique aspect of the legislation. It states:

> Where the Minister is satisfied that the implementation of a program or project authorized by any other Act would further the purpose of this Part, the Minister may, conditionally or unconditionally, undertake to transfer funds appropriated for the purposes of this Part to supplement funds that the Minister responsible for the program or project has undertaken to expend in connection therewith.

In other words, if there is an opportunity in the agriculture industry, the forestry sector or the mining sector and there is not enough money in an existing program, then the Minister can say: "We are going to put Atlantic Canada Opportunities Agency money into that program to supplement funds of the national program or programs that are available in the other Department".

There is a great deal of flexibility here. The Hon. Member mentioned the fisheries industry. Just yesterday there was an announcement with respect to a company called Pioneer Fisheries which is involved in a lobster holding and marketing plant on Prince Edward Island. It has received a $1.3 million grant to begin operation. This is an example of a business opportunity in the fisheries sector in which the Atlantic Canada Opportunities Agency has responded.

It can happen. It is happening. These amendments are not necessary for it to happen. Obviously, we feel that the measures are provided for in the legislation as it exists. The operation of the Atlantic Canada Opportunities Agency interprets it that way. This is a good example of assistance being provided to one of those primary sectors to which this amendment makes reference.

We feel the matter is adequately covered in Bill C-103 as it exists. There is absolutely no need for the adoption of this amendment.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 8 standing in the name of the Hon. Member for Gander—Twillingate (Mr. Baker). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division stands deferred.

Mr. Jack Harris (St. John's East) moved:

Motion No. 9

> That Bill C-103 be amended in Clause 18 by striking out line 29 at page 7 and substituting the following therefor:
>
> "each province in Atlantic Canada and shall be broadly representative of the business, social cultural, governmental and educational participants in the economic development of Atlantic Canada."

• (1740)

He said: Mr. Speaker, this particular motion proposes to amend Clause 18 which provides for the establishment of the Atlantic Canada Opportunities Board consisting of the President and not more than 18 other members appointed by the Governor in Council on the recommendation of the Minister.

This motion will amend Clause 18(3) which presently states, "The Board shall include persons from each province in Atlantic Canada", to state, "The Board shall include persons from each province in Atlantic Canada and shall be broadly representative of the business, social, cultural, governmental and educational participants in the economic development of Atlantic Canada".

The reason for that amendment is to attempt to ensure that the Board giving advice which is required to assist the Agency in carrying out its functions shall not only have representatives such as those it presently has. The Minister has appointed 18 people in addition to the President, most of whom are business people. There are representatives from three Governments and one agency, and there is one person who is involved with the labour movement. But in its composition the Board does not have anyone from the academic community assigned, or people who are involved in the type of economic development organizations that I have mentioned.

There is no one from the co-operative sector. When this was raised at second reading, the Agency went out of its way to announce that co-operatives were included. But it was not very clear from the attitude of the Government, particularly in terms of the make-up of the Board, that this was the case. In fact, people are phoning me from New Brunswick and Newfoundland and saying that ACOA does not know how to deal with co-operatives, and that they are not even sure that ACOA understands what a co-operative is. I was informed that someone in New Brunswick was told not to set up a co-operative because that will take a long time to get organized; do it through a business corporation. This was a co-operative that wanted to set up a co-operative enterprise. The Agency was either ignorant or insensitive to that type of development or economic enterprise.

The Agency might state in its brochure or in its policy that it provides assistance to co-operatives, but if it does not know what co-operatives are or how they act, or has no experience with the history of co-operatives in the Maritime provinces and in Newfoundland and the important role that they play in economic development, how can programs be devised and economic development assisted with those types of agencies?

Today the Speaker ruled out of order a motion to set up an advisory committee. To remind the House, the motion states:

> (4) The Minister shall establish an advisory board comprised of women to advise on the policies and programs necessary to ensure that women participate in the activities and initiatives of the Agency, and provide for the membership and further duties and functions of such a board.

That motion was ruled out of order. But in this particular motion there could be provision to include representatives of women's organizations to insist that the Agency, in operating its programs and in devising its staffing and other activities, pay special attention to the needs of women in business. Because they have different approaches, they have different needs in order to move forward and develop economic programs and business enterprises.

This particular amendment will provide diversity and broad representation needed to make the Atlantic Canada Opportunities Agency aware of what is going on in Atlantic Canada, aware of the role played by co-operatives, by women in business, by the community economic development corporations, by the regional development associations, by the academic community that has concerns and ideas, and by the scientific community.

With this amendment we are asking that the Board be required to be broadly representative of those parts of society that are furthering economic development, and not only business people. Business people have a very important role to play in economic development. That is important, and perhaps even primarily important in terms of the make-up of a particular board. We do want people with business experience, and people with successful business experience who are aware of what it takes to make a successful project work.

We also want the Agency to understand the broad range of economic development activity that takes place in the Atlantic region, in the fishery, in the mining industry, and in the regional development sector that has been very active in Newfoundland and also in other provinces over the last number of years. They have a very important role to play. They have an understanding of communities in Atlantic Canada that perhaps some of the more successful businessmen might not have, if they are operating in larger centres. We want to see more of a balance than we have received. Without having the Minister told that the Board has to be broadly representative, we would like to see more of a variety in the appointments. We think that this amendment would achieve that end, and I would ask the House to support it fully.

Mr. George Baker (Gander—Twillingate): Very briefly, Mr. Speaker, a word of support for this amendment. For the life of me, I cannot see why the Government would not agree to the amendment. As it is presently worded, Clause 18(3) states, "The Board shall include persons from each province in Atlantic Canada". It says "persons", Mr. Speaker. I suppose there could be one from one province, three from another province, and five from yet another province. They could all be defeated Progressive Conservative candidates. They could be defeated politicians. The amendment asks for the Board to be representative of the business community, social and cultural agencies. In other words, representative of the people in Atlantic Canada.

I would like to see a couple of people on the Board who are unemployed, or a couple of people on the Board who are used to drawing unemployment insurance, or a couple of people on the Board who tried setting up businesses in Atlantic Canada but went broke. Perhaps the Board could include a couple of community leaders from town councils who were elected by the people in those smaller communities in Atlantic Canada. In fact, probably it should be spelled out even more than it presently is. The Minister is the person who will appoint the Board, and you know, Mr. Speaker, who those people would be if the present Minister appointed them. I do not mean the Minister who introduced the Bill, the Prime Minister (Mr. Mulroney), but the Minister who is in the other place who is responsible for this particular legislation.

I cannot see why the Government would not accept the amendment proposed by the Hon. Member.

• (1750)

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I rise to support the amendment presented by the Hon. Member for St. John's East (Mr. Harris). Coming from the Yukon, as I do, the opposite end of the country to Atlantic Canada, I can very much relate to the need to have such an advisory board. I would draw an analogy between the capacity of this Board and the care with which members of the Board should be selected so as to represent a broad range of interests, including that of the business community.

I note that the Canadian Federation of Independent Businesses, the small business association, has expressed the concern that this Board will not represent the interests of small business; that, rather, it will only represent the interests of the large business sector.

That is an extremely important point. As has also been mentioned, women's interests should also be represented on this Board. Women constitute an ever-increasing proportion of the entrepreneurs in our society. Between 1972 and 1983, the number of women entrepreneurs increased by some 140 per cent, while the number of male entrepreneurs increased by only 10 per cent.

In light of those figures, the interests of women present a significant emerging factor in terms of representation on such a Board.

Knowing the Atlantic region as I do, the question of rural and urban representation is an extremely important one. The opportunities available to non-urban areas are often more difficult to create, given the smaller population available to a business, with the result that non-urban areas are often overlooked. I think it extremely important that any such advisory board reflect the rural/urban split as well.

I realize that no advisory board can represent all interests, and indeed it should not be merely a collection of separate interests. However, we have seen all too often that such advisory boards are somewhat uni-dimensional, lacking in representation from the less vocal segments of our society, thereby making it more difficult for those segments to develop activities which will enhance their economic development.

The Department of Employment and Immigration has established local advisory committees whose purpose it is to advise on how projects and programs under that Department are to be allocated. One can easily draw a parallel between that and the Atlantic Canada Opportunities Agency. Under both, there is an attempt to reflect, in the projects undertaken, the different sectors of society, the large/small business community, and the rural/urban split.

In summary, I strongly support the proposed amendment. Through this amendment, the various sectors of the community can have adequate representation on the advisory board, thus enabling them to take maximum advantage of the programs offered.

The Acting Speaker (Mr. Paproski): The House is on Motion No. 9. Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the motion stands deferred.

Mr. George Baker (Gander—Twillingate) moved:

Motion No. 10

That Bill C-103 be amended in Clause 20 by striking out line 25 at page 8 and substituting the following therefor:

"13(c) to improve the business environment, particularly as it relates to the development of the fishery and agriculture".

He said: Mr. Speaker, the purpose of this amendment is to make the Minister do what we tried to make the Agency do through an earlier amendment, an amendment which is opposed by the Government.

The Minister of whom I speak is not the Minister in whose name this Bill appears, the Prime Minister (Mr. Mulroney), but the individual who sits in the other place. This is a Minister who is not elected, a Minister who does not have to answer to the public, a Minister who can do whatever he wishes without the necessity of having to answer to the electorate.

For the first time in our history, we have a Minister in charge of a major economic development program for Atlantic Canada who does not have to face re-election, by virtue of being in what we in this place call "the other place".

Under this legislation, the Minister is given tremendous powers. In fact, in the light of the powers bestowed upon the Minister under this legislation, one wonders why the Prime Minister, in selecting a Minister to administer this Act, selected someone who does not sit in this Chamber, someone who does not have to answer to the electorate, someone who does not have to stand on a podium anywhere and defend his actions.

Under this legislation, the Minister has incredible powers. Under Clause 20, the Minister can make regulations "specifying programs and projects in addition to those referred to in paragraph 13(c)".

Well, Mr. Speaker, the entire scope of this Atlantic Canada Opportunities Agency, and its responsibilities and actions, is set out in paragraph 13(c). Yet, under Clause 20 of the Bill, the Minister can make regulations specifying programs and

projects "in addition to" those already set out in paragraph 13(c). In other words, the Minister could create an entirely new Act.

I doubt that Clause 20 would be in order, if one were to follow the rules of the procedure in an exact fashion.

Through this amendment, we are asking the Minister—the Minister "in the other place", the Minister who does not have to stand for re-election—to try to improve the business environment, as stated in the Bill, but particularly as it relates to the development of the fishery and agriculture.

This is something that was requested by the organizations representing the fishery and agriculture, the primary resources right through Atlantic Canada. That is the reason for the proposed amendment. I cannot, for the life of me, understand why the Government would not accept it, especially given that the Minister charged with administering this legislation is not even a sitting Member of the House of Commons.

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, as the Hon. Member for Gander—Twillingate (Mr. Baker) realizes, we have already been through this in dealing with Motion No. 8, and the same reasons for rejecting that amendment apply in this particular circumstance.

There is adequate flexibility in Bill C-103 to handle programs that may apply to any sector where business opportunities present themselves. Certainly, the arguments in respect of rejecting the amendment proposed under Motion No. 8 apply in this case. As in the case of the amendment proposed under Motion No. 8, this amendment is unnecessary, and as such should not be supported.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 10. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the motion stands deferred.

• (1800)

Mr. Riis: Mr. Speaker, I rise on a point of order. I note that the clock is at six o'clock and I know the Government has decided to extend the hours of the sitting. The Liberal caucus is holding a caucus meeting, about which we are all aware. The Board of Internal Economy normally meets on Wednesday night at this time, about which we are all aware. We have had a standing tradition in this House that Wednesday evenings be set aside for Parties to hold their individual caucus meetings. We had an understanding that we would be dealing with report stage of Bill C-33 in the House today and that if we did not complete it we would continue tomorrow.

I want to say that I am very aggravated and disappointed that the Government has seen fit to break an understanding and has seen fit to go against the traditions of the House. To think the Government would extend hours on a night when the Liberal Party was having a very important caucus meeting—

An Hon. Member: Why are you so worried?

Mr. Riis: Because I believe in the parliamentary system. I regret this decision. In an effort to co-operate—

Mr. Shields: You phoney.

Mr. Riis: Go wash your face.

I find it an odd way to do business in the House of Commons when the Deputy House Leader for the Government and I had an understanding about what business we would deal with today and would if necessary continue it tomorrow because he has obviously decided to break that understanding. As I say, I find it very difficult to do business in a co-operative way.

Mr. Lewis: Mr. Speaker, I wish to advise the House that there was absolutely no understanding.

Mr. Riis: You liar.

Mr. Lewis: I also wish to advise the House that we were fully cognizant of the fact that the Liberal caucus has a meeting. We would have accommodated the Liberal caucus, but I want to make it perfectly clear that we recognize a filibuster for a filibuster. There is absolutely no filibuster coming from the Liberals. When we see people from Ottawa representing Hamilton pretending to have an interest in Atlantic Canada, that is a filibuster. That is why we extended the hours, and we intend to do the business of the country.

Mr. MacLellan: Mr. Speaker, in fairness to the New Democrats, they have only one Member from Atlantic Canada. They need another Member to second their motions.

I would like to support the Hon. Member for Kamloops—Shuswap (Mr. Riis) on this occasion. He is receiving heckling from the government benches on his point of common decency. He mentioned that the Liberal Party has a caucus tonight at six o'clock and that it has not been the procedure in this House to hold extended hours on Wednesday evening. As well there is a meeting of the Board of Internal Economy this evening. The Minister of State (Mr. Lewis) spoke about filibustering, but we just started Bill C-103 this afternoon. This is incredible. It is obviously a move of bad faith on the part of the Government.

The Acting Speaker (Mr. Paproski): I do not feel the floor of the House is a place to be negotiating. I have recognized the Hon. Member for St. John's East (Mr. Harris) on debate on Motion No. 11.

Ms. Copps: I rise on a point of order, Mr. Speaker.

Ms. Dewar: I have a personal point of privilege, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I will recognize the Hon. Member for Hamilton East on a very short point of order.

Ms. Copps: Mr. Speaker, my point of order responds probably to the point of personal privilege stated by my colleague, the Hon. Member for Hamilton Mountain (Ms. Dewar). Whatever Members may think about where somebody originally came from, this Member—while I fought hard on the other side in the election—was duly elected to represent the people of Hamilton Mountain. I verily resent anyone on the government side of the House claiming that somebody does not have the right to speak for all Canadians. I think the statement made by the Government House Leader was a lot of bunk.

The Acting Speaker (Mr. Paproski): The Hon. Member for Hamilton Mountain (Ms. Dewar) has something to say?

Ms. Dewar: Mr. Speaker, my question of privilege is that I was speaking to an amendment. I tried not to take my full time. I wanted to talk on local community economic development, and I was accused of filibustering.

The Acting Speaker (Mr. Paproski): That is neither a point of order nor a question of privilege. It is debate.

Mr. Shields: Mr. Speaker, I have a question of privilege.

Mr. Riis: You are a liar, sit down.

Mr. Shields: Mr. Speaker, I rise on a question of privilege. The Hon. Member for Kamloops—Shuswap (Mr. Riis), the House Leader for the New Democratic Party, called someone on this side of the House, I believe it was our House Leader, a liar.

Mr. Riis: That is right.

Mr. Shields: And he just now referred to me as a liar and to sit down. I demand that he withdraw.

The Acting Speaker (Mr. Paproski): I will check the "blues" tomorrow. If the Hon. Member feels that he would like to withdraw his comment, I would appreciate it.

Mr. Riis: Mr. Speaker, I want to explain why I called the Deputy House Leader a liar. First, I do admit that I called him that.

Mr. Shields: Withdraw.

The Acting Speaker (Mr. Paproski): I would like the Hon. Member to withdraw the statement that he made, otherwise I will not recognize him.

Mr. Riis: With a great deal of hesitation, Mr. Speaker, I withdraw calling the Hon. Deputy House Leader a liar.

Mr. Shields: I rise on a point of privilege, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Athabasca (Mr. Shields) has a question of privilege?

Mr. Shields: Mr. Speaker, I want that Member to stand up and withdraw the remarks that he made to me. He called me a liar also. I would like his withdrawal on the record.

The Acting Speaker (Mr. Paproski): I said I would check the "blues". If he has used these words, then he will withdraw them.

The Hon. Member for St. John's East is recognized on debate on Motion No. 11.

Mr. Jack Harris (St. John's East) moved:

Motion No. 11

That Bill C-103 be amended in Clause 21

(a) by adding immediately after line 13 at page 9, the following:

"(2) The annual report referred to in subsection (1) shall contain:

a statement on the annual impact of the operations of the Agency upon the regional disparities between Atlantic Canada and other regions of Canada. The rate of economic disparity shall be calculated on the basis of a formula reflecting the economic disparity of those regions as measured by low employment, low earned income per capita and low gross domestic product.

(b) by striking out line 27 at page 9 and substituting the following therefor:

"of this Part for that fiscal year, and such reports shall stand permanently referred to such committee of the House of Commons as is established to review

matters relating to regional industrial expansion."

He said: Mr. Speaker, Motion No. 11 asks and requires the Atlantic Canada Opportunities Agency in its annual report to make a statement on the annual impact of its operations on regional disparity between Atlantic Canada and other regions of Canada. I am speaking as a Newfoundlander and as an Atlantic Canadian.

I resent the implication from the government side of the House, the Deputy House Leader, that nobody else in this

House has the right to speak on regional disparity and to speak up for people in other parts of the country. If that is the standard by which the Government will judge the actions of people on this side of the House when they are speaking for the rights of Canadians, I think it is time the Government was thrown out and tossed to the wolves where it belongs.

To hear the very Hon. Member for Hamilton Mountain (Ms. Dewar) come to this House and speak up in support of legislation that is good for Atlantic Canada, that is what we expect in Atlantic Canada. If she did not, I would condemn her for it. If she refused to support Atlantic Canada, I would condemn her as I would condemn the Government House Leader saying that by doing that she is somehow pretending to be interested in the people of Canada. It is this side of the House, particularly our Party, which is fighting hard for legislation and fighting to improve this legislation so that Atlantic Canadians are protected. I welcome any addition to the debate which the Hon. Member for Hamilton Mountain can make.

I would encourage other Members from the central Canadian cities and towns, from the areas of Canada which are doing very well by this economy, to stand up and support legislation and support improvements to legislation that will protect Atlantic Canada. That is what is wrong with this whole issue. There are not enough people who are not from Atlantic Canada who have stood up for Atlantic Canada. If we had more people in this House who represent the richer parts of the country, the parts that are doing better than Atlantic Canada, speaking and being concerned about all of Canada, then we would not be dealing here today with a Bill designed to try to make up for what has been lost by neglect and the fact that Atlantic Canada has been denied its rightful place in Confederation. I think the comments of the Hon. Deputy House Leader, the Minister of State (Mr. Lewis), underline and underscore the real problem in Atlantic Canada.

In Newfoundland we have seven Members. Some of us are louder than others. We hear from the Hon. Member for Gander—Twillingate (Mr. Baker) quite often. I try to speak out as often as I can and as loud as I can, sometimes louder than others, but there are only seven of us in this large House.

• (1810)

In Atlantic Canada, there are not enough people to form a majority to vote in anything that the rest of the country does not want. We are divided up into Parties as well. We expect and rely upon the support of Members from other parts of Canada within our own Party and, hopefully, even within other Parties, to support Atlantic Canada when measures are being brought forth that are for the benefit of Atlantic Canada.

This particular measure emphasizes the need for this Agency to report annually and to focus on regional disparities and the indicators that are present. I will give one example of what is going on in Atlantic Canada. One economic indicator which is a most valuable one to test regional development and the economic support in the economy is that of earned income per capita. Earned income per capita is income that does not come from social assistance or unemployment insurance but from earnings. Earned income per capita is a very good measure of the economic health of a region.

At the time of confederation in 1949, the ratio of earned income per capita in Newfoundland compared to that of all of Canada, the Canadian average, was 48.8 per cent. The average earned income per capita in Newfoundland was 48.8 per cent of the national average. Do you know what it is now, Mr. Speaker? I bet you do not. After 38 years of confederation, it is now 55.5 per cent of the Canadian average. That is the progress we have made in 38 years. We are now 6 per cent closer to the national average in earned income per capita.

At that rate, do you know how long it will take us to reach the national average, Mr. Speaker? It will take 288 years. That is how long we will have to wait, yet when the Hon. Member for Hamilton Mountain rises to speak out in favour of Atlantic Canada, she is accused of pretending to be interested.

After the next election, I hope we will have many, many more Members here like the Hon. Member for Hamilton Mountain, Members who no matter what part of the country they are elected from, whether from the Prairies, northern Ontario, central Ontario, southern Ontario or British Columbia, will support regional development measures in Atlantic Canada, a commitment to not having to wait 288 years for the kind of progress that is needed but to demanding and insisting that there be equality now. We must work quickly to reduce the regional disparities in Canada and to ensure that there is equality of opportunity across the country.

Mr. Riis: Mr. Speaker, I rise on a point of order. I wonder if there is a quorum in the House at this time.

The Acting Speaker (Mr. Paproski): It requires that 20 Members be in the House. I believe there is a quorum. Debate.

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, very briefly, the Hon. Member for St. John's East (Mr. Harris) proposed an amendment at committee. It was debated, discussed and accepted by members of the committee and is being reported here today. This motion certainly does very little to expand upon that one. It talks about a report exclusive of the annual report. It talks about evaluation. There has been no real significant change, and we feel quite comfortable with the amendment that was accepted by the committee at the request of the Hon. Member.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 11 standing in the name of the Hon. Member for St. John's East (Mr. Harris). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), a recorded division on the proposed motion stands deferred.

Mr. Jack Harris (St. John's East) moved:

Motion No. 12.

That Bill C-103 be amended by striking out Clause 24 and substituting the following therefor:

"24. Every indeterminate employee in the Public Service of Canada who is declared affected as a result of the creation of the Agency shall be transferred to the Agency within ninety days after the day on which this section comes into force, and is deemed to have been appointed to the Agency in accordance with subsection

15(1)."

He said: Mr. Speaker, this amendment deals with the staffing of the Atlantic Canada Opportunities Agency and with the public servants, particularly in the Department of DRIE. During the course of the establishment of the Atlantic Canada Opportunities Agency, many of them were given notice or were told that they were to be made redundant as a result of the creation of this agency.

While the legislative committee was in Charlottetown, the Professional Institute of Public Servants wrote a letter advising the Minister from the other place and made a presentation to the committee in Charlottetown advising us that long-term professional public servants who were quite capable of operating in various parts of the Public Service were being denied an opportunity to work at the Atlantic Canada Opportunities Agency. This was a very different approach from that which was taken in the establishment of the Western Diversification Office.

The Minister responsible for that Agency assured all those working in DRIE or at the other Agencies or programs that were being transferred to the Western Diversification Program that they would have an opportunity to work in that Agency and that there would be no redundancies as a result of that move. There were sufficient person-years in the complement of the new Agency to accommodate all of those who would be affected by changes in the transferring of the program.

The Senator from the other place who was responsible for this legislation made no such commitment to the public servants of Atlantic Canada. A large number of them are being made redundant and there is no reason for that. There are plenty of person-years available and perhaps 100 person-years more than necessary in the new Agency to cover these people. The Hon. Parliamentary Secretary will probably have the exact figures at hand. It is quite clear that there is sufficient person-years in the new Agency to take care of all those who were working on programs that had been transferred to the Agency.

If these public servants were quite capable and professional and were working in other Departments properly implementing programs that have now been transferred, why are they no longer acceptable to the Public Service? Why is it that they are not being treated in the same manner as their western counterparts were? If these public servants were incapable of carrying out their duties, they should have been fired when they were working at their previous jobs. They should have been disciplined or there should have been some procedure to deal with them. They should not simply be made redundant so that the Government can hire 300 or 400 more people rather than ensuring that these public servants are transferred and given first choice at jobs available in the new Agency. This amendment would ensure that those public servants are treated fairly.

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, Clause 24 exists as a transitional provision. The clause may not even be necessary because the current situation is that it is expected that before the Act comes into force, offers will be sent to approximately 100 of the 136 affected DRIE employees. Of the remainder, many are not interested in transferring over. They are interested in retirement or some other provisions that may be made for them. It is expected that very, very few of them will not be accommodated by the Atlantic Canada Opportunities Agency.

We must remember that we are anxious to have the flexibility to use the employees that are felt to make the best contribution. I find it interesting because two or three of the other amendments put today by the Hon. Member for St. John's East (Mr. Harris) dealt with doing something in the legislation to guarantee equality or equity of effort. If these are such good public servants, why is he so concerned about measuring equity of effort? Why was the other Hon. Member concerned about equal emphasis on each of the provinces?

I assume that most of the people working in DRIE and who will subsequently work for the Atlantic Canada Opportunities Agency are anxious to and are interested in doing a good job. They are good employees. They have been good employees. I do not find this necessary, particularly because of all the other negative comments today which suggest they may not have been good employees. They are good people and will probably have in most cases an opportunity to go over to ACOA.

• (1820)

We need the flexibility. It was said by Dr. Savoie in his report, and by people in Atlantic Canada who responded to him, that there was a need for people with experience in business, entrepreneurs who would work for the Agency as account managers. It was important that we have some room to add new people. Clause 24 is really a transitional provision which we may not even need. In fact, right now it looks like very few people who want to go to the Agency will not have that opportunity.

Obviously this amendment is not necessary in light of reality. Mind you, I understand the Hon. Member has a hard time recognizing reality when he sees it, but we see most people affected being given an opportunity to go with ACOA.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on Motion No. 12 standing in the name of the Hon. Member for St. John's East (Mr. Harris). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

Hon. Benoît Bouchard (Minister of Transport) moved:

Motion No. 14

That Bill C-103 be amended in Clause 26 by adding immediately after line 27 at page 10 the following:

"Cape Breton Island" means Cape Breton Island and that portion of the Province of Nova Scotia within the following described boundary:

beginning at a point on the southwesterly shore of Chedabucto Bay near Red Head, said point being S70 degrees E (Nova Scotia grid meridian) from Geodetic Station Sand, thence in a southwesterly direction to a point on the northwesterly boundary of highway 344, said point being southwesterly 240 feet from the intersection of King Brook with said highway boundary, thence northwesterly to Crown post 6678, thence continuing northwesterly to Crown post 6679, thence continuing northwesterly to Crown post 6680, thence continuing northwesterly to Crown post 6681, thence continuing

Northwesterly to Crown post 6632, thence continuing northwesterly to Crown post 6602, thence continuing northerly to Crown post 8575, thence continuing northerly to Crown post 6599, thence continuing northerly to Crown post 6600, thence northwesterly to the southwest angle of the Town of Mulgrave, then along the westerly boundary of the Town of Mulgrave and a prolongation thereof northerly to the Antigonish-Guysborough county line, thence along said county line northeasterly to the southwesterly shore of the Strait of Canso, thence following the southwesterly shore of the Strait of Canso and the northwesterly shore of Chedabucto Bay southeasterly to the place of beginning;"

[Editor's Note: For text of Recommendation, see Votes and Proceedings.]

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, just by way of explanation, when the legislation was drafted it made reference only to Cape Breton. Some of the provisions of the legislation applied to an area just on the edge of the Strait of Canso in addition to Cape Breton Island. The Government looks upon the whole area around the Canso Causeway on both sides of the strait as an economic unit for purposes of the Cape Breton tax credit. The committee had an opportunity to visit that area and we saw that Port Hawkesbury on one side and Mulgrave on the other were co-operating with regard to industrial development around the causeway and on both sides of the Strait of Canso.

When it came to the attention of the Government that the definition in this Bill did not include the part across the Canso Strait it was agreed that we would add it. We had considerable debate in committee and a little posturing and, I am sure, game playing and it was unfortunately not unanimously agreed to. The Royal Recommendation is to add that part of the Cape Breton tax credit area to the legislation as it relates to ACOA and the enterprise Cape Breton Corporation.

Mr. Jack Harris (St. John's East): Mr. Speaker, I would like to draw the attention of the House to Motion No. 15 which was ruled out of order, as was Motion No. 14, the one we are now discussing. The motion would add the Town of Mulgrave to the definition of Cape Breton Island. That town is not on Cape Breton Island, as I am sure you are well aware. I am sure that the Hon. Member for Moncton (Mr. Cochrane) is well aware of that. Indeed, I am sure all the people on Cape Breton are well aware that Mulgrave is not on Cape Breton Island. It is on the other side of the strait. There are a number of other little towns along the Canso Strait going down to the Town of Canso which are also not on Cape Breton Island.

The Town of Mulgrave and the surrounding area is included because I suspect the Government recognized it had to do this, having not included it in the Bill in the first place. The Government alleged we had extensive consultations with every single person in Atlantic Canada, if you can believe it, before it put the legislation before the House. Yet all of a sudden it has to redefine Cape Breton Island in order to include the Town of Mulgrave. I think that town should be included in the programs offered to Cape Breton by this legislation. These are special programs recognizing the special needs of the island

population and, in this case, the Town of Mulgrave. Of course, in my riding in Newfoundland as well as that of the Hon. Member for Gander—Twillingate (Mr. Baker) there are also towns and villages which are not included in these special provisions.

However, I want to be on the record as saying that when we as a legislative committee went to Cape Breton and held hearings in Port Hawkesbury, which is just on the Cape Breton side of the Canso Causeway, we had representations from the Town of Canso along with Guysborough and a number of other communities which are similarly industrially deprived, which have similar economic problems and difficulties in attracting industrial development to their region. The Hon. Member for Cape Breton—Highlands—Canso (Mr. O'Neil) was there and welcomed the Mayor of Canso to the committee. He suggested to the Mayor that he hoped that when he, at an appropriate time, urged the committee to move in the direction of including Canso, he would gain the necessary support from the committee when the committee reported to the House to have that effected.

We came back to Ottawa and had a committee meeting here. In that meeting it was proposed, not by the Hon. Member for Cape Breton—Highlands—Canso but by the Minister of Transport, to include only the Town of Mulgrave, which coincidentally happens to be the home town of the Hon. Member of Cape Breton—Highlands—Canso. It did not include the Town of Canso or Guysborough or any other little town or community along the way which had made representations to the committee. Then in committee it was suggested that the denial of unanimous consent at that stage was an attempt to deny to the people of Mulgrave the opportunity to participate in these industrial development benefits. That certainly was not the case.

You will see Motion No. 15, which was also ruled out of order for the same reason as Motion No. 14, because it tried, under the definition section, to expand the boundaries of the program. That motion repeats the motion now before the House. It also includes:

> —and also within the geographical boundaries of those towns and villages along the Nova Scotia coastline from the Town of Mulgrave to and including the Town of Canso.

That says that not only should the Town of Mulgrave be included but also the Town of Guysborough and the other towns and villages between Canso and Mulgrave. Although I am sure it would be out of order, we should define Newfoundland as being in Cape Breton Island in order that it can take advantage of the special benefits there. The people of the Towns of Canso, Guysborough, and the other towns and villages would like to take advantage of them as well as the people of the Town of Mulgrave. I support this amendment but I am sorry that it does not include the rest of the towns along the Strait of Canso to and including the Town of Canso.

• (1830)

Mr. Howard Crosby (Halifax West): Mr. Speaker, I rise to support the motion presented to the House by my colleague from the constituency of Moncton in the great Province of New Brunswick which borders the Province of Nova Scotia, my home territory. More important, I want to appeal to all Members of the House, particularly Members from outside the Maritime provinces, to act to expedite the passage of this Bill.

I ask that of Members of the House of Commons because Bill C-103, which establishes the Atlantic Canada Opportunities Agency, has been before this Chamber and committees of this Chamber for a sufficient time to allow all Members a full opportunity to consider the provisions of the Bill. It is now time to consider the interests of the people of Atlantic Canada. The purpose of this Bill, as explicitly stated under "Purpose" is:

> —to increase opportunity for economic development in Atlantic Canada and, more particularly, to enhance the growth of earned incomes and employment opportunities in that region.

All Members of this House have been through the evolution of economic initiatives by the Government of Canada. We saw the Department of Regional Economic Expansion change to the Department of Regional Industrial Expansion. I am sure that my colleague from Newfoundland will agree that everyone in Atlantic Canada was concerned that those Departments did not specifically deal with the special needs of the Atlantic area. Therefore, Members from Atlantic Canada requested the special consideration which has given rise to Bill C-103 for the creation of the Atlantic Canada Opportunities Agency.

It grieves me that we are debating in the House of Commons changes to this Bill which will not be approved by the House of Commons and can only have the effect of delaying passage of the Bill, an adverse effect on all residents of Atlantic Canada. The time for review has passed and the time for action has come. It is impossible for me to believe that Members of the House of Commons from Atlantic Canada or any other part of Canada perceive that they are assisting the people of Atlantic Canada in their economic needs by delaying passage of this Bill. No Member can seriously suggest that he or she is acting in the interests of Atlantic Canadians by moving amendments to this Bill, which is a simple mandate for a new organization to assist in the economic development of Atlantic Canada and, in the case of the deprived island of Cape Breton and environs, the Cape Breton Development Corporation.

This Bill was only ever intended to establish a new vehicle for assisting Atlantic Canada in its economic expansion which has been delayed and deferred for many years by a national government which dealt with the Atlantic area through Departments of the Government which had other interests in other parts of Canada. We in Atlantic Canada have a chance to have our own agency with our own interests at its heart. Anyone who stands in this House and delays the process by

which that Agency is finalized, made operative, and placed in a position to answer the needs of Atlantic Canada, does a disservice to everyone in Atlantic Canada.

I cannot understand why my colleagues from Atlantic Canada are standing in the House at this hour of this day and further delaying passage of this Bill. I appeal to their better natures to put aside their silly political consideration, to put aside their delaying tactics, which they know will result in no better end than to deprive Atlantic Canadians of the opportunity to work under this new Agency, and to seek the ends which we all desire, that is, economic development for Canada.

In conclusion, I appeal to reason, I ask Members of the House from Atlantic Canada and those from outside Atlantic Canada to pass Bill C-103 to enact the Atlantic Canada Opportunities Agency. When Hamilton's turn comes, I will be the first to stand in the House and assist Hamilton.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, we only started this Bill this afternoon. There are over 50 amendments proposed to the Bill. It looks as though we will be finished in 10 or 15 minutes. There was no reason whatsoever, for the Member for St. John's West (Mr. Crosbie) to move to extend hours tonight. There was absolutely no reason whatsoever but he did it knowing that we had other arrangements made. To date there have been two Tories—

Mr. Deputy Speaker: Order. I would like to ask all Members to be relevant to the specific motion before the House at report stage.

Mr. Baker: Mr. Speaker, everybody supports the clause before the House.

Mr. Deputy Speaker: I should get up more often. Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 14 standing in the name of the Minister of Transport (Mr. Bouchard). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Deputy Speaker: We will now deal with Motion No. 33 which will be debated and voted on separately.

Mr. Jack Harris (St. John's East) moved:

Motion No. 33.

That Bill C-103 be amended in Clause 43 by adding immediately after line 24 at page 17 the following:

"(2) The decision to separate the functions of Enterprise Cape Breton Corporation from the Cape Breton Development Corporation shall be reviewed by the House of Commons Standing Committee on Regional Industrial Expansion and, within two years following the coming into force of this Act, the Committee shall report on whether the functions of Enterprise Cape Breton Corporation ought to be reintegrated with those of the Cape Breton Development Corporation."

He said: Mr. Speaker, I rise on a point of order. I was not aware that this motion was going to be debated before the previous 15 or 20 motions proposed by the Hon. Member for Gander—Twillingate (Mr. Baker), starting with Motion No. 13 and continuing with Motions Nos. 16 to 32, which delete a series of clauses. If Motions No. 16 through to Motion No. 50 are passed, there will be no need to debate Clause 33 at all because it proposes to review something which, if the other amendments are passed, would not take place at all. Perhaps there is a logical explanation for this. I would like to hear it.

Mr. Deputy Speaker: The point of order of the Hon. Member for St. John's East (Mr. Harris), if I understand correctly, is that we should deal first with Motions Nos. 13 and 16 to 32 moved by the Member for Gander—Twillingate (Mr. Baker). However, the motions moved by the Member for Gander—Twillingate are motions to delete. Therefore, depending on the vote on those motions, we may possibly never get to the motions moved by the Member for St. John's East. Therefore, the Chair proposes that we deal with the motion of the Member for St. John's East now.

Mr. Harris: Mr. Speaker, it sounds like inverted logic to me, but I will proceed nonetheless.

• (1840)

The purpose of the last half of the Bill is to separate two aspects of the Cape Breton Development Corporation, the coal mining division and the industrial development division, such that the industrial development division of Cape Breton Corporation would now be under the aegis of Atlantic Canada Opportunities Agency, ACOA, while the coal division would carry on its activities without the integration of the over-all industrial development activities that had occurred in the last number of years.

We heard a great deal of thorough evidence on this Agency from Dr. Theresa MacNeil, Chairman of the Board of the Cape Breton Development Corporation, during our hearings in Port Hawkesbury.

The concern expressed by her and others privately to me was that to separate the two parts of Cape Breton Development Corporation from each other would amount to the destruction of a corporate culture that was working quite well for nearly 20 years. The integration of these activities were and still are a model for economic development as a result of using the assets turned over to the Cape Breton Development Corporation to create economic activity in Cape Breton, and using the ideas of the industrial development division to support economic activity in Cape Breton Island, and by using the expertise and the assets which remained as a result of the inevitable downsizing of some of the coal-mining activities. For example, when the fire at 26 Mine occurred, it was able to respond to the economic effects of the lay-offs that would become inevitable. The Cape Breton Development Corporation stepped in through

its industrial development division and used some of the assets that were left to create other economic activities and respond to those occurrences.

The entire organization, from the Board to the advisers and the community of Cape Breton, developed a great degree of faith in that organization and its ability to respond to the needs over the years.

While they were not always totally satisfied with it, like any other agency or arm of Government, it has performed very well on the whole.

The amendment proposed by the Hon. Member for Gander—Twillingate (Mr. Baker) would completely stop that destruction of the Cape Breton Development Corporation. In fact, I proposed similar amendments in committee in order to delay this type of occurrence until it was certain that there would be no ill effects from such an action. I still believe that not enough consultation has taken place with the people of Cape Breton. The Minister for International Trade (Mr. Crosbie), as well as the Senator from the other place who is the Minister responsible, have said there was extensive consultation about this issue all over Atlantic Canada. That is not the case with the Cape Breton Development Corporation. The Government had not even decided upon the definition of Cape Breton. It needed Royal Assent to redefine Cape Breton in order to include an area that is not even in Cape Breton.

The Hon. Member for Cape Breton—Highlands—Canso (Mr. O'Neil) went to Port Hawkesbury and said he would urge the rest of the committee to include Canso, then returned to Ottawa and did nothing. This shows that it is quite obvious even he was not consulted when this legislation was put together. If he had been, presumably that representation would not have been made in Port Hawkesbury and he would have told the Mayor of Canso that the Government decided it would not include Canso.

While the rules of the House do not allow me to propose these amendments again, these amendments by the Member for Gander—Twillingate would allow the Standing Committee on Regional Industrial Expansion to do an evaluation after two years to see whether it needs to reverse this decision which the Government is presumably about to take.

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, it is the opinion of the Government that this amendment is unnecessary. Every Minister has a responsibility to a standing committee to speak out with regard to the activities of their particular portfolio.

The reason to separate the IDD from Devco was to bring it under the Atlantic Canada Opportunities Agency umbrella and eventually rationalize program delivery in Cape Breton.

The Minister responsible for ACOA will be expected at any time in the future to justify before a parliamentary committee the activities of the Enterprise Cape Breton Corporation. This will, of necessity, include the degree to which Enterprise Cape Breton Corporation and DEVCO have co-ordinated their activities respecting the economic development of Cape Breton.

Obviously, the fact that the Minister can be called to a standing committee indicates that he will respond to that, depending upon the questions from the members. Certainly, this amendment is not necessary and certainly not supportable by the Government.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 33 standing in the name of the Hon. Member for St. John's East (Mr. Harris). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the proposed motion stands deferred.

We will now proceed to the last grouping, which deals with Motions Nos. 13, 16 to 32 inclusive, and 34 to 50 inclusive, which will be grouped for debate.

The vote on Motion No. 13 will be applied to Motions Nos. 16 to 32, and also to Motions Nos. 34 to 50.

All the motions are moved by Mr. Baker. I remind the House that these are all motions to delete. Shall I dispense?

Some Hon. Members: Dispense.

Mr. George Baker (Gander—Twillingate) moved:

Motion No. 13.

That Bill C-103 be amended by deleting Clause 25.

Motion No. 16.

That Bill C-103 be amended by deleting Clause 26.

Motion No. 17.

That Bill C-103 be amended by deleting Clause 27.

Motion No. 18.

That Bill C-103 be amended by deleting Clause 28.

Motion No. 19.

That Bill C-103 be amended by deleting Clause 29.

Motion No. 20.

That Bill C-103 be amended by deleting Clause 30.

Motion No. 21.

That Bill C-103 be amended by deleting Clause 31.

Motion No. 22.

That Bill C-103 be amended by deleting Clause 32.

Motion No. 23.

That Bill C-103 be amended by deleting Clause 33.

Motion No. 24.

That Bill C-103 be amended by deleting Clause 34.

Motion No. 25.

That Bill C-103 be amended by deleting Clause 35.

Motion No. 26.

That Bill C-103 be amended by deleting Clause 36.

Motion No. 27.

That Bill C-103 be amended by deleting Clause 37.

Motion No. 28.

That Bill C-103 be amended by deleting Clause 38.

Motion No. 29.

That Bill C-103 be amended by deleting Clause 39.

Motion No. 30.

That Bill C-103 be amended by deleting Clause 40.

Motion No. 31.

That Bill C-103 be amended by deleting Clause 41.

Motion No. 32.

That Bill C-103 be amended by deleting Clause 42.

Motion No. 34.

That Bill C-103 be amended by deleting Clause 43.

Motion No. 35.

That Bill C-103 be amended by deleting Clause 44.

Motion No. 36.

That Bill C-103 be amended by deleting Clause 45.

Motion No. 37.

That Bill C-103 be amended by deleting Clause 46.

Motion No. 38.

That Bill C-103 be amended by deleting Clause 47.

Motion No. 39.

That Bill C-103 be amended by deleting Clause 48.

Motion No. 40.

That Bill C-103 be amended by deleting Clause 49.

Motion No. 41.

That Bill C-103 be amended by deleting Clause 50.

Motion No. 42.

That Bill C-103 be amended by deleting Clause 51.

Motion No. 43.

That Bill C-103 be amended by deleting Clause 52.

Motion No. 44.

That Bill C-103 be amended by deleting Clause 53.

Motion No. 45.

That Bill C-103 be amended by deleting Clause 54.

Motion No. 46.

That Bill C-103 be amended by deleting Clause 55.

Motion No. 47.

That Bill C-103 be amended by deleting Clause 56.

Motion No. 48.

That Bill C-103 be amended by deleting Clause 57.

Motion No. 49.

That Bill C-103 be amended by deleting Clause 58.

Motion No. 50.

That Bill C-103 be amended by deleting Clause 59.

He said: I hope government Members do not want to hold up this Bill and this Chamber. There are important meetings taking place. There were commitments made prior to this motion of the Minister who represents St. John's West.

• (1850)

I have proposed some 40 amendments. They are all excellent amendments. They were suggested to me by the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan), the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall), and the hon. gentleman in the other place who still, I think, represents Cape Breton to the best of his abilities. They know what is going on in Cape Breton Island more than I, and perhaps more than most Members of this House, if not all Members of this House.

The reason for the amendments is simple. It is to stop the demise of the established Development Corporation and the Development Committee that have been established on Cape Breton Island to further the economic good of that island. That is what this Bill will do.

I am pleading with government Members not to hold up debate on this Bill and to allow us to get through it immediately and then, depending on how the Minister and the government Members behave themselves, we will determine how long we may wish to speak on third reading.

As you know, Mr. Speaker, there is absolutely no time limit under the rules that will restrict me on third reading. There is no time limit whatsoever. On the subject of the Atlantic Canada Opportunities Agency—the "Atlantic Canada overblown agency"—I am allowed to speak indefinitely at third reading. I hope that the government Members will not hold up this Bill this evening. I have another important speech to make in another location only a short distance away.

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, in keeping with my colleague's request, I will be brief. The amendments moved by the Hon. Member suggest the deletion of all the aspects that relate to taking Devco's Industrial Development Division into Enterprise Cape Breton and are unacceptable to the Government of Canada. The impression was given that there was no consultation and that this was just

something that came from somewhere in the annals of Government here in Ottawa. It was suggested by the Cape Breton Advisory Committee, chaired by Dr. Theresa MacNeil, who is now Chairman of Devco, in a report dated September of 1985 in which the Board identified certain matters as barriers to development caused by the confusion of a multiplicity of development agencies.

The Advisory Committee recommended two things. It recommended that a new development agency, Enterprise Cape Breton, independent in matters of policy, management and operations from the coal side of the corporation, Devco, be established. It also recommended that Enterprise Cape Breton should become a one-stop shop to the degree possible by encompassing the industrial development division of Devco and DRIE.

This committee recommended the very thing that is being put into effect in Bill C-103. The rationale behind the efforts contained in Bill C-103 is for better co-ordination of federal economic and industrial development activities in Cape Breton. It is designed to reduce duplication and overlaps. It is also designed to provide one-stop shopping in Cape Breton with regard to economic and industrial development.

As I mentioned before, it is consistent with the recommendations of the Cape Breton Advisory Committee. Adopting the amendments today would counteract all that is being worked on in order to provide that one-stop shopping atmosphere in Cape Breton.

With those comments we certainly recommend that these amendments be defeated.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, very briefly, I must rise to support these amendments. My late grandfather who was latterly from Sydney Mines, Nova Scotia, would have known that these amendments would have made a bad Bill better. That is why I must rise to support them.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: We will now vote on Motion No. 13 standing in the name of the Hon. Member for Gander—Twillingate (Mr. Baker). The vote on Motion No. 13 will apply to Motions Nos. 13 to 32, inclusive, and also Motions Nos. 34 to 50, inclusive.

The question is on Motion No. 13 standing in the name of the Hon. Member for Gander—Twillingate (Mr. Baker). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 114(11), the recorded division on the motion stands deferred.

The House will now proceed to the taking of the deferred division on the report stage of the Bill now before the House.

Call in the Members.

And the division bells having rung:

Mr. Deputy Speaker: Pursuant to Standing Order 13(4)(a), I have been requested by the Chief Government Whip to defer the division until tomorrow at 3 p.m.

It being 6.57 p.m., the House stands adjourned until tomorrow morning at 11 a.m.

The House adjourned at 6.57 p.m.

HOUSE OF COMMONS

Thursday, April 28, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

LABOUR

OCCUPATIONAL HEALTH AND SAFETY

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, I rise today to join with the working men and women of Canada, and indeed with all Canadians, in observing April 28 as the labour movement's national day of mourning to honour workers who are injured or killed on the job, or who suffer work-related diseases, and to draw greater attention to the serious and ever present problem of workplace safety and health.

The number of Canadian workers injured, killed, or made ill in the workplace every year constitutes a national tragedy.

[*Translation*]

The figures speak for themselves. In Canada every year, at least one out of every nine workers suffers a work-related injury. In 1986, the latest year for which full statistics are available, 869 Canadian workers were killed on the job, and 17.5 million person-days were lost due to accidents and injuries.

In addition to untold human suffering, these fatalities and injuries represent a loss of some 16 billion dollars in terms of direct and indirect costs—truly, a terrible burden for Canada.

Mr. Speaker, on this day I call on Hon. Members, on workers and employers and on all Canadians to stand together, resolved that we can and that we shall reduce this terrible toll, and that the price of our progress and our economic growth shall not be the lives and well-being of workers.

As Minister of Labour, this national day of mourning has special significance for me, since 1988 marks the 20th anniversary of the first federal occupational safety and health legislation in Canada.

Much progress has been made in this area over the past 20 years and today we see a growing trend to greater worker and employer involvement in occupational safety and health.

This ongoing trend recognizes that while laws and governmental organizations play an important role, in the final analysis it is the workers and employers who have the greatest role to play in preventing, eliminating or controlling hazards in the workplace.

Mr. Speaker, amendments made to the Canada Labour Code over the years have recognized and strengthened the right of workers to refuse dangerous work, the right of workers to be informed of hazards, and the right of workers and employers to participate in joint safety and health committees. All of these rights depend upon information. Information is the raw material from which are built co-operation and consensus.

[*English*]

The Government supports co-operation and consensus-building, and is always seeking new ways of giving workers and employers greater access to the information they need to prevent occupational injuries and illnesses.

An excellent example of this is the Workplace Hazardous Materials Information System, known as WHMIS. This system, which will come into force nationally by October 31, 1988, is a joint effort of the federal, provincial, and territorial Governments and is the result of several years of consultation between Governments, industry, and organized labour.

The purpose of WHMIS is to establish a uniform identification system for dangerous ingredients in the workplace. It will ensure that the hazardous materials produced, imported, or used within workplaces in Canada are adequately identified by suppliers using standard criteria. It will also ensure that data sheets on hazardous materials are transmitted by suppliers to employers and, subsequently, to employees.

In addition, Mr. Speaker, I am pleased to report that the Government has recently allocated an additional $1.8 million for the Canadian Centre for Occupational Health and Safety in Hamilton. The Centre is a successful example of tripartite co-operation. It is responsible for providing Canadians with information about occupational health and safety which is trustworthy, comprehensive, and intelligible. Its electronic information management system will support WHMIS.

It has demonstrated that the information it supplies results in improvements in the workplace. Workers, managers, and professionals trust the information and use it. That trust is increased by the centre's workshops which bring them together to establish common ground.

We are taking other steps on the legislative front to improve occupational safety and health. On Tuesday last, Bill C-124,

an Act to amend the Canada Labour Code, received second reading in the House. One of the purposes of this Bill is to provide better protection for certain Nova Scotia miners regulated by the Code. Because of the special risks involved in working in the Cape Breton coal mines, this Bill proposes, among other measures, to establish a tripartite coal mining safety commission.

• (1110)

Last year Hon. Members granted expeditious approval to a Bill which allows workers in the Flin Flon mineral area of northern Manitoba to be governed by a single, uniform, and modern set of regulations suited to the mining industry.

As another example of co-operation and consensus-building I would also mention the recent creation of the tripartite committee to look at one of the most dangerous occupations in Canada—the fishing industry. This committee, appointed by the federal and provincial Governments, is expected to make its recommendations this May.

[*Translation*]

As I mentioned earlier, Mr. Speaker, the figures on occupational fatalities and injuries show that we indeed have cause to mourn. But there is also cause for optimism. For instance, in recent years—1985 and 1986—the rate of workers who suffer a work-related injury has been reduced from one in every eight workers to one in every nine workers.

Largely due to better informed employees and employers, this improvement is small, but encouraging. With the help of all concerned Canadians, Mr. Speaker, much has already been done and much more can and will be done to reduce the tragic toll of workplace accidents and illnesses.

[*English*]

After the statements of my colleagues, and with the permission of the House, I suggest that we observe one minute of silence out of respect for today.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to take this opportunity to join Canadian workers who today, on April 28, the labour movement's National Day of Mourning, honour the memory of those who were injured and also, unfortunately, those who were killed in the workplace.

Mr. Speaker, despite the legislation that, over the years, has been passed by this Parliament and by most provinces in Canada, the number of accidents and injuries in the workplace is still too high. I may remind the House that it was in 1968, under the Liberal Government, that the first federal legislation on occupational health and safety was passed.

Today, one worker out of nine is injured by accidents—fewer than in the past—but I say this is still too much. What the statistics do not mention is the story behind the figures we read in the reports released by Statistics Canada.

[*English*]

The real story that statistics do not tell is that despite the fact that only one out of nine workers suffers injury today, a reduction from past figures, the one who suffers this injury must live not with the one out of nine statistics but with 100 per cent in his case. It is very hard on these people and their families.

[*Translation*]

Mr. Speaker, I would like to take this opportunity to highlight the important role played by two well-known Quebecers in improving working conditions and occupational health and safety in the workplace.

First, I would like to mention the Hon. Jean Marchand, who represented the riding of Langelier in the House for many years and was appointed Minister. I think that if it had not been for his influence, the first occupational health and safety legislation passed by Parliament under a Liberal Government in 1968 might not have seen the light of day and been passed at all stages in the House.

Jean Marchand, who was very active in the Confederation of National Trade Unions, both as secretary and president, could not leave Parliament without leaving his mark in this way.

I would also like to mention the work done for many years by another very colourful member of the CNTU, Mr. Michel Chartrand, who was among the first in Quebec to warn about the hazards of the workplace which, at the time, were even more serious than they are today.

Those who have known the verve and eloquence of Michel Chartrand know what I mean, when I say that he defended very vigourously—and that is an understatement—and passionately the cause for better working conditions.

Mr. Speaker, the Party I represent, the Liberal Party of Canada, has always led the way in seeking improved health and safety conditions in the workplace. As I said earlier, it introduced the first piece of legislation in the House in this respect, and also worked with other governments over the years to improve working conditions. More recently, for instance, we helped to expedite legislation to provide for a Workplace Hazardous Materials Information System, the WHMIS. Just two days ago, we were rushing to adopt Bill C-124, whose purpose is to improve safety in coal mines and to create the Coal Mining Safety Commission, which will be responsible for approving equipment and methods used in coal mines.

Mr. Speaker, over the years, conditions in the workplace have changed for the better. There was a time when the workplace, especially construction sites and other industrial environments, was a place where danger lurked on all sides. Today, things have improved a great deal.

Nevertheless, we cannot afford to relax our efforts and so much remains to be done. In fact, the Minister said so earlier in his speech. One Canadian worker injured out of nine is better, but it is still unacceptable. This figure must be brought down, especially since it does not reflect the situation in industries where accidents are far more numerous, and to name just one, I would draw the attention of the House to the fact that among longshoremen in Canadian ports, which are under federal jurisdiction, the accident rate is much higher than the national average.

Finally, I invite Hon. Members from all Parties to join their efforts to improve conditions for Canadian workers.

[*English*]

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I rise today on behalf of my colleagues in the New Democratic Party and myself to join with the Minister and with the spokesman for the Liberal Party in observing April 28 as the labour movement's national day of mourning to honour workers who are injured or killed on the job. May I say that, at some point, we in this Party hope that this will be more than just the labour movement's national day of mourning and that it will be a Canadian day of mourning for workers injured or killed on the job.

Our labour critic, the Hon. Member for Churchill (Mr. Murphy) who is not able to be here today, introduced a Private Member's Bill to that effect on March 15, just one month ago. He introduced Bill C-286, an Act respecting a day of mourning for persons killed or injured in the workplace, which, if passed, would see April 28 designated as a day of mourning in remembrance of persons killed or injured in the workplace. We hope that this Bill may become the instrument by which April 28 will be set aside by all Canadians as a day of remembrance for those killed or injured in the workplace.

• (1120)

I might also say, because I do not think it has been raised to this point, that the origin of choosing April 28 as the labour movement's national day of mourning was done because April 28, 1914 when the first worker safety legislation was introduced in Ontario.

After the rather self-congratulatory comments of the Liberal spokesperson I cannot resist saying that it was some 53 years later, during which time we were governed mostly by Liberal Governments, before we saw the first occupational health and safety legislation at the federal level. It seems to be a sign of the struggle that working people have had over the years to get protective legislation, and it was not until 1968 that we had this kind of legislation at the federal level. Side by side with working people all those years has been the New Democratic Party; before that, the CCF; before that, the Independent Labour Party; and before that, all the predecessors of the movement we represent today. We are very proud to be able to speak today and to lend our voice to this observation.

I come from a community whose oral history is scattered with names of people who have been killed on the job. I come from a railway community. I grew up in a community where so-and-so's grandfather or father was killed on the road or in the shop in such-and-such a year. We often think, when we think of injured workers or workers killed on the job, of the high rates of injury and death for miners, fishermen, and others. I do not in any way mean to diminish that by highlighting what is my own experience, but certainly that is the case with respect to railways and it continues to be.

Just in Winnipeg alone in the last few years a number of people have been killed. Engineer Don McMillan was killed when his unit left the track and went into the overpass at Symington. Last year a road crane fell over and knocked down a pole, which in turn fell on a young railroader killing him instantly. Just a couple of months ago a young woman, a switch person who was studying to be a surgeon, got her arm caught in a knuckle and lost her arm from the elbow down. Obviously she will no longer be able to be a surgeon, but hopefully she will still be able to pursue a successful medical career. These kinds of things are happening all the time, and I think it is only appropriate that we have a day on which we can call attention to them.

The Minister says that the number of Canadian workers injured or killed constitutes a national tragedy. Of course, no one would disagree with him. It is a national tragedy that much more could be done to prevent. We signal to the Minister that we intend to keep putting pressure on this Government, as we have on previous Governments, to keep making improvements.

We are glad to see some of the things that have been done recently—for instance, the institution of the Workplace Hazardous Information System, WMHIS as it is sometimes known for obvious reasons. We are glad to see that, but much more progress must be made. When we debated the Canada Health Act in the House in 1984, I recall that one amendment I moved which was accepted into the preamble of the Act was that health was related to occupational health and safety. That principle is now built into the most fundamental health legislation of our country, and that Government has a mandated right out of the Act itself to pursue that kind of an approach at every opportunity it gets.

The Minister says, "let us all stand together". No one can argue with that, but is standing together the kind of thing that we see in the Railway Safety Act where companies, for violations of safety, are fined $50,000, a drop in the bucket to them, whereas workers are hit with a $10,000 fine? A $10,000 fine is obviously much more significant to workers than a $50,000 fine for the CNR or the CPR, which is hardly more than a licence to break the rules.

As a result of the increasingly competitive economic atmosphere, which the Government is always so proud of trying to worsen through deregulation, free trade, et cetera, a lot of pressure is being put on workers to be what companies

call "more efficient". Often what that efficiency means is taking safety short-cuts. They are often under pressure to take those short-cuts, but if something happens or is found out, then it is the employee who must take the consequences. This is a bind in which rail workers and others are constantly being put. It is a bind which the Minister and others did not try to address in the Railway Safety Act and which they have not addressed adequately. Until they address it, we will not be able to be part of this great "back-patting" exercise that happens on these kinds of days. We will have to say with all sincerity that much more remains to be done and that we do not intend to be silent until it is done.

Mr. Speaker: The House has heard the suggestion of the Hon. Minister of Labour (Mr. Cadieux). I think, given the eloquent statements by both members for the Opposition, that it would be appropriate to ask all Hon. Members to stand with me for one minute's silence.

[*Editor's note: Whereupon the House stood in silence for one minute.*]

* * *

[*Translation*]

COMMITTEES OF THE HOUSE

STRIKING COMMITTEE—PRESENTATION OF 60TH REPORT

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I have the honour to present, in both official languages, the sixtieth report of the Striking Committee.

[*English*]

NATIONAL HEALTH AND WELFARE—THIRD REPORT OF STANDING COMMITTEE

Mr. Bruce Halliday (Oxford): Mr. Speaker, I have the honour to present, in both official languages, the third report of the Standing Committee on National Health and Welfare.

In accordance with its order of reference dated September 24, 1987, your Committee has considered the consultation paper on survivors' benefits under the Canada Pension Plan, and pursuant to Standing Order 99(2) the Committee requests a comprehensive response.

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

* * *

ABORIGINAL AFFAIRS AND NORTHERN DEVELOPMENT

CONCURRENCE IN FOURTH REPORT OF STANDING COMMITTEE

Mr. Jim Fulton (Skeena) moved:

That the fourth report of the Standing Committee on Aboriginal Affairs and Northern Development, presented to the House on Wednesday, March 2, 1988, be concurred in.

• (1130)

He said: Mr. Speaker, I am pleased that this motion is before the House today. It is a matter of long-standing business that needs to be dealt with by Parliament, by the Minister and, I suppose, by the Prime Minister (Mr. Mulroney).

A brief history of what has happened to the Lubicon people is in order. Mr. Justice E. Davie Fulton, the former Minister of Justice of Canada, appeared before the Committee and the Committee took a majority vote to have Mr. Fulton attached as a mediator to the Lubicon matter, something which Mr. Fulton himself felt would be most appropriate. I think Hon. Members would agree that someone who is so widely respected by Canadians, having had a long and brilliant career in politics and as a Justice of the Supreme Court of British Columbia, would be a most appropriate person for this. I suppose it is fair to say that the former Minister of Indian and Northern Affairs, the Hon. Member for Rosedale (Mr. Crombie), took that view in that he appointed Mr. Fulton to prepare a report in relation to the Lubicon matter.

After having heard Mr. Fulton and after having heard representatives of the Lubicon including Chief Bernard Ominayak and his council and others, it was the Committee's firm view that Mr. Fulton could most appropriately act as a mediator in the matter between the Government of Canada, the Lubicon band, and obviously the Government of Alberta. We felt that the Standing Committee on Aboriginal Affairs ought to be used as a conduit to try to achieve a satisfactory resolution to a long outstanding matter.

I think many Members of the House are unaware of the history and evolution of the sacred international treaties between the First Nations of Canada and various agencies of the Crown. In the case of some of the initial treaties in my Province of British Columbia, the Governor at the time, Governor Douglas, obtained and created treaties with 14 of the nations on Vancouver Island, and those are international treaties as has been recognized by the courts of British Columbia. Certainly the treaties from the Prairies, Treaty 6, Treaty 8 and others, particularly from Alberta, are also recognized internationally as sacred treaties which are legally binding on the Crown.

Just to give Hon. Members a brief synopsis of the history, back in 1899, because the band was not located on a main waterway, it was missed by the Treaty 8 party and scrip commissioners. They were travelling in that area of Alberta and northwestern British Columbia, preparing lists of aboriginal populations for the preparation of Treaty 8. For reasons of speed, I suppose, the Lubicon people were not included in the evaluations that were done in 1899 just prior to the signing of Treaty 8.

In 1939, the band was visited by officials of Indian Affairs who recognized them as as separate band and promised them a reserve. The band membership list was drawn up and was left open so that the names of members who were in the bush, at work, or elsewhere could be added at a later date.

In 1939 and 1940 land on the western end of Lubicon Lake was chosen as a reserve and was approved by both levels of Government—Alberta and Canada. In 1942 a member of the Department of Indian Affairs named McCrimmon decided to close the band membership list and to remove names of persons not registered by 1912, thereby taking retroactive action in removing names from the list after a third of a century. The incomplete Lubicon band list was then cut from 154 to 64 persons.

In 1943 and 1944 the report of Judge McKeen and a judicial inquiry under Judge McDonald came out in favour of the band regarding membership lists, but this was again shelved by the Department. In 1952, due to numerous oil company inquiries about the area, Alberta brought the question of the reserve to federal attention once more.

In 1952 and 1953 the local Indian agent determined that the Lubicon site was "too isolated and inconvenient", and met with the band to try to get them to agree to another site. Later in 1953 the Province gave the federal Government a 30-day ultimatum about the reserve, assuming that the reserve would be struck from the record if no reply was received. The federal Government did not reply.

Between 1952 and 1973, attempts were made to eliminate the band through transfer—illegitimate transfer, as I might point out—of band members to other bands and through enfranchisement.

In 1954 a mission school was built at Little Buffalo Lake and families gradually moved there to allow their children to attend school.

In 1970 an all-weather road was constructed by the provincial Government from Peace River to the Lubicon lands.

In 1973 the band's existence as as separate band was confirmed by Order in Council, and in 1975 the band tried to file a caveat to serve notice of their unextinguished aboriginal claim. The Province refused to accept the caveat and the hearing was postponed until a similar case in the Northwest Territories was concluded.

Of course, when that case was concluded in 1976, it came out against the native people but stated that had the law there been the same as in Alberta the result would have been the opposite, sending a very clear signal to both levels of Government to move and to move expeditiously to settle the outstanding claim, rights, and title of the Lubicon people.

A serious hitch came along in 1977. The provincial Government changed the law retroactively by passing Bill 29, and the Lubicon's case was then dismissed.

In 1980 many oil companies began operations in the area. These operations included the bulldozing of roads, the drilling of wells, and the building of pipelines. The band's self-sufficient traditional lifestyle was suddenly no longer possible. Moose had been the main source of meat, and the number of moose killed declined drastically from 120 in 1982 to 27 in 1983 and down to three in 1984.

We can see that the game were moving rapidly out of the area. As Mr. Justice E. Davie Fulton concluded in his report, the impact of the 400 gas and oil wells, the construction of the pipelines, and fires at the drill sites had razed over 600 square miles of territory traditionally used for hunting and trapping by the Lubicon people. That territory had been laid to waste.

I think Hon. Members should recall what Mr. Justice Peter Seaton had to say on the Meares Island case, a case that I think Members of the House should take the time to read. Mr. Justice Peter Seaton said that there are few if any imaginable aboriginal rights left after an area has been clear cut. I think the same understanding of the situation was related by Mr. Justice E. Davie Fulton in relation to this area that was burned and developed, an area historically used for not just thousands of years but for 10,000 or more years by the Lubicon-Cree.

In 1981 the community was declared a provincial hamlet and people were told to apply for leases to their land or to accept it as a gift. The Province then stated that the community could not be part of the land claim since it was now a provincial hamlet.

In 1982 the band applied for an injunction preventing further development, and the injunction was denied. The judge decided that the Indian way of life does not exist and that something that does not exist cannot be damaged.

In 1984 a fact-finding mission of the World Council of Churches substantiated the Lubicon's allegations of injustice. In that same year band members were told by the Province to remove unauthorized fences, corrals, and houses. They were told to apply for provincial leases or to purchase the land in order to keep their property there. The band responded by saying that they had never ceded their traditional lands and recognized no authority of the provincial Government over those lands. To apply for leases from the Province would recognize its authority and weaken their land claim.

In 1985 Mr. Justice E. Davie Fulton was appointed by the federal Government to study the situation, and his report is now well known, at least to those who have interest in this matter. In 1986 negotiations began but quickly broke down when it became apparent that promises to negotiate on the basis of the Fulton report were not being honoured and, in the same year, a boycott of the 1988 Calgary Winter Olympics was announced by the band to draw attention to their desperate situation and to denounce the actions of a provincial Government that would be receiving much attention and prestige from the event.

By 1987 the band was once again asked by the federal Government to negotiate on the basis of the Fulton report, as well as for the public release of the report and to have Fulton on as a mediator.

This issue has been given not just broad provincial coverage in Alberta by the media there and by newspapers, television, and radio nationally but also internationally. The plight of the Lubicon people and the mistreatment and maltreatment of them by both the Alberta Government and the federal Government have received notorious attention around the world. There are reasons for that.

• (1140)

The Minister responsible for Alberta Native Affairs, Milton Pahl, went so far as to tell the Alberta Legislature in 1984 that the Lubicon-Cree do not exist. He said: "They may have as few as nine members". Resistance by the Alberta and federal Governments to the band has been strong enough to attract attention from the international human rights community. The director of the program to combat racism of the World Council of Churches in Geneva studied the case in 1983 and concluded that in the last couple of years the Alberta provincial Government and dozens of multinational oil companies have taken actions that could have genocidal consequences.

The United Nations Human Rights Committee studied the case for three years and concluded last summer that the rights of the Lubicon-Cree were being seriously abused. A full hearing of the case is to be held later this year in Geneva.

While E. Davie Fulton was studying the matter for the Government of Canada and the Lubicon people, he had a number of things to say. He was interviewed by John Goddard in an excellent article published in *Saturday Night* magazine in February of this year. In relation to the exploratory and development work done on the lands of the Lubicon, the article indicates:

> Fulton expressed surprise at the extent of the work. Nearly 400 oil wells had been drilled within a ten-mile radius of Little Buffalo. Fulton also expressed surprise at the fire damage: 641 square miles of bush destroyed in the first three years of the oil boom... "I have seen the terrible effects of development"...
>
> "I want to try to do something about it."... I now realize that there are an appreciable number of Indians in Canada proper whose situations have never been settled"... "This particular band, God help them, was promised a settlement in 1940, and they're still waiting for it forty-seven years later. Their situation cries out for just and equitable treatment".

That is what the former Minister of Justice under John Diefenbaker and a former Justice of the Supreme Court had to say. The article continues:

> The Member for Peace River, Jack Sissons (later the famous flying judge of the far north), declared himself "incensed," and summarized numerous complaints for the Minister: "that striking these persons off the lists was arbitrary, discreditable and indefensible; that these were Hitler tactics; that the Government has broken faith with the Indians; that the action indicates that there is in the Department lack of proper knowledge of the Indians and the territory; that the Indians are being treated like dogs; that this is oppression of the weak by the strong; that these people have no one to fight for them; that the Department is indifferent and unsympathetic to the welfare of the Indians; and generally that the action is contrary to both the spirit and the letter of the Indian Act."

That is pretty strong language, but I think it hits the nail on the head. Mr. Fulton, who the Committee has proposed to act as a mediator, has accepted in principle the need for someone of his experience and understanding of the matter. He is now 71 years of age. He was the federal Justice Minister and Attorney General of Canada from 1957 to 1962 and a B.C. Supreme Court Judge from 1973 to 1981. As Don Braid pointed out in an article written earlier this year:

> There's only one move that will work. Bill McKnight should call and ask him to mediate the claim.
>
> The number's in the book, under LAWYERS. Fulton answers his phone very quickly these days.

A matter which occurred earlier this year also deserves the attention of all Members of this House. The Committee is disturbed and concerned about it. I know that my friend, the Hon. Member for Cochrane—Superior (Mr. Penner), will have much to say about the problems which have been created by the present Minister of Indian Affairs and Northern Development (Mr. McKnight) by his lack of attention to how this situation has caused such great concern in Canada and internationally.

As was pointed out by the national Chief of the Assembly of First Nations in an article in the *Calgary Herald* under the headline "McKnight in conflict of interest: native leader":

> Indian Affairs Minister Bill McKnight has bungled the Lubicon land claim and his entire portfolio and must be replaced, says the national chief of the Assembly of First Nations.
>
> Erasmus said McKnight is in conflict of interest, responsible for Indians as well as Minister in charge of the western diversification fund, which has given $9.5 million to a Japanese pulp company given timber rights on the Lubicon's traditional territory.
>
> Erasmus blasted the federal Government's offer last week of $500,000 compensation to the Lubicons for lost treaty benefits.
>
> "He offers half a million dollars for lost treaty benefits to the Crees of Lubicon, who never signed a treaty, then he hands a foreign company 19 times that much, $9.5 million, plus the timber resources of the Lubicons ... it's an outrage."

We know that the Government of Alberta has agreed, without ever tendering so that Canadian companies could bid on the lands or others could be involved in a democratically appropriate process, to transfer 11,000 square miles to Daishowa pulp company earlier this year. The conflict of interest was very clear and I confirmed it with departmental officials. A cabinet order required the Minister of Indian Affairs, in his responsibilities for both that and the Western Diversification office, to conduct an initial environmental impact evaluation of the proposal to build a pulp mill on the Peace River, both in terms of its impact on the Lubicon people and also in terms of its impact on federal matters, aboriginal matters, and aboriginal lands, particularly those that lie in the Lubicon traditional territory and in Wood Buffalo National Park. That was never done.

Therefore, the Minister is clearly in a conflict of interest for providing money to the Daishowa pulp project without having

complied with a cabinet order. He also has not stood up for the sacred trust responsibility he has to the Lubicon people by allowing the very lands which were under negotiation to be transferred untendered, lock, stock, and barrel, to a foreign-owned corporation.

In February the all-Party House of Commons Standing Committee on Aboriginal Affairs, of which I am a member, urged the appointment of Conservative Justice Minister Davie Fulton to reach a settlement in the band dispute. An article in *The Globe and Mail* of February 10, 1988, by Graham Fraser reads:

> The former British Columbia Supreme Court justice said yesterday that he is prepared at any time to take part in the negotiations.
>
> "I'm anxious to do anything I can to bring about a just and equitable solution," he told The Aboriginal and Northern Affairs Committee.
>
> Mr. Fulton said he feels that within three to six months, it should be possible to see if there is a basis for agreement.

Today we could well have been on the verge of a satisfactory settlement for the Lubicon people, if the Minister had seen fit to put a very knowledgeable and respected Canadian at the helm of a process which he and the Governments of Canada and Alberta have bungled so badly for so many years.

The article goes on to say:

> However, he also told the committee that Indian and Northern Affairs Minister William McKnight is opposed to his involvement in the issue.
>
> "He has stated that he feels that I have stated an opinion that is unacceptable to the Government of Canada, and that on that basis, I would be a prejudiced party," Mr. Fulton said. "His opinion is based on a misreading of my report."

In relation to the impact of recent years of development he said:

> As a result ... it became impossible for the Lubicon to continue hunting and trapping on the land.
>
> In 1940, the federal Government agreed to grant the band about 50 hectares per individual, based on a population of 127, which would have amounted to about 65 square kilometers.
>
> The Alberta Government has agreed to this amount, but no more, and has said it will challenge any figure above that.

The proposed pulp mill is an irritant which must be overcome. The Government of Canada must take its responsibility much more seriously. There are no signs of that from the present Minister and I think it is now up to the Prime Minister to take the bull by the horns and either replace the Minister or accept the recommendation which was put forward in good faith by all members of the Standing Committee.

This is not only an NDP idea or a Liberal idea or a Conservative idea. Members from all three Parties made a very serious recommendation, after having heard evidence which the Minister never heard, after after having heard E. Davie Fulton, after having studied the issue and heard the views of Albertans, and having heard recommendations of sources from around the country including the First Nations of Canada and others.

We should listen, from time to time, to pressure from people such as Archbishop Ted Scott, the President of the Canadian Council of Churches, who telexed the Prime Minister following the decision made by the Standing Committee on this matter. On behalf of the Canadian Council of Churches, Archbishop Scott urged the Prime Minister "to immediately implement the resolution passed today by the Standing Committee on Aboriginal Affairs and Northern Development calling on the Government of Canada to initiate bilateral negotiations with the Lubicon Lake Indian band over the next six months and to appoint the Hon. E. Davie Fulton as mediator in a determined effort to seek a just settlement on this long, outstanding land claims dispute". That is from the February 9 telex message from Ted Scott to the Prime Minister.

• (1150)

There are groups in Canada and groups around the world that take this issue very seriously. The Standing Committee has an opportunity, two months after we made this recommendation, to reflect on the fact that there has been very little progress in these many months since we tried to stimulate at least the process that had some hope of success. Rather than that, we have seen the Government of Alberta and the Government of Canada continue, both here in Canada and at the international level, to try to block the legitimate aspirations of the Lubicon people for a fair settlement.

As First Nations and as original inhabitants and occupants of Canada, I think it is high time this Parliament listened carefully and involved someone such as E. Davie Fulton as a mediator to find a just settlement.

Mr. Hovdebo: Mr. Speaker, the Hon. Member talked about the reduction of the population of the Lubicon band in 1944 from 164 to 127 persons. What was the basis for this reduction? What was the effect of that as far as the band and its claims were concerned?

Mr. Fulton: Mr. Speaker, that question is key to the kind of jiggery-pokery that has gone on for a long time, both at the bureaucratic and political level.

In 1942 a man named McCrimmon, a paid bureaucratic with the Department of Indian Affairs, decided to close the band membership list and remove the names of persons not registered by 1912. A bureaucrat unilaterally decided that 30 years of history would be suddenly undone and that all of those individuals who had been added during that 30-year period would simply be wiped off the list. That cut the Lubicon Lake band list from 154 to 64 persons.

We can see that that kind of thought process has continued throughout this century. I quoted Milton Pahl speaking in the Alberta Legislature, who claimed just three years ago that there were only nine Lubicons and that the Lubicon band did not exist.

The fact is that the Lubicons, who had an extensive genealogical survey done, have continued to point out that at least as of November last year there were 457 Lubicon people. That is the basis of the dispute being put forward by the Minister of Indian Affairs and Northern Development in the House. He claims that that may not be the right number. The Government of Alberta would like to claim that there are no Lubicons, but national and international opinion has turned against that kind of blindness to reality.

Over 500 bands in this country face a continuing problem in having Canadians, particularly elected Governments, understand the basis of their claim that they were original occupants of North America when the French and English arrived. Even at the time when Columbus was lost at sea this hemisphere was very heavily occupied.

Historians now believe that at the time of contact there were as many as 400,000 aboriginal occupants on the coast of the Pacific northwest. Let us recognize the treaties as being the sacred international documents they are. This is something against which the Secretary of State for External Affairs (Mr. Clark) has been fighting in Geneva.

The Minister of Labour (Mr. Cadieux) and others have been fighting against this at the ILO. We have to understand that these are sovereign people who were the original occupants of this continent.

The Supreme Court of Canada, the highest court in this land, recognized unanimously in 1972 that aboriginal title exists and is outstanding in Canada. How Parliaments and Legislatures go about settling that is something the court has backed away from for many years. In fact, there was a three-three tie on the famed Calder case. Rather than making a decision, it wanted legislatures to negotiate and arrive at fair settlements. That is something that neither Premier Getty nor the Prime Minister are prepared to do at this point for the Lubicons and other outstanding specific and comprehensive claims.

The numbers game that was illegitimately played in 1942 by Mr. McCrimmon has been attempted again by Milton Pahl in the Alberta Legislature and by the Prime Minister. I think it is high time that we recognize the rights of the Lubicon people to determine their membership and get on with the important job of finding a mediator, such as Mr. Fulton, who can bring about a fair and just settlement.

Mr. Hawkes: Mr. Speaker, I am a Member of Parliament from Calgary, Alberta. I have been in this Chamber and lived through public policies that have hurt western Canada, put people out of work, created unemployment, created wife beating and child abuse.

I have been particularly proud to stand up in this Chamber and participate in introducing legislation to redress those wrongs.

It is almost twelve o'clock and we are on Routine Proceedings. We are having a debate on concurrence in a committee report—

Mr. Riis: It is called native people.

Mr. Hawkes: —deliberately designed by the New Democratic Party, with the participation of that Member in a filibuster, to stop this House from passing the western diversification Bill. Western Canada needs this diversification Bill. It has been filibustered at various stages in this Chamber.

Yesterday they were trying to filibuster regional help for Atlantic Canada, but we had extended hours so that we could have a full and complete debate and still move toward passage of the legislation.

There is important public business to be done. Ordinary Canadians need and want legislation designed to help them. I say to Members opposite that they should not allow the results of the Manitoba election to scare them unduly about a federal election. We should be getting co-operation from the other side so that we can complete the agenda and go to the people. It is time for them to stop talking out of both sides of their mouths. They say out of one side that they want an election, but when one looks at their behaviour one sees that they are stopping good, positive legislation. They are filibustering because they do not really want an election. If so, they would stop this filibustering.

Mr. Fulton: Mr. Speaker, we certainly just heard from both sides of the mouth. It was a Conservative Member from Calgary who joined with my friend, the Member for Cochrane—Superior (Mr. Penner), and I to bring this matter before the House of Commons.

The aboriginal people of Alberta should recognize what that Member is talking about. This is the first opportunity the House has had to hear a very important recommendation from an all-Party Committee on a vote that was supported by another Conservative Member from Calgary. I wonder where that Member is today, to speak in support of getting some kind of action to get the Minister of Indian Affairs and Northern Development to move to involve E. Davie Fulton.

Mr. Lewis: Did you give him notice?

Mr. Fulton: What do the Conservatives have against E. Davie Fulton? He was the Minister of Justice with John Diefenbaker. He was on the Supreme Court of British Columbia. He is a notoriously brilliant lawyer and politician, respected on all sides of the House.

The Hon. Member for Calgary West (Mr. Hawkes) says that there is a filibuster taking place. The fact is that the Conservative Government is not doing anything for aboriginal people. It is not doing anything for the first citizens of the country. It is high bloody time Members like the Member from Calgary stop talking out of both sides of their mouths. Perhaps he should talk to his colleague from Calgary and find

out what the people of Alberta really think about that kind of nonsense.

• (1200)

Mr. Deputy Speaker: Resuming debate, the Hon. Minister of State.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I move:

That the House do now proceed to Orders of the Day.

Mr. Riis: Mr. Speaker, I rise on a point of order. I just want to make the point that the Government is curtailing debate on a matter of importance to the native people across this country. It is muzzling debate. This is the one chance we have had to raise native issues in the last number of months, and the Government is curtailing that debate.

Mr. Penner: Mr. Speaker—

Mr. Deputy Speaker: This is not a debatable motion. I do not want a debate on the motion.

Mr. Lewis moved, seconded by Mr. Hawkes, that the House do now proceed to Orders of the Day.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Lewis), which was agreed to on the following division:

(Division No. 338)

YEAS

Members

Bertrand	Champagne (Champlain)	Côté (Lac-Saint-Jean)
Binns	Clark (Yellowhead)	Crosby (Halifax West)
Blais	Cochrane	Crouse
Boyer	Collins	Daubney
Brightwell	Cook	Della Noce
Cadieux	Cossitt	Dorin
Caldwell	Duplessis	Kempling
Cardiff	Epp (Provencher)	King
Fennell	Fontaine	Landry
Fraleigh	Friesen	Leblanc
Girard	Gray (Bonaventure—Îles-de-la-Madeleine)	Lewis
Greenaway	Grisé	MacKay
Guilbault (Drummond)	Gustafson	Mazankowski
Halliday	Hawkes	McCain
Hicks	Holtmann	McCrossan
Horner	Jacques	McCuish
Jourdenais		McKenzie
McKinnon	Reimer	
McKnight	Ricard	
McMillan	St. Germain	
Merrithew	Schellenberg (Nanaimo—Alberni)	
Minaker	Scott (Hamilton—Wentworth)	
Moore	Sparrow	
Nickerson	Stackhouse	
Nowlan	Stevens	
Oberle	Tardif (Charlesbourg)	
Peterson	Taylor	
Price	Thacker	
Redway	Towers	
Tupper		
Valcourt		
Vankoughnet		
Vézina		
Vincent		
White		
Winegard		
Wise—82		

NAYS

Members

Allmand	Fulton	Nicholson (Trinity)
Althouse	Gagliano	Nunziata
Axworthy	Garneau	Orlikow
Benjamin	Gauthier	Ouellet
Blackburn (Brant)	Grondin	Parry
Blaikie	Guilbault (Saint-Jacques)	Penner
Boudria	Harris	Prud'homme
Caccia	Heap	Riis
de Jong	Hovdebo	Rompkey
Dewar	Jewett	Skelly—38
Epp (Thunder Bay—Nipigon)	MacLellan	
Finestone	Malépart	
Foster	Marchi	
McCurdy		
McLaughlin		

• (1230)

Mr. Deputy Speaker: I declare the motion carried.

[*Translation*]

Mr. Deputy Speaker: I wish to inform the House that further to the Minister's statement, Government Orders will be extended by 22 minutes as of 1 p.m. today.

GOVERNMENT ORDERS

[*English*]

WESTERN ECONOMIC DIVERSIFICATION ACT

MEASURE TO ENACT

The House proceeded to the consideration of Bill C-113, an Act to promote the development and diversification of the economy of Western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts, as reported (with an amendment) from a legislative committee.

Hon. Don Mazankowski (for the Prime Minister) moved that the Bill be concurred in.

Motion agreed to.

Mr. Mazankowski (for the Prime Minister) moved that the Bill be read the third time and passed.

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, we have seen another performance by the western New Democratic Party members. They have contradicted themselves again. They say that they want western diversification and that they want an improvement in the western economy.

Today we have before us a Bill that will do just what the New Democrats say they would like to see happen. However, what do we get? We get a filibuster from them by introducing a report from a committee—

Mr. Riis: Mr. Speaker, I rise on a point of order. I am seeking some clarification in light of the Hon. Member's remarks. We are now beginning third reading debate on western diversification. The Hon. Member is the first speaker, and we are looking forward to a lengthy debate to make sure that all aspects of western economic development are covered. I am curious about the Hon. Member saying that for some reason this matter is not proceeding expeditiously.

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Parliamentary Secretary.

• (1240)

Mr. Friesen: Mr. Speaker, as I was saying, we want to debate and pass legislation that would diversify the western economy and create the kind of jobs that all of us in western Canada would like to see created. However, the Hon. Member for Skeena (Mr. Fulton), who says that he would like to see the economy diversify and would like to see jobs created in western Canada and in his own riding, introduced a motion to debate a committee report for which an agreement is already in process, just so that he can slow down debate. I find that reprehensible.

It is my pleasure to speak on third reading of Bill C-113—

Mr. Fulton: Mr. Speaker, I rise on a point of order. I would like some clarification from the Hon. Member. The debate that started this morning in relation to the Lubicon resulted from a report and a vote taken by the Standing Committee on Aboriginal Affairs, and it was properly put before the House—

The Acting Speaker (Mr. Paproski): That is not a point of order. We have just taken a vote on whatever happened this morning. The Chair recognizes the Hon. Parliamentary Secretary.

Mr. Friesen: There you see it again, Mr. Speaker. When we are trying to debate this Bill, we get interruptions. I wish the members of the NDP would become serious about this and would let us pass this legislation.

As I was saying, this is an Act to promote the development and diversification of the economy of western Canada. This Government came to power committed to a new approach to regional development. Bill C-113, similar legislation for the Atlantic region and regional initiatives in Ontario and Québec demonstrate that this Government is making the effort to change long established institutional practices in a way that more accurately reflects the regional realities of Canada.

I was pleased to see that the legislative committee and Members of the House have been able to deal with this Bill so quickly. We hope that we have speedy approval here today.

I find that there is widespread support for the western diversification initiative, but there is a certain impatience because we do not already have in place this important legislative tool to do the job that the Prime Minister (Mr. Mulroney) set out for us last August when he announced the initiative.

In designing the western diversification initiative and the present legislation, westerners in the business community, labour, and Government expressed their concerns and gave their ideas on what they would like to see the federal Government do to encourage development in the West. This initiative has benefitted from their contributions.

In Government, I would particularly like to draw attention to the Deputy Prime Minister (Mr. Mazankowski) and to my other western colleagues for the work they have done in bringing forward this initiative.

Now that Hon. Members have had time to review the legislation, they will see that the work was well worth the effort. A piece of enabling legislation has been put forward that provides a solid foundation for building an effective Department specifically designed to meet the needs and conditions of the West.

Natural resources are the West's major economic strength and its major economic weakness. Our reliance on producing a few commodities leaves us exposed to downturns in the economy that result in depressed sales and prices. If there is one thing on which westerners are agreed, it is on the need to even out the economic roller-coaster through diversification of the economy.

Diversification is not something that can be commanded or directed from Ottawa. It must come from the people in the West with ideas, talent, and commitment. Only they can seize the opportunities available.

We know from discussions with westerners and from the nearly 3,000 proposals, the 4,000 office visits, and the 50,000 telephone inquiries received by western diversification that the ideas are there as are the people who can put them into action.

This Government has done much to create the right climate for economic growth and investment and to reinvigorate the West. In coming to the aid of western farmers, removing

unjust energy policies and taxes, and helping the transportation sector, we have released new vitality and economic renewal. The western diversification initiative is now encouraging, directly and indirectly, the people and the enterprises with the good ideas to diversify the economy and thus make it less vulnerable.

The purpose of Bill C-113 is to promote development and diversification in the West and to advance the interests of the West in federal decision-making. In other words, westerners will now have a Department to which they can turn for assistance and which speaks for their interests in government.

In the West we know that the distance from Ottawa to Saskatoon is much greater than the distance from Saskatoon to Ottawa. The new Department and the Deputy Minister are to be based in Edmonton. Regional offices with Assistant Deputy Ministers in charge are to be located in Vancouver, Saskatoon, and Winnipeg. Westerners will have easy access to the Department and senior officials will be more in tune with the concerns and problems of the West. The office will promote a regionally based, not Ottawa imposed, approach to economic development.

Pathfinding is an important function of these offices. Small businesses often cannot afford the time or expense to look for government assistance. To date, more than 70 firms have been assisted in finding appropriate government support outside that offered by western diversification.

The Ottawa liaison office will perform the advocacy role. The Bill gives the Minister authority to guide and lead in the creation of government policies and programs for the West. As well, the Minister and the Department have the power to formulate plans and integrated strategies and, where appropriate, to oversee them.

We heard in the Commons debate during second reading that the Ottawa office lacked the capability to perform its important advocacy role. The Opposition seemed to be suggesting that the Department should be Ottawa based. I want to assure Hon. Members that we do not share that view. The Ottawa office will, however, be staffed in numbers and in rank sufficient to do the job. Already the office is having an impact, and its influence will grow in shaping national policies and national expenditures from a western point of view.

The use of these advocacy powers at the centre of government will ensure that government actions are sensitive to western concerns and issues. Furthermore, the Department will work to overcome piecemeal approaches to development and diversification.

The Government recognizes that small and medium-sized enterprises offer great potential for achieving economic diversification. Statistics Canada tells us that firms with fewer than 20 employees were responsible for 80 per cent of all net job creation in the West in the years 1978 to 1984. Seventy-five per cent of these new jobs came from firms that did not exist before 1978. We know from western diversification's own records that small business is interested in the type of support western diversification offers.

Western diversification is responsive to small business. Many of the projects approved for support have been awarded to small businesses. Roughly 70 per cent of approvals have been for funds less than $100,000. This assistance has been given under existing authorities. With passage of the legislation, the Department will give special attention to how to further encourage these types of enterprises.

The legislation is not restrictive. If WD can achieve its objectives by working with larger enterprises, the Department has the authority to act. WD is particularly interested in supporting endeavours that will have widespread systemic effects that ripple through an economic sector to benefit both small and large enterprises.

One of the main thrusts of the western diversification initiative is the Western Diversification Fund. The legislation authorizes ways in which the Department can offer financial assistance for proposals that further diversification.

The legislative committee heard that small business in the West is not looking for government hand-outs. They expressed a particular desire for federal government support to make up for the inadequacies of existing financial institutions that fail to meet the financing needs.

• (1250)

The legislation before us today gives the Department of Western Economic Diversification the power to offer loans, loan guarantees, and credit insurance. The Department will be in a better position to complement existing financial institutions and services by being able to offer a wide range of financial assistance once this Bill is passed.

Again we heard of the desire for federal support for small business development corporations and other innovative arrangements to respond to local initiatives. The present legislation gives WD the authority and the flexibility to participate in any such arrangements that will improve the business environment in the West and lead to economic diversification.

Flexibility and innovation will be the keys to success. We know that the problems of the West cannot be solved by simply throwing money at them. However, financial assistance can be effective if used strategically to help implement initiatives that create new opportunities for an economic sector or open up new areas of economic activity.

To date western diversification has been restricted in the financial assistance it can offer. With passage of the legislation the Department will have more options to tailor financial assistance better to the needs of people and business with good ideas.

In broad terms western diversification wants to encourage investments in areas that promote new technologies, develop

new markets, replace products that the West imports, make use of under-utilized resources, and increase productivity.

The legislation before us is innovative and long overdue. The problems of the West are real, and we have an obligation to see that the institutions and policies are put in place to deal with them. This legislation enables us to get on with the job.

The new Department created by this legislation will give the West a strong voice in contributing to national decision-making, in influencing the machinery of government to respond more effectively and equitably to western needs, and in gaining greater access to national economic programs.

The Department will administer its programs and the Western Diversification Fund in a manner designed to broaden the economic base of the West. The Department, in summary, has the co-ordinating role of a central agency and the operating role of a line Department.

The legislation provides a firm foundation for an innovative new approach to regional development and for tackling the problems holding back diversification of the western economy. The quicker we can get on with the job the better. I urge speedy approval of Bill C-113. Therefore I move:

> That the House continue to sit through the lunch hour for the purpose of continuing consideration of Bill C-113, an Act to promote the development and diversification of the economy of Western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion. Will those Members who object to the motion please rise in their places?

And fewer than 15 Members having risen:

The Acting Speaker (Mr. Paproski): There being fewer than 15 Members rising in objection to the motion, the motion is deemed to be carried.

Motion agreed to.

Mr. Fulton: Mr. Speaker, I rise on questions and comments.

The Acting Speaker (Mr. Paproski): There is no provision for questions and comments at this time.

Mr. Althouse: Mr. Speaker, I wonder whether you would review Standing Order 55(1) which seems to indicate that there is a 10-minute question period provided for after such a speech.

The Acting Speaker (Mr. Paproski): I bring to the attention of the Hon. Member that we are at third reading. The first two Members speaking have unlimited time. After that Members are allotted 20 minutes for their speeches, plus a 10-minute period for questions and comments.

Therefore, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy) has the floor on debate.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, every Member of the House, particularly those from western Canada, supports western diversification. The issue in this debate is whether this is the most effective, most useful, and most productive way of achieving it. Unfortunately the Government has tried to pretend that western diversification only starts with the passage of this Bill. Unfortunately it ignores the other initiatives and programs which have been applied to western Canada. It has made no attempt to learn from those programs what the basic federal responsibility and requirements should be.

Part of the reason for that has been the haste. An almost frantic anxiety over this Bill was most clearly demonstrated when the Bill was given second reading, after very moderate debate, and Conservative members of the committee undertook to embargo any kind of committee work whatsoever. There were no representations, no witnesses, and no examination. They tried to railroad the Bill right through Parliament. It was only after we appealed to the Chair that we be given our minimal parliamentary rights that we were able to rescind the incredible Draconian suppression of parliamentary prerogatives and rights. Even then we were allowed the sum total of three and four witnesses, even though there was a much more extensive list of people who wanted to attend.

Putting into place legislation as important as this one would have assumed that there should have been broad and extensive consultation. There was much greater anxiety to have an election goodie on the Government's list of achievements than to have good legislation. There was no effort to think carefully through what was being done. There are some very serious flaws in the legislation which will handicap the efforts of future Governments to apply the resources and initiatives required in western Canada.

One reason for that is that there is once again a major difference in philosophy. The Government in power believes that the only way to develop a country or region is through individual activities and individual enterprises. It sees no constructive, positive, creative roles for the public sector working in partnership with private business. There is a blindfold on what has been the genius of Canadian history, that is, the development of this country through a mixed economy, a combined effort of various public and private sector initiatives.

It has often been the public sector which has had to make the major, strategic choice and has tried to put out a blueprint. It has not simply left it up to the market-place to determine what will be developed and how and where it will be developed. That is of particular importance in a region like western Canada where there is not a large private sector. We do not have big corporations and vast networks of businesses such as exist in southern Ontario. That is why public sector involvement has been very crucial, yet all we have seen since the Government came to power in 1984 is the dismemberment of many important development initiatives by the public sector in western Canada.

• (1300)

Let us use the example of Petro-Canada, a Crown corporation. The previous Government had established a research centre called Canertech, which was to provide special funding and initiatives in the area of renewable resources. It was to find an alternative, such as ethynol or hydrogen power, so that we could get away from the idea that our energy is based solely upon non-renewable resources. That institute was cancelled even though it had established a very good working relationship with a number of businesses and research institutions. Petro-Canada wiped out the jobs of 280 research workers in its own organization.

The Prime Minister (Mr. Mulroney) says that what we really require in Canada is more research and development. He says that we need more scientists, engineers, and others working in practical areas of research. Yet, his own Crown corporation closes down its research facilities in the City of Calgary, throwing 280 people out on the streets.

How can the Government talk about research and development when it is retreating from that important field? Must we rely on a small business with a cash flow of perhaps $4 million or $5 million to duplicate what Petro-Canada did? Of course it cannot be done. Research is not taking place because the Government does not recognize the effectiveness of having public sector initiated research and development. It has a blind ideological obsession that the private sector is good and the public sector is bad. It is a kind of Manichaean dichotomy about what is good and what is bad in the world.

There must be a proper balance between the two in western Canada. The western diversification fund does not provide the kind of blueprint by which western Canada will be able to enter an economy that is increasingly dominated by high technology and information sciences. Most small and medium sized businesses do not have the capacity to mount the kind of research and development that goes into these areas.

I want to refer to an interesting document entitled "Innovation Policy in the Western Provinces". It was put out by the Organization for Economic Co-operation and Development, perhaps one of the best known and most highly regarded economic research institutions in the world. It deals with the economic requirements of the major industrial states.

What are the primary recommendations in this document? One is that there must be a number of public sector infrastructure investments at both the provincial and federal level in order to ensure that the western Canadian economy in the four western provinces acquires the capacity to mobilize resources to compete in a high-tech age. Yet the western diversification legislation excludes investment infrastructure, the very thing the organization says that we need. It cannot be done with this Bill.

Since 1970 the federal Government of the day invested in over 30 research centres in western Canada. These were situated at universities or independent organizations in a deliberate attempt to counterbalance the concentration of scientific activity in central Canada and to make sure western Canada had adequate opportunities in such areas as microelectronics, biotechnology, and industrial research. Many of those were closed down by the Government, or the funding was restricted.

At one time the National Research Council had over 5,000 personnel in western Canada. That number has decreased as a result of cut-backs.

The advocates of this legislation say that they are trying to encourage the diversification of the western economy, but the fact is they have been the culprits in cutting back and removing the kind of investment that would be required to bring about that development. This legislation does not address that issue.

Let me also point out what I believe is a fraudulent statement on the part of the Parliamentary Secretary who introduced third reading, as well as other Members. They suggested that this will represent the opening round of opportunities for western businesses to get loans and grants in order to expand their businesses or work in new areas. That is a falsehood.

Is the Parliamentary Secretary totally unaware of the Economic Regional Development Agreements that have been working in the western provinces since 1980? They will contribute more money in those four years than is contained in the western diversification fund. The total investment from ERDA was $2.1 billion as opposed to the $1.2 billion in this western diversification fund.

We asked the Minister in committee whether the ERDA will continue. He said that they have not yet made up their minds. In other words, he is saying that this is replacing the ERDA programs.

Mr. Riis: Mr. Speaker, I rise on a point of order. I have been listening to the very informative speech by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), but I do not see a quorum in the House.

The Acting Speaker (Mr. Paproski): I will ask the Deputy Clerk to count the Members present.

And the count having been taken:

The Acting Speaker (Mr. Paproski): There being 20 Members present, not including the occupant of the chair, the debate shall accordingly continue. The Hon. Member for Winnipeg—Fort Garry.

Mr. Axworthy: Mr. Speaker, it shows the dedication and commitment of Conservative Members from western Canada that they—

Mr. Holtmann: I do not see any NDP.

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg—Fort Garry has the floor.

Mr. Axworthy: Mr. Speaker, we just saw a graphic example of the level of interest in this debate shown by western members of the Conservative Party. They were so concerned about the parliamentary process that they had to hide behind the curtains in order to engage in a proper dialogue.

The Acting Speaker (Mr. Paproski): The Hon. Member has been here for a very long time. He knows that equipment in the House has changed and there are televisions outside the Chamber on which Members can watch the debate.

I appreciate that there must be a quorum in the House, but I would not want the Hon. Member to reflect on whether Members are inside or outside the House. He knows that, and I do not have to bring it to his attention.

Mr. Axworthy: Mr. Speaker, I was only concerned that most Tory Members have not learned how to turn on a TV yet. Now that you have assured me that they have reached that level, I will continue with my remarks.

We were talking about the Economic Regional Development Agreements which have provided twice the amount of funding in the first four years than is available under this Bill. It is significant to note that the Minister was not prepared to make a commitment that that program will continue.

If one draws the logical conclusion, the western diversification fund will provide half the funding that ERDA programs did. In other words, we have a 50 per cent cut-back on our hands. There is no assurance or guarantee that there will be any form of replacement for those funds, to say nothing of the fact the Government is cancelling the Industrial Research and Development Program, IRDP, plus many other programs under DRIE. What we really have here is a placebo. It is once again an attempt to gussy up, to put on the cosmetics, but to take away the substance and retract the kinds of investments that are required.

• (1310)

There are some very serious questions about the ability or willingness under this particular Bill of the Government to establish priorities. When questions were asked about whether there would be commitments on major funding of irrigation and water projects, for instance, which are absolutely essential to rescue the incredible erosion happening on prairie lands and very crucial to the continuation of our food industry, there was absolutely no commitment or willingness to say it was possible as part of western diversification. There is no sense that the federal Government has anything more than a kind of hand-out role to play.

At this crucial stage I think we must pioneer various ways of co-ordinating and co-operating, not just having more federal-provincial meetings, which is the only industry this Government seems to be able to generate, but actually pooling capital and putting our combined resources together to make major investments in highways, research centres, and irrigation projects.

I think it is fair to say that one of the most important kinds of investments the Government can make in terms of diversifying an economy is to ensure there is an attractive environment in which private sector investment will be made. The OECD study confirms that. We must have a village, town or city with good water, good roads, and good schools. That is where the public sector comes into play. The municipalities of western Canada, together with their confrères in other parts of Canada, have said that the most serious drawback to development is the deterioration of the infrastructure of our villages, towns, and cities.

When we specifically asked about this program, we were told that that kind of investment was also excluded, was not possible. The point I am making is that when it comes to good economic development strategy, this Bill does not provide us with the tools. All it does is continue a basic grant program which was available under other programs. That is it.

We are told that somehow there would be regional offices and more access. We can argue that there were regional offices before and Federal Economic Development Co-ordinators. DRIE had an office in every province. The applications were there. There is absolutely no difference whatsoever in concept or in execution. The Government is just giving it a new name. It is just changing the sign board, that is all.

The fact is that the Government is cutting back the money, excluding various forms of investment, refusing to provide leadership, but is changing the name. That is the sum total of the Western Diversification Program in front of us. More than that, there is something I think is a tell-tale sign of the future. For the first time a Government of Canada is now taking applications for support from the federal Government in regional development and submitting it to a test. What is that test? Does it meet the requirements of the U.S. trade law? If the Government considers in its judgment that somehow a business applying for help under western diversification may run counter to U.S. trade law, it will not receive any money. Everything must be censored through the Department of External Affairs.

In spite of all the assertions made by the Prime Minister, the Minister for International Trade (Mr. Crosbie), and the rest of that crowd over there that regional development will not be affected by the free trade deal, we have clear evidence that that in fact is not true. They admit they are now taking regional development programs and submitting them to a criteria based upon U.S. trade law. If they think it will be countervailable or a consequence of anti-dumping, they will not approve it. That is a forecast for the future.

In fact, all our regional development programs will now be subject to an advanced censorship by the federal Government in terms of its impact upon U.S. trade law. When we consider that U.S. trade law is getting tougher day by day, such as redefining the notion of a subsidy, we see that our regional development programs will be substantially affected and restricted as a consequence of the proposed trade agreement.

In this Bill we have proof positive that the guarantees and the assurances of the Prime Minister are absolutely worth nothing. They are as good as his commitment on acid rain and indexing senior citizens' pensions, and all those sacred trusts he used to like to talk about. We have just seen another sacred trust broken with this Bill.

While we approve the principle and the necessity to develop a western economy, I suggest that this is a faulty way of doing it. It will result in less resources being allocated. It appears that it will not provide the kinds of significant federal investments in the West which are desperately needed. More important, it bootlegs a severe restriction on regional development practices because of its adherence to U.S. trade laws being the basis for judgment as to whether or not one receive a grant. I suggest that that is a pretty severe and negative condemnation of this piece of legislation.

All I can say is that if the House passes the Bill and it goes to the second Chamber and is passed there, it will be up to another Government to change the policy substantially and substantially reorganize western diversification to take away the restrictions, the exemptions, and once again put the federal Government in a place where it can provide real leadership, partnership, and real investment to western Canada so that that region can meet the challenges of a new age based on high technology. That is where we have to go. This Bill will not take us there.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I appreciate the opportunity to speak on the western diversification Bill. This morning the Hon. Member for Skeena (Mr. Fulton) tried to bring before this House the problems of the Lubicon Indian band land claims. The Hon. Member was frustrated in that endeavour by an action taken by the Government to bring before the House this particular Bill to establish the department of western economic diversification. That kind of action, taken on behalf of the Government by the Minister who moved the motion, is typical of the attitude of the Government toward the Indian people and toward the promises it made to the Indian people and to all citizens of Canada. It is contrary to the trust the Government accepted when it became the Government on September 4, 1984.

• (1320)

Since 1940 and earlier the Lubicon Indians have been attempting to establish their rights with succeeding Governments and to put before the Government and the people of Canada the unfair treatment they received over a long period of time. They called upon succeeding Governments to do something about fulfilling those rights. They did not sign a treaty in the original treaty signatures, and they did not cede their land. Therefore, in the eyes of most people, they still own that land and as a sovereign nation they should be dealt with in that fashion.

I dwell on that issue in the debate on this particular Bill because that trust will be an important part of success or failure in this particular Bill; trust, not only with the Indian people, but because of the economy of the Indian nations across the West that is of major importance in western development and western diversification. If we allow the condition of native people in western Canada to deteriorate any further, or if we do not take action on objectionable situations already in place such as that of the Lubicon people, then we will be faced with the condemnation of the world and will be unable to take meaningful action to improve the economies of native communities in the West.

What happened this morning is that the Government cut off its nose to spite its face by not allowing the House to move forward on the Lubicon affair and to solve it and, in the process of solving it, establish a structure by which land claims can be made to have a major impact upon diversification and development of Indian nations in the West. Unless we put our house in order in the West, the impact of legislation such as this will be minimal.

The principles of the Department we are talking about today and the principles of this Bill are supported by all Members of the House and the people of western Canada. It is not the matter of the principle of the Bill we are discussing today. It is the matter of whether or not the Bill will be successful after it is put in place. The offices have been in place for a considerable length of time. To judge from action or what has happened until now we cannot be too sure that there will be a great deal of success. There has been a lot of interest on the part of the people, developed by the propaganda put forward by the Government in establishing this Bill when it was announced in Edmonton. It has been announced on several occasions successively, as well as the discussion we have had in the House on it.

This Bill states that there will be an office that will attempt to diversify the economy of western Canada. That is something that has been needed for many years in western Canada and in other parts of Canada. It is also something that we have had for many years in some form or another. Therefore, attempts to diversify have been attempted many times for many years in many parts of Canada. Why have they not worked? If we looked at the reasons that they have not worked, we might find a good structure and a good basis under which to be sure that the western diversification offices will have some long-term impact. That is a key requirement, as far as economic development is concerned.

The Government seems to be putting a considerable amount of hope and a great deal of store in having a head office in Edmonton and a branch in Saskatoon. That in itself is bound to create a little economic diversification and jobs, but it is not the aim of the Bill or of the Department as it develops.

Under the present circumstances, or from the history that we have of past actions by government diversification projects,

it is not a guarantee of success or even of action. An application filed, looked at, returned, discussed, and filed again is not action. To a great extent that seems to be what has been going on.

What has happened in the past is that companies that develop in marginal situations where either the population does not establish the type of markets which they must fulfil, or the transportation costs are so high that they become a factor in success of a particular industry, those operations of initial actions may at first appear to be successful. We have the history of meat packing in Prince Edward Island and the history of industries which have developed and have seemingly been a success. While the Government puts in place the assistance that will keep that operation going for a little while, it stays operating. When the cream of government assistance has been skimmed off and it comes down to the nitty-gritty of dealing with the market, the support is not there and then the industry packs up and leaves. That is the historical situation that we have faced in many parts of the country, many times, in attempting to establish some type of diversification in areas.

I commenced by stating that there was a need to establish some type of trust as far as the Government was concerned. The Government can do that by dealing with the land claims of native communities.

The Government could also deal with that with the provinces by fulfilling promises that it made. Before and after the Government was elected, on many occasions it promised that it would help to diversify the economies or to improve the economies of both the East and the West by increasing the amount of government procurement that actually took place in the Atlantic provinces or in the West. How has the Government fulfilled that promise? In 1984-85, the first year of being in office, the percentage of procurement for the western provinces, that is purchases within those provinces by the Government of Canada, was 13.4 per cent. After many promises and much pushing by the Government to increase it and make it more even across the country, it went from 13.9 per cent in 1984-85 to 12.8 per cent in 1985-86.

• (1330)

We must remember that a premise of the national Government is to increase the amount of purchases in the West. In 1986-87 we went down further still. In 1986-87 the purchases of government through the Department of Supply and Services in western Canada went down to 11.5 per cent of the total. In other words, we do not have any good indication that the Government will do the things that it promises to do, if we look at purchases by Supply and Services as an indication of how it will fulfil those promises.

There are a number of other points that should be brought up in discussing the possibility of the success of the Western Diversification Department. There has been a tendency on the part of the Government to say: "Once you get it out there, because it is out there, it will work". The Liberals said that on many occasions before, as far as western Canada was concerned.

What does this Bill do and what does it not do? First, it does not do a very good job of defining what diversification is. If there is to be real diversification in western Canada, then it would seem that we must know where we will find the type of diversification and what it should be. The Government seems to be taking initiatives through this action, through this office, and through this Bill is to emphasize the building on existing resource structures that are already in place. That probably sounds like a good and easy way to move. It even sounds very logical. It also has been the basis of many western attempts at diversification in the past. It has not worked.

When one bought a bag of flour in the West, as you know, Mr. Speaker, some 30 years ago, that flour came from a mill in Saskatoon, Regina, Edmonton, Calgary, Lethbridge, Humboldt, or a number of places which had mills and which supplied flour to the surrounding areas. These mills were built on the resources that were there, the resources of farm products, and the production of wheat. If you go to buy a bag of wheat in a store in Edmonton, Mr. Speaker, the chances are that that bag of wheat will not have been ground in western Canada but in Sarnia or even in London, Ontario. The basis for using the present resources of western Canada for diversification needs more than just the idea that they will do it. There needs to be more support than that.

I do not want to contradict this particular kind of diversification. I am trying to put forward the fact that if resource development is the method to be used, then it will take a different kind of structure from what has been used in the past. This Bill does not do that.

There is another factor about this idea of building on the resources that are there which needs to be mentioned. It implies that those resources are evenly spread across the West, that there are resources in every area that can be developed so that that particular region or subregion of the West can develop without any problem. That is not at all true as you know, Mr. Speaker, since you come from the West.

There are some regions which are obviously more poor, or very poor, with respect to any type of resource that can be developed. If one is depending upon the strength of the resources in one particular area for diversification, then that will not be possible if the area is very poor in resources anyway. The obvious strength or lack of strength as far as resources are concerned means that subregions which are obviously poor in resources are not going to develop in the same way as those that are already strong in resources.

A third point which should be put on the record as far as this new Department is concerned is that we also have a new Department of Industry, Science and Technology, which has been given much of DRIE's earlier responsibility for national regional development. This new Department was supposed to include the responsibility to reconcile the regional development policy with other industrial policies. That type of approach was

intended to reduce regional disparities. It has not effectively done that in the past when it was called DRIE, or as the Department of Industry, Science and Technology. There has really been no indication that this will happen in a new Department which would be established.

Small business people in the West have taken a good and hard look at diversification. Mr. Bulloch, for instance, has indicated that diversification needs to be overhauled, and that the whole process needs to be looked at very thoroughly. They have indicated that they do not believe that this small fledgling Department without any money will be able to do the kind of co-ordinating which is one of its responsibilities.

If we look at one initiative that this Department will take, we see that it is to co-ordinate those large Departments such as the Department of Transport, the Department of Agriculture, the Department of National Health and Welfare, and any of the other large Departments. The Government is being naive in believing that this fledgling Department can be an effective co-ordinator of these large Departments. DRIE had exactly that same co-ordinating responsibility. DRIE's capacity to co-ordinate the activities of federal Departments and agencies was extremely limited. It had that responsibility and it was unable to fulfil it. I take this from the report delivered by small business groups.

It was unable to do it mostly because the bureaucracy is such that it does not have enough clout to say to the Department of Transport, for example, that this is the type of action that it must take in a particular area. The Ministers of Transport, Health, and Agriculture did not welcome DRIE's attempts to promote some kind of co-ordination among them. In fact, it worked exactly the opposite in many cases. Because of these feelings of need for diversification by DREE, they felt they had to resist it.

• (1340)

The Acting Speaker (Mr. Paproski): The Hon. Member's time has expired. We now have questions or comments.

Mr. Harris: Mr. Speaker, I think the Government has the attitude that you are not allowed to talk about the West if you are a Newfoundlander and that you cannot talk about Atlantic Canada if you come from Ontario. We in this Party have a pan-Canadian view of regional development. Newfoundlanders would, of course, support western diversification as well as we would expect Albertans to support regional development in Newfoundland. Having studied law in Alberta in the mid-1970s, I know how much Albertans care about issues related to Newfoundland. I am sure, Mr. Speaker, that you are aware of that.

I recall in the mid-1970s that the Alberta Government established what it called a heritage trust fund when Alberta was flush with revenues from the oil price increases caused by the world oil crisis. Part of the idea of the this fund, I think the *raison d'être* for this fund, was to create a fund to provide for the diversification of the Alberta economy. That fund has developed and grown. I am not sure exactly what the figures are, but my recollection is that somewhat in excess of $12 billion to $14 billion is there for the diversification of only Alberta's economy, not all of the West, not Saskatchewan, Manitoba nor British Columbia.

Would the Hon. Member comment on the size of the allocation to the western diversification fund? The figure of $1 billion is used for four provinces, to be spread out over a number of years as it is with the Atlantic Canada Opportunities Agency. There has not been the kind of diversification of the Alberta economy which was looked forward to by the creation of Alberta's heritage trust fund. I wonder whether a billion dollars for the four provinces spread out over a number of years will do very much.

Mr. Hovdebo: Mr. Speaker, this $1.2 billion amounts to $16 million a year for each of the provinces if it is divided in that way. We know, of course, a considerable amount of that money has been allocated for the South Moresby Park, and consequently not a great deal has been left for division into other projects.

Mr. Fennell: Don't you like the South Moresby Park?

Mr. Hovdebo: The ability to use funds for diversification or for economic development depends to a great deal on the attitude of the Government in the process of using those funds.

Here a comparison between the heritage funds in Alberta and the heritage funds in Saskatchewan becomes quite germane. The heritage fund in Alberta became an investment fund for the province. It did not impact particularly upon the economy of Alberta, and it still does not seem to be doing so. The heritage fund in Saskatchewan did considerably more, and maybe this is the kind of development that we would like to see. We know that when the Liberal Government used funds to diversify just before the last election, it made them into a political slush fund. There were few enough Members in the West, so Senators were the dispensers of funds and used them for political purposes to support only those constituencies which they felt were worthwhile in the case of an election being called.

To go back to the heritage fund, it was used in Saskatchewan to develop the potash industry and to develop the sulphate industry to a great extent. If there is a mixture of private and public funds, people who are involved have a vested interest in any development and in the success of it. I know the Hon. Member from Newfoundland recognizes the need for that vested interest by the people who will be part of the development. If you have an outside company come in, skim off the cream and leave, you then have only two, three or perhaps ten years of employment for people. If you have local people responsible, they feel they have a vested interest and are ready to proceed to keep an industry there for as long as possible. In places like Newfoundland, northern Saskatchewan, northern Alberta, and the Yukon, industries must be based on a vested interest by the people who already live there. If you do not do

it that way from outside somebody will come in, skim off the cream, and leave.

Mr. Harris: Mr. Speaker, I rise on a point of order. I do not see a quorum in the House.

The Acting Speaker (Mr. Paproski): I see a quorum now. The Hon. Member for Humboldt—Lake Centre (Mr. Althouse) on debate.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, I rise in the time available before Question Period to discuss the initiative to establish the western diversification office for western Canada. This initiative by the Government is not fully understood. Some discussions have gone on in committee and in previous debate in the House. I recall that the debate on second reading was a relatively short one.

This office is part of an initiative by the federal Government to establish regional offices to do very much what the old DRIE and other economic and regional development initiatives had been doing previously. To some extent it is a question of changing the names on the signs and some of the activities. Actions that were in place under the previous Government and the existing Government will continue to be worked into the mandate of the western development initiative office.

In terms of function, our understanding is that there will be a Deputy Minister located in Edmonton, with regional offices in Winnipeg, Saskatoon, and Vancouver and a liaison office in Ottawa which will be headed up by an Assistant Deputy Minister. This liaison in Ottawa is probably quite crucial to the activities. You will see why, Mr. Speaker, when we review some of the criticisms that have been levelled at the initiative by some people speaking for small business across the country. For instance, on March 18 of this year John Bulloch was quoted in the press as indicating that the $1.2 billion western diversification program is "dangerously close to becoming nothing more than a political slush fund". John Bulloch, as Hon. Members know, is the President of the Canadian Federation of Independent Business. He and his association took a close look at this $1.2 billion initiative which involves $1.2 billion spread over five years. The amounts of money involved are not as grand as they would first sound.

• (1350)

This federation represents 20,000 small business members across Canada who are concerned that the initial actions of the Government under the heading of regional and western diversification appear to be "feathering the nests of the provincial Governments and propping up the federal Government's vulnerable constituencies". The small business people were not terribly impressed by the proposal which first came out.

The federation's director for Alberta, Doug Wright, pointed to the awarding of $9.5 million for the Daishowa pulp mill which is near Peace River as being one example of what he describes as misspending by the Edmonton Western Diversification Office. Mr. Wright said that it is difficult to believe that the Daishowa decision on this profitable investment hinged on the relatively small western diversification strategy contribution.

Indeed, I would observe that it seems rather strange that there should be western development funding for this very large initiative when the Government's indication was that it would be focusing its attention on the small and medium-sized businesses. Under almost anyone's description of what is a big and a medium-sized business, this particular one would fall into the big category.

In its initial steps at least, the Government's approach appears to be more political than economic. Structurally, the intention of the Government is to leave the impression that it is moving sources of power away from Ottawa and into Edmonton, the centre of western Canada. We are left with the impression that this will somehow improve the decision-making that will be made in the interests of western Canadians. That is a song we have been hearing the Government sing throughout the four years of its current mandate. Yet the results from the singing of this song make us wonder why it bothers.

In the areas in which the Government has some ability to influence and interfere within its own Departments, we see that it has done a very poor job of representing western Canada. In the fiscal year 1984-85, the year the Government took power, the four western provinces received as a percentage of national government purchases 13.9 per cent of the business. That was not up to the standards one would expect, given the population and the economic activity generated in western Canada.

We now have the statistics for the two years following. In the first year this Government, which was supposed to be helping western Canada and encouraging business in western Canada, was in power, it dropped its purchasing from western Canada from 13.9 per cent down to 12 per cent, and the following year purchases from western Canada dropped even lower, to 11.5 per cent. Western Canadian business lost the opportunity to do business with the Government of Canada under the aegis of this Conservative Government, a Government which spoke loudly about how it would help western Canada and divert more business to that region. In fact, it ran the other way.

Mr. Thacker: How can you build frigates on the Prairies? You're using percentage terms and that's ridiculous.

Mr. Althouse: I do not believe, Sir, that there were any frigates built in 1986-87. If the Hon. Member would recall his own activities, he would realize that there were not a lot of frigates built in 1986-87, the years to which I was referring.

From my knowledge of my own riding, I do know that there are many workshops there that could build parts for frigates if anyone were to give them the opportunity to bid on them.

There are some 20 small factories in my riding which are having a terribly hard time finding out where to go even to get on the list that would allow them to find out what business is being searched out by the federal Government. We are now gradually getting contacts made for them, but the lists usually tend to ignore their capabilities when those contracts are put out, so these businesses are not even aware that the Government is looking for the kind of goods and services they are able to offer.

I believe the liaison function is one that certainly needs improvement. Perhaps the Edmonton office, with its satellites in Winnipeg, Vancouver, and Saskatoon, could improve this. I would point out to the Government that there is plenty of room for improvement.

I am not convinced by the arguments put forward by the Government that locating the head office and the Deputy Minister in Edmonton will necessarily be particularly good for the region's ability to negotiate with the rest of Canada through the federal Government. I say that because I note that this is a new and, in the scheme of things, a relatively small Department, and I have grave questions about the ability of a new, small Department located outside the power circle in Ottawa to be able to maintain any form of influence with the Government.

I ask myself what influence can this small western diversification office headquartered in Edmonton have over the Department of Supply and Services, the main Department that determines from what part of the country federal government purchases will be made. Can the western diversification office have much influence in Ottawa, knowing the way Ottawa conducts business, with only an Assistant Deputy Minister on the end of a telephone or a fax machine located here in Ottawa to represent us? What sort of power will that one Deputy Minister, located way out in Edmonton, have over the Department of Finance? We know how little influence some of the Ministers have when they do get close access to the Minister of Finance (Mr. Wilson) or the Deputy Minister of Finance. What ability will the western diversification office have for being able to determine—

The Acting Speaker (Mr. Paproski): Point of order, the Hon. Member for Kamloops—Shuswap (Mr. Riis).

* * *

POINT OF ORDER

RETRACTION OF REMARK

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, yesterday I made a reference regarding the Hon. Member for Athabasca (Mr. Shields), and I just wanted to indicate my wish to retract that remark.

The Acting Speaker (Mr. Paproski): It being 2 p.m., the House will now proceed to Statements Pursuant to Standing Order 21.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

WOMEN

REQUEST FOR MORE PROGRAMS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, according to a report on poverty published last week by the National Council of Welfare, women make up a higher than average proportion of the poor in Canada and are more likely to be poor than men, in most categories. More than half (56.1%) of all low-income Canadians are women. As we know, women from 16 to 64 represent 56.4 per cent of low-income Canadians. Seven out of ten elderly persons (71%) are women. Families headed by women are four times as likely (4.3%) to live in poverty as families headed by men.

Mr. Speaker, there are ways to alleviate the problems facing Canadian women. Poverty seems to be a female problem, and nothing has changed for many years. I hope the Government will explore the connection between women's poverty and the lack of employment equity and wage equity programs, the lack of programs to promote university training and training in general, and the lack of adequate day-care programs. Mr. Speaker, the status of women in Canada is deplorable, and immediate action is necessary.

* * *

[*English*]

EMPEROR OF JAPAN

BIRTHDAY CONGRATULATIONS

Mrs. Mary Collins (Capilano): Mr. Speaker, I would like to draw the attention of Members to the upcoming birthday of Emperor Hirohito of Japan. Hirohito, or Tenno to his countrymen, turns 87 tomorrow, and will be celebrating his sixty-second year as a ceremonial head of state later this year.

The Emperor is a living symbol of his people and has been a modernizing influence in Japan. During his lifetime Japan has undergone unprecedented change. It has progressed from a country limited by feudal social systems and devastated by war to a modern industrial society which has a large say in the future of the world.

S. O. 21

Economic ties between Canada and Japan have also progressed. The Japanese have invested over $37 billion in Canada while representing our second largest export market, with $6 billion of Canadian goods and services being exported to Japan annually.

I am sure that my colleagues will join with me in congratulating the Emperor on his eighty-seventh birthday. *Gokensho wo oy-nori itashimasu.*

* * *

GENERAL AGREEMENT ON TARIFFS AND TRADE

COUNTERVAIL DUTY ON EUROPEAN BEEF RULED ILLEGAL

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, Canada must decide whether to accept GATT's ruling that the countervail imposed by the Canadian Import Tribunal on European beef is illegal. Our choice is to continue with the countervail or to drop the tariff in favour of a quota system.

Canada tried quotas before, way after the damage had already been done, and they did not work too well. Besides, why should cattlemen have to put up with any imports of highly subsidized hamburger meat? It is not fair to our livestock industry.

I think the international tribunal should be reminded that cattle producers should have a say in what affects their industry, even if the commodity they produce does get transformed through processing.

This was the point at issue. It needs to be reinforced. I urge the Minister to say "no" to the GATT ruling on May 30.

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EXTERNAL AFFAIRS

NEW CALEDONIA—FRENCH IMPERIALISM

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, one would have thought that France might have learned its lesson at Dien Bien Phu. French arms were equally ineffective in Indo-China and North Africa as the people of those regions struggled against the French colonialists.

Today we learn that France has dispatched more troops to fight the Kanaks in New Caledonia. Bloodshed will result, but in the end independence will be won.

The last vestiges of French imperialism in North America, France's hold on St. Pierre and Miquelon, and their fraudulent claim to Canadian fish stocks, are without warrant.

Imperialism in today's world is a spent force. The sooner France realizes this the better.

[*Translation*]

HOUSING

SOCIAL RESPONSIBILITY

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, since the Conservative Government came to power, subsidized housing has been shamefully neglected. First of all, the Government has done nothing for single-parent families who need subsidized housing. Second, this Government has changed the criteria, so that if you want to build co-operatives for average and low-income Canadians, the cost of participating is now $500 or $600. This will not do at all for people in Laurier and Sainte-Marie, who would need rents in the area of $300.

Mrs. Pépin: And Outremont!

Mr. Malépart: My colleague from Outremont (Mrs. Pépin) says the same applies to the poor in the Outremont section of Montreal. What this Conservative Government has done about housing is totally unacceptable. There is no home ownership program, which means that Montreal is still a city of tenants.

Mr. Speaker, I hope an election will be called very soon so that a Liberal Government can restore fairness to this particular situation.

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MANITOBA

BETTER DAYS FORESEEN

Mr. Nic Leblanc (Longueuil): Mr. Speaker, most countries where people have lived under a socialist government soon realize that socialism is not the answer. For instance, after experiencing socialism for several years, France acknowledged that socialism was an obstacle to the economic and social development of a country that seeks prosperity. Russia has also admitted that free enterprise would help its economy to expand, and China has reached the same conclusion.

That is why today, I wish to pay tribute to our friends in Manitoba who have realized this and, in so doing, rejected the obsolete socialist regime of the NDP, and I want to congratulate them. I am sure they will see better days in the not too distant future.

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[*English*]

REGIONAL DEVELOPMENT

BELL ISLAND, NFLD.—LACK OF PERMANENT EMPLOYMENT

Mr. Jack Harris (St. John's East): Mr. Speaker, the community of Bell Island in St. John's East was at one time

the most prosperous town in Newfoundland with a population of over 12,000, and over 2,000 people working in one of the most important iron ore mines in the world. They worked hard and contributed to government revenue. All that ended in 1966 when the mine closed and all the workers lost their jobs.

After 22 years Bell Islanders are still waiting for fair treatment from government. There are about 4,800 people still on Bell Island. They suffer from primitive ferry service and lack of permanent employment. Over 60 per cent unemployment exists among those of working age. Make-work jobs and short-term employment are not enough.

Bell Island is here to stay. It is time government recognized its responsibility to Bell Island and Bell Islanders. It is not too late to put special economic development programs in place. Bell Islanders want to work in dignity. Bell Island deserves more than it has received from this Government and from the last.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—REDUCTION IN AUTOMOBILE NITROGEN OXIDE EMISSIONS

Mr. John Reimer (Kitchener): Mr. Speaker, as the Prime Minister (Mr. Mulroney) noted in the House on Monday and in the United States Congress yesterday, acid rain does not discriminate. Indeed, it falls on the just and unjust alike on both sides of the border. Clearly it is in our mutual best interest that Canada and the United States tackle the acid rain problem with a concerted and effective plan of action.

It is equally clear that Canada has been doing its part. For example, allowable nitrogen oxide emissions from light cars and trucks and heavy duty vehicles have been cut by 60 per cent and 50 per cent respectively. This control program is the toughest in the world.

We need take no lessons from the Liberal Party which, while in government, sat on its hands on the acid rain issue. Indeed, without question, no other Canadian Government—and certainly no other Canadian Prime Minister—has been as persistent, forthright, and substantive as our present Prime Minister in pressing the case on acid rain.

The message is getting through. The United States is being convicted by its own inaction. To quote the Chairman of its Environment Committee, Congressman Scheuer: "We ought to be embarrassed to look (Canada) in the face." The United States is well aware that the present situation is simply unacceptable.

Let me commend the Prime Minister and the Minister of the Environment (Mr. McMillan) for their actions to date, and encourage them to continue in their efforts to reclaim and protect Canada's irreplaceable natural heritage.

S. O. 21

FINANCE

TAX TREATMENT OF ARTISTS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, last week the Committee on Communications and Culture tabled a report recommending changes to our tax system that would make it better reflect the importance of artists in strengthening our unique Canadian culture. However, the Government alone has the power to make these changes and it cannot hide behind the deficit battle on this one. We were very careful that our recommendations would not make unreasonable demands on the Treasury.

While our report was unanimous, I must speak up for the many artists who have not been helped by the Government's Budgets, who have been hurt by tax reform, and who face an uncertain future with free trade. The Government has not done enough to address the unique economic circumstances in which artists often have to live.

Our artists are an important national treasure. They do not only contribute to our culture, they are part of our culture. A nation as rich as ours can surely afford an investment in our artists. Better yet, can we afford not to?

We can be proud that we have established the importance of enhancing our unique Canadian culture. Now we must change our income tax system to help the artists who helped us build our culture. To make this happen I hope that the committee's report goes onto the Government's agenda and not onto the shelf.

* * *

[*Translation*]

FREE TRADE

APPROVAL OF MEMBER OF UNITED STATES CONGRESS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, today I simply want to quote what was said by Mr. David Patrick Moynihan, a U.S. Congress man and Democrat from the State of New York, who commented on the extraordinary performance of our Prime Minister yesterday in Washington.

Here is the beginnig of the quote: "I have never seen a head of government give such an extraordinary, significant and polished speech. The Prime Minister of Canada offers our two nations an historic opportunity for a better life, today for ourselves and tomorrow for our children.

Free trade enhances the quality of life of Canadian and American consumers and producers. The signing of this agreement will benefit to both countries. We Americans now have a better understanding of the problem and dangers of acid rain common to our two countries. The speech given by the Prime Minister of Canada in Washington on April 27,

1988 will go down in history". End of quote from a statement by a member of the Democratic U.S. Congress, Mr. Speaker.

* * *

• (1410)

[*English*]

OCCUPATIONAL HEALTH AND SAFETY

UNVEILING OF PLAQUE COMMEMORATING WORKERS KILLED OR INJURED ON THE JOB

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, every year over 1,000 Canadians are killed on the job. Over six times that number lose their lives to cancer, lung disease, and other ailments caused by exposure to toxic substances in the workplace.

In Thunder Bay this evening, representatives from labour and the Church will join with local representatives to unveil a plaque commemorating workers who have been killed, injured, or disabled on the job.

I join these and countless other Canadians across the country on this day of mourning in calling upon all levels of government to examine and improve legislation governing occupational health and safety.

Workplace death, disability, and injury represent a national tragedy, a tragedy which hits hundreds of thousands of Canadian workers and their families every single year.

I join with the Member for Thunder Bay—Atikokan (Mr. Angus) and our grieving and concerned labour constituents in demanding action that will save lives and prevent injuries.

* * *

TRADE

IMPORTANCE OF MANITOBA EXPORTS TO UNITED STATES

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, the Prime Minister's (Mr. Mulroney) visit to Washington has been a great success. President Reagan has reconfirmed his support for the free trade agreement between the U.S. and Canada. That is a success.

The importance of free trade to Manitoba and all western Canada cannot be overstated. Our largest industries, including agriculture, energy, aerospace, mining, forestry, and manufacturing, are directly dependent upon export sales to the United States.

Of the $1.4 billion in exports by Manitoba to the United States in 1986, 7.8 per cent was in electricity, 6.3 per cent in aircraft parts, 6.1 per cent in softwood lumber, and 4.8 per cent in motor vehicle parts.

However, the lion's share of exports to the United States from Manitoba comes from our agricultural area, with some $973 million in export sales to the United States.

Rural Manitoba's economy is dependent on and growing with the benefits of free trade. When the rural communities benefit, so does Winnipeg.

It is obvious that Manitoba and western Canada need secure access to the United States market to prosper.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—POLLUTION CONTROLS URGED FOR UNITED STATES POWER PLANTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, according to Energy Probe in Toronto, the United States could cut its acid rain pollution of Canada in half by spending about $5 billion on pollution controls for midwestern power plants.

Energy Probe concludes that the United States could cut acidic pollution at specific U.S. power plants for far less money than a nation-wide program would cost. Energy Probe urges the Government of Canada to change its failed strategy of quiet diplomacy on acid rain against the U.S. administration.

Philip Jessup, Director of Air Quality Research for the Toronto based organization, said: "Our Government has been barking up the wrong tree by insisting that the U.S. draft a new acid rain law".

He concluded by saying: "For a total of $5 to $6 billion, the United States could cut acidic emissions in the Midwest by 50 per cent".

* * *

WESTERN DIVERSIFICATION FUND

APPROVAL OF PROJECTS IN EDMONTON WEST

Mr. Murray Dorin (Edmonton West): Mr. Speaker, today before the House we are discussing the subject of western diversification. Already some 300 projects have been approved under this program, including some in my own constituency.

Air Services Consultants will receive $35,500 to complete the development of a unique disposable packaging container for transporting dangerous and infectious diagnostic specimens. Omara Systems will receive $126,500 in funds for the development of a state of the art monitoring thermostat and heat tracing controller. Ambucraft Services Ltd. will receive $48,090 to design and develop a new wheelchair lift for vans and buses.

I call upon all Members of the House to move this Bill through the House quickly and to give the western diversification initiative the additional mandate and resources that the Bill will provide.

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EXTERNAL AID

AUDITOR TRAINING ASSISTANCE TO THIRD WORLD COUNTRIES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, as one of a number of Members of the House who has lived and worked in a developing country for several years, I want to make some comments about Canada's role in development. While the Government could do more in this field, there are a number of development assistance areas that are particularly important. One of these involves development of government infrastructure, specifically government auditing.

For decades, successive federal Governments and Auditors General have been active in this field. The Auditor General and his office work very closely with CIDA, the United Nations, and other international agencies in providing invaluable auditor training assistance and audit systems development aid to the Third World. Because Canada has been a pioneer in comprehensive and legislative auditing, it is only natural that we share our expertise in this field.

I want to commend the Auditor General's office for their efforts in this area and encourage them to continue this fine tradition.

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[*Translation*]

PUBLIC SERVICE

OPPORTUNITY TO GIVE COURSE PREPARATION TIME TO LANGUAGE TEACHERS

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I want to appeal to the reason and intelligence of Mrs. Labelle and Messrs Manion, Veilleux and Saint-Aubin, to preserve the bilingual status of the Public Service of Canada and guarantee the quality and excellence of bilingualism in Canada.

Mr. Speaker, our language teachers must have time to prepare for their classes just as teachers in other educational institutions in Canada who teach less than twenty hours a week for only eight months out of twelve, while our employees who teach in the Public Service work for twelve months.

I want to encourage these men and women, most of whom are Francophones, to continue their search for excellence in the spirit of Bill C-72, and I want to thank them for their dedication to a cause that we uphold.

ORAL QUESTION PERIOD

[*English*]

ENVIRONMENTAL AFFAIRS

FORMER PRIME MINISTER'S ADDRESS TO UNITED STATES CONGRESS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Deputy Prime Minister. It deals with the Prime Minister's complete failure yesterday in Washington to get anywhere on acid rain. But as so often happens, I must begin by putting the truth on the record.

On February 22, 1977, Prime Minister Trudeau said in his speech to the United States Congress that Canadians are:

> . . . a people devoted throughout their history to accommodating themselves with the harshness, as well as the beauty, of their natural surroundings. We will respond with vigour to any threat of pollution or despoliation, be it from an indigenous or from an external source.

Those were Mr. Trudeau's words.

For a week the Prime Minister and his senior Ministers said publicly and privately that Pierre Trudeau never raised these issues before the United States Congress. Why?

Why does the Prime Minister not stop blaming previous administrations? Why does he not tell the truth about what Mr. Trudeau really said, and why does the Deputy Prime Minister not admit that it is the Leader of his Government who failed to reach an agreement on acid rain with the United States?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not want to engage the Right Hon. Leader of the Opposition in a debate about defoliation.

He can check the record to see that what we have been saying is that the words "acid rain" were not raised by the former Prime Minister in his speech in 1977.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): The quotation just read into the record by the Right Hon. Leader of the Opposition confirms that statement.

The situation respecting acid rain has changed dramatically from when this Government was elected in September, 1984, until now. We have not made the progress we would have wished, but the Government of Canada has been consistent and vigorous in pursuing our objectives against acid rain.

That has been recognized by as dispassionate a source as the *Toronto Star*, which referred to the Prime Minister's speech to Americans yesterday as: "A hard-hitting address in which the Prime Minister urged tough action from U.S. legislators on combatting acid rain pollution". Surely the Right Hon. Leader of the Opposition will not quarrel with the *Toronto Star*.

• (1420)

Mr. Turner (Vancouver Quadra): Mr. Speaker, the speech of Mr. Trudeau was made on February 22, 1977. The Minister knows that the first time acid rain was used as a buzz word was in the early 1980s, just as "star wars" was not in our vocabulary in 1977. The Prime Minister of the day mentioned pollution quite specifically in his speech to the United States Congress.

ACID RAIN—U.S. RESEARCH PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I will put a supplementary question to either the Deputy Prime Minister or the Secretary of State for External Affairs. Amid the endless photo opportunities in Washington and the 21 gun salute—

Mr. Crosbie: You got a 22 gun salute.

Mr. Turner (Vancouver Quadra): —and the speech the Prime Minister made to some Congressional aides—talk about papering the house—his final summit was a complete bust. He got some applause for promising to sell out our country in a trade agreement. He reached an agreement on nuclear technology for the submarines Canadians don't want—

Some Hon. Members: Order!

Mr. Speaker: The Right Hon. Leader of the Opposition will put his question.

Mr. Turner (Vancouver Quadra): Those submarines won't do much for our environment either. The Prime Minister did not get to first base on an agreement on acid rain. I ask the Secretary of State for External Affairs, if he is the point man today, why did the Prime Minister once again praise the American research program which is stalling action on acid rain? Why did he not demand in his speech before the American Congress that Congress take immediate action, now, on the problem of pollution over our border?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I remind the Right Hon. Leader of the Opposition that the Liberal Party of Canada was in office during half the period of the Reagan presidency. During that entire period there was no progress made by the then Liberal Government with the Reagan administration on this problem. What is more, no advance was made on the problem domestically, greatly encumbering our administration when we took office in September, 1984.

They do not have any moral authority to point the finger at Washington and demand action south of the border. Indeed, there was no federal-provincial program, not a single one, to reduce acid rain causing emissions from Canadian sources. There was no national program. There was no effort made to reduce sulphur dioxide emissions or NOx emissions. There was a very feeble program to reduce the amount of lead in gasoline.

Since that time we have reduced, effective by 1994, sulphur dioxide emissions by 50 per cent. We have introduced the toughest NOx control program in the world. We have legislated lead out of gasoline effective the end of December, 1992. That is action, not just words.

Mr. Turner (Vancouver Quadra): But what did the Prime Minister do yesterday for acid rain? Zilch. Nothing. Nothing for the Canadian people.

[*Translation*]

ACID RAIN—PRIME MINISTER'S MISSION TO WASHINGTON

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday President Reagan stated in the presence of our Prime Minister, and I quote: "Our two countries have made substantial progress towards improving air quality". That is not true, because the United States has done nothing to fight acid rain, although the Prime Minister keeps applauding the President's statements. Why won't the Deputy Prime Minister—and my question is directed to him—admit that the Prime Minister accomplished nothing in Washington, either yesterday or the day before, in his attempts to persuade the U.S. Congress to move more quickly on a decision to take a bilateral approach to the problem of acid rain?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the Right Hon. Leader of the Opposition leaves the impression with the House that no progress has been made by the Government of Canada with the United States on environmental issues. I remind him that this Government signed the first protocol with jurisdictions, three other jurisdictions, the State of New York, the Government of Ontario, and the U.S. Government, to slash by 50 per cent toxic chemicals going into the Niagara River.

We have greatly strengthened the Canada-U.S. Great Lakes Water Quality Agreement which, even by the very tough standards of the toughest environmental group on the subject in the world, Great Lakes United, is a vast improvement over what the Liberals did when they were in office for 25 years. We signed the framework—

Mr. Gauthier: What happened in Washington yesterday? Zilch.

Mr. McMillan: We signed the agreement, the framework, for the North American Waterfowl Management Plan which environmentalists have described as the most important initiative in the wildlife area since the Migratory Birds Convention.

TRADE

UNITED STATES—SENATE PASSAGE OF OMNIBUS TRADE BILL

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, my question is directed to the Minister for International Trade. He will know that yesterday the United States Senate passed its version of the omnibus Trade Bill which will now go to the President who will have 10 days to decide whether to veto that Bill.

Two weeks ago in answer to a question I put, the Minister said in this House that he can live with the Bill. Well, after examining the document we received, it is clear that a number of the measures in the Bill are contrary to Canadian interests, as outlined by Ambassador Gotlieb in a letter he sent. There are substantially expanded trade subsidies. There are more damaging trade remedy laws with a new definition of subsidy.

Is the Minister still standing by his statement that he can live with the Bill? Why is it that he is not substantially expressing the opposition of Canada to this Bill and encouraging the President to veto a Bill that will be very damaging to Canada?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman's hysteria in connection with this Bill, of course, illustrates why we need the U.S.-Canada Free Trade Agreement. I refer him to *Free Trade - The Real Story* edited by John Crispo—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —and some 17 other authors. If the gentleman gets as far as the fourth page—I don't know if he can read that far—he will find:

> The problem is that the real choice confronting Canada in terms of its trading relations with the United States is not between free trade and the status quo. It is between free trade and growing U.S. protectionism.

That is why we need the free trade agreement. That is why we have worked for it. That is why we are going to ask the House to endorse it. That is why the hon. gentleman should support it as well.

Mr. Axworthy: Mr. Speaker, if the Minister is taking up some bedtime reading, I suggest he look at the reality of the U.S. Trade Bill and not the fiction written by John Crispo.

MINISTER'S POSITION

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I want to ask the question again. The Minister said two weeks ago that he can live with this Trade Bill. Those were his words in this House. He has now had a chance to examine the actual Bill itself. He knows that there are still a number of very serious measures that will impact negatively upon Canada, and that the ambassador of this country in Washington has explicitly said that these will be damaging. Why is it we are backing away from that kind of opposition?

Why are we not expressing our very strong and very vehement opposition to the Trade Bill and specifically requesting the President to veto the Bill? I understand the Minister's problem in not being invited to the meetings, but surely to goodness, even from Ottawa he can express his opposition to something that is going to damage Canadian interests?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman was very busy at meetings yesterday which didn't result in anything very diplomatic.

Mr. Gauthier: How do you know?

Mr. Crosbie: By the way, this book is only $6.95, Mr. Speaker.

Mr. Axworthy: It's worth 35 cents.

Mr. Turner (Vancouver Quadra): You waited for the paperback too, didn't you?

Mr. Axworthy: Does it come with crayons?

Mr. Speaker: The Hon. Minister.

Mr. Crosbie: With respect to the omnibus Trade Bill, we made very strong representations to the U.S. administration and to Congress. We have been successful in getting many improvements in the Bill. We will now examine it carefully. The President may or may not veto the Bill. That is a decision for him to make. If there are any provisions in the Bill which violate the free trade agreement, then, of course, we will expect the American authorities to deal with those in the legislation approving the free trade agreement.

• (1430)

The omnibus Trade Bill that is now before the President is considerably improved compared to what it was when it started out. Any variances that there might be with the free trade agreement we do not believe to be of a serious character, but if there are any we would expect them to be rectified when the later legislation comes down.

FILM DISTRIBUTION INDUSTRY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the same Minister. It is certainly a pleasure to hear him quoting a Toronto academic. He could pick a better informed one.

My question concerns the same trade deal. The House will recall that last spring the Minister of Communications promised us long overdue legislation that would improve the situation for the Canadian film industry. After this was done, Mr. Jack Valenti, the film mogul from Hollywood, objected.

On the trade deal that was signed last fall, briefing notes prepared for Mr. Yeutter at the time stated that Canada had agreed to solve Jack Valenti's problem on film distribution.

Then the Minister's Bill disappeared, and we have not heard from her since.

Today we learn, or it is alleged, that the Prime Minister's Office is now involved in meeting Mr. Valenti's problem before this Bill is submitted to the U.S. Congress.

Will the Minister confirm that? Is it right, or is it not?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, by the way, it is a pleasure to answer a question from an Oshawa academic. I believe before the hon. gentleman got into his present occupation, he was an academic. Now I do not know how to describe him—it might be unparliamentary.

There are 17 distinguished authors in this book, not just Mr. Crispo. I can strongly recommend it.

Mr. Axworthy: Are you a book seller now? Is it going to be your next occupation?

Mr. Crosbie: It's hard to get a word out of your mouth here, Mr. Speaker.

Mr. Speaker: Perhaps we could move on from a book sale to a question and answer. The Hon. Minister.

Mr. Crosbie: With respect to the question of film distribution, my hon. colleague will be proceeding with that in due course.

As to what conversations Mr. Valenti is having with the U.S. administration, I do not know what conversations he is having with them.

Mr. Broadbent: Mr. Speaker, it won't be the first Minister that we have heard from who does not know what is going on in Washington in terms of the trade deal.

REQUEST FOR MINISTERIAL ASSURANCE

Hon. Edward Broadbent (Oshawa): Since fewer than 3 per cent of all films distributed in Canadian cinemas are actually produced by the film industry, and since Jack Valenti is perhaps the most powerful lobbyist in Washington and has, according to one briefing note, got our Government to cave in before on this deal, and we do not have the Bill before us that has been promised, will the Minister now assure us that there is not someone in the Prime Minister's Office who is working on this proposal that will be submitted for U.S. satisfaction before they vote in the U.S. Congress? Will he give us that assurance, yes or no?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I want to reassure the hon. gentleman that we will be doing what we said we would do, and that is bringing in legislation which treats Canada as a separate market for film distribution rights. That will be done.

Mr. Broadbent: Where is it?

Miss MacDonald: I will ask the hon. gentleman to wait a few days. I can tell him that we will be providing support for our film distributors, so that Canada does indeed become a separate market.

REQUEST THAT LEGISLATION BE INTRODUCED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I guess that the Minister has just conceded that the official in the Prime Minister's Office is going to make up the Bill for her in the next few days, and we are going to get it.

Miss MacDonald: That shows how little you know about it.

Mr. Broadbent: Since the Minister has just stated, and these are her words and not mine, in the next "few days", is she giving us assurances that the long promised legislation that will begin to provide some justice for the Canadian film industry will be introduced in the House in the next few days?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I can assure the Hon. Member that there will be announcements and details of this whole package within a few days. We will be addressing, in due course, the legislative and financial aspects, which together will form a good support program for our Canadian film industry.

* * *

HEALTH

CANCER RESEARCH—GOVERNMENT FUNDING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of National Health and Welfare. The Minister will no doubt have read the rather staggering statistics that came out from Statistics Canada which showed that cancer will strike one in three Canadians, that more that 50,000 people will die of cancer this year, and that it is the second largest killer of children under the age of 14.

Given these staggering statistics, can the Minister explain why in this year's Budget the National Health Research and Development Program has had its funding for cancer research cut by more than $1 million?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will have to check the exact statistics raised by the Hon. Member. Obviously, I am committed to more research for cancer, both within medical research and also NHRDP. I will have to check the exact figures raised by the Hon. Member.

FUNDING AT 1986-87 LEVELS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am quoting figures that came from the Minister's Department today which show a cut from the 1986-87 budget of $2.26 million to $1.2 million this year, which is over 40 per cent.

If the Minister truly does have a commitment to cancer research, will he today give the commitment in the House that he will at least restore cancer research funding levels by his Department to the 1986-87 levels?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, this Government has increased cancer research commitments through MRC, both on the base budget and on the matching funds, and also on other proposals that are coming forward regarding science and technology. Those things are in place. If there is a reduction, obviously I want to know that. I think the House will understand that I want to look at the allegations first before going any further.

* * *

EXTERNAL AFFAIRS

CENTRAL AMERICA—ROLE OF UNITED STATES CONGRESS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Secretary of State for External Affairs. The Minister will know that on March 24 the House unanimously passed a resolution concerning the situation in Central America, particularly the peace process, in which the House agreed to urge that parties from outside the region refrain from any activity that would disrupt this process.

Given that it is the United States Congress which is so very often put in the position of having to approve or disapprove of various actions that President Reagan contemplates from time to time in Central America, why did the Prime Minister not take the opportunity when he was before the Congress to tell it what the Parliament of Canada had unanimously determined, and pass on that message to Congress? It sounds to me like an opportunity missed. Doesn't it, to you?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I take it that last question was to me and not to you, so I will answer it and say no. I think that the Americans, Congressmen and others, who are interested in these issues know the position of Canada.

The point surely is that what we have to be occupied with here is what it is that Canada can do. I understand the Hon. Member's preoccupation with the United States and with what it can do. But our interest, surely, is what we can do.

The Hon. Member is himself a member of the committee that was established here that will be leaving within the next few weeks to go to Central America. He will know that there is a process under way, proceeding slowly, that requires encouragement by Canada, including by the parliamentary delegation, and that Canada has made known our willingness to help, in ways that are in our traditions and open to us and may not be open to other countries, to move that process forward.

I had thought we had passed the stage where we were going to turn back to focusing on what the Americans can do, and would be instead, in a sovereign, constructive way, focusing on what Canada can do to bring peace to Central America.

PRIME MINISTER'S ADDRESS TO UNITED STATES CONGRESS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, sometimes the Minister says we can only concentrate on what Canada can do, and the next time it is what we have to do in concert with others.

The fact of the matter is that, whether it is acid rain or whatever it is, we in Canada have to be concerned with what the United States is doing, and that applies to Central America.

The Prime Minister of Canada had an opportunity to convey the unanimous opinion of the House of Commons with respect to Central America. He could even have done it in the sycophantic way that he referred to other issues, but he didn't even bother to raise it.

I want to ask the Secretary of State for External Affairs whether he asked the Prime Minister to raise it, or whether he did not?

• (1440)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, no, I did not ask the Prime Minister to put into a speech a matter that we believe is already known, a matter on which the different approaches of the Governments of the United States and Canada are very well known.

Mr. Blaikie: Our views on acid rain are very well known as well.

Mr. Clark (Yellowhead): The Hon. Member for New Westminster—Coquitlam, who used to be the Party spokesperson for foreign affairs, suggested that we forgot to raise it. Of course, there was no question of forgetting to raise it.

Ms. Jewett: Why did you not raise it, then?

Mr. Clark (Yellowhead): What is at issue here is a difference in concentration as to what Canada should be doing with Canadian policy. The NDP is in such awe of the United States that it appears to feel there are no independent, effective actions that Canada can take. We believe it is our duty in foreign policy, as in other fields, to find areas where Canada can make independent, constructive, sovereign contributions to peace. We are doing that in Central America.

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AQUACULTURE

REQUEST FOR BANK ACT AMENDMENT TO ASSIST FISH FARMERS

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Minister of State for Finance. As the Minister knows,

one of the exciting industries in British Columbia is aquaculture or fish farming. However, the fish farmers are frustrated—in fact they are discriminated against—when they go to the banks to borrow money, because under the Bank Act fish is not considered as an approved crop for security.

Will the Minister be prepared to do something about this? In fact, will he be prepared to bring forward an amendment to Section 178 of the Bank Act so that fish from fish farms will be considered a crop, and an approved form of security, and so that aquafarmers can get loans and advances from Canadian banks?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, that is yet one more indication of how contemporary the Hon. Member is. She raises a very important question.

We will be very happy to amend the Bank Act to do what she asks. It will appear in the amendments that we bring forward to the Bank Act, in order to bring the security up to date that banks can have in the modern age.

* * *

[*Translation*]

OLD AGE SECURITY

PRIORITIES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr Speaker, my question is directed to the Minister of National Health and Welfare, who is supposed to defend the elderly here in Canada. While his Government is about to waste at least $11 billion on nuclear submarines, a report published by the National Council of Welfare indicates that, although assistance to elderly persons living alone has improved, there are still 276,000 elderly Canadians living below the poverty line, the majority of whom are women (82.3%). Could the Minister inform the House why his Government has failed to do what the Liberal Government did in 1984, which is to increase by $50 the guaranteed income supplement for persons living alone, to ensure no more elderly persons living alone in Canada are below the poverty line, instead of putting money into submarines?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member will know that there was a change in the spouse's allowance relating to widows and widowers whereby approximately 53,000 Canadians came into a program which the former Government had an opportunity to bring forward but chose not to. Of that 53,000, 85 per cent are women.

If the Hon. Member wants to be fair about the issue he should also look at, for example, statistics relating to the recent report from the National Advisory Council on Welfare in terms of changes in the number of people living in poverty when his Government was in power and now when our Government is in power. Obviously, we would like to do more. As the economy improves we would like to bring about additional changes.

I point out to him that there have been improvements, and I have given him some of them. Upon reflection he might even want to applaud the Government and the people in the economy who have brought about these improvements over the last three years.

[*Translation*]

SITUATION OF UNMARRIED, SEPARATED, AND DIVORCED WOMEN

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, it's true! on page 40 in the French version, it says there was an improvement for persons who were 65, but that was thanks to the Liberal Government, which in 1984 decided to proceed with a two-stage increase of $25 each. The present Government should have continued this practice to ensure no Canadians are living below the poverty line. Since the Minister mentioned widows and widowers between the ages of 60 and 64, the report says 76,000 women are living in poverty because the Government refuses to give them the spouse's allowance, just because they are single, separated or divorced. When is the Government going to stop this discrimination and bring 76,000 people out of poverty, instead of wasting money on a bunch of useless submarines?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, it is rather odd for that Member of Parliament to talk about discrimination when widows and widowers were not included in the legislation. This Government brought that group of Canadians into the legislation. For him to talk about discrimination is patently wrong. He should reflect on that.

With respect to the report, in 1982-84, 317,000 Canadians were added to the poverty rolls. Some 525,000 have been taken off the poverty rolls since this Government came into office.

In terms of children and poverty, 94,000 more came into poverty when he was sitting on the government benches. Some 193,000 have been taken off the poverty rolls since this Government came into office.

In terms of real income for families—and this will be the last one, Mr. Speaker—there was a 5.6 per cent decrease when the Hon. Member's Party was in office. Since this Government came into office that figure has changed to plus 3.7 per cent.

[*Translation*]

THE ENVIRONMENT

CANCER CAUSING SUBSTANCES IN JONQUIÈRE REGION—MINISTER'S POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of the Environment and concerns the situation in Jonquière at Alcan, where record amounts of polyaromatic hydrocarbons, which can cause cancer, have been found in the air in this region. The Minister is aware there are no Canadian standards for the maximum allowable concentration of these carcinogenic substances. What is his responsibility for regulating these substances and for reducing emissions into the air and waters of this region, emissions that can cause cancer?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, as the Hon. Member will know, Bill C-74 is now at third reading stage. It will seek to manage such substances from cradle to grave through their full life cycle.

We have established a special committee under a distinguished environmentalist, Dr. Hume, to make recommendations on this very matter so that when Royal Assent is received we will be in a position to act quickly.

On the particular matter that the Hon. Member brings to the attention of the House, I will draw it to the attention of my seniormost officials and get back to her on it.

[*Translation*]

ACT REGULATING TOXIC SUBSTANCES—MINISTER'S RESPONSIBILITY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, we are talking about human illness, of cases of cancer among workers and other people in the region, and about pollutants in waters where belugas are dying every day. We cannot afford to wait. I don't understand the Minister's response. We have legislation to regulate toxic substances. Where does his responsibility lie with respect to the immediate application of the legislation to this very serious problem?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, I agree, it is a very serious problem. It is a long-standing one. The offending substances have been wreaking their havoc for generations. We are dealing in the Government with the matter as a question of utmost priority.

In the longer term we have brought to the House for, I hope, early disposition, the toughest, most comprehensive toxic chemicals legislation ever in the history of Canada—probably the toughest in the western hemisphere.

We have been working hand in glove, actively, with the Government of Quebec on a major action plan to clean up the St. Lawrence River. That is the subject of continuing negotiations between the two jurisdictions.

I can assure the Hon. Member and Members of the House that the plight of the beluga will loom large in that over-all scheme.

* * *

• (1450)

AGRICULTURE

NOVA SCOTIA-CANADA SUBSIDIARY AGREEMENT—FEDERAL FUNDING

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is for the Minister of Agriculture. The Nova Scotia Federation of Agriculture has been waiting since February, 1987, for some word on the Nova Scotia-Canada subsidiary agreement on agriculture.

The Province of Nova Scotia has committed its $30 million. The federal Government all winter long has been saying that it was going to make its commitment of $30 million before April 1 yet it has done nothing. Why is the Government back-tracking on this important issue?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I am happy—

An Hon. Member: How does that guy get into it?

Mr. Crosbie: How do I get into it? I represent the Minister in charge of the Atlantic Canada Opportunities Agency. It is time for the Member to wake up and pay attention.

Some Hon. Members: Oh, oh!

Mr. Crosbie: If you stop the fratricide in the caucus—

Mr. Speaker: The Hon. Minister.

An Hon. Member: How many is that now?

Mr. Crosbie: Twenty-two out of 39 is not bad. It is just as well he did not put them in the mail.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Crosbie: With respect to the question, entering into that particular agreement is imminent, and I am pleased to be able to tell the Hon. Member that we have entered into agreements with Nova Scotia that involve total spending of some $960 million, of which $686 million is federal. Seven of those agreements were signed in the last several years. For instance, the Highway Improvements Agreement, the Canada-Nova Scotia Offshore Development Fund and the Sydney Tar Ponds. The Hon. Member should be down on his knees thanking us for the actions that we have taken.

GOVERNMENT POSITION

Mr. Russell MacLellan (Cape Breton—The Sydneys): The Minister of Agriculture said that that money was going to be coming from the Cabinet committee for economic development and that the farmers needed to know before April 1 so they could plan for the present growing season.

Why is the Government delaying this Bill? Why is the Government delaying this agreement?

Hon. John C. Crosbie (Minister of Transport): Mr. Speaker, the Government is not delaying this Bill or this agreement. As a matter of fact, in addition to Nova Scotia, we are expecting imminently an agreement to be entered into with Newfoundland, the only province in Canada with which there has been no agreement covering agriculture, a matter that I want to see rectified very quickly, I can assure you, Mr. Speaker.

* * *

FISHERIES

REPORTED SPILL OF SULPHURIC ACID INTO STRAITS OF GEORGIA

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my question, in the absence of the Minister of Fisheries, is for the Minister of the Environment. The matter refers to Crown Forest Products outside of Campbell River, and a 40 tonne spill of 93 per cent sulphuric acid into the Straits of Georgia. The matter was reported by the environmental committee of the Canadian Paper Workers' Union. As yet there is no indication of what has been done by the Department of Fisheries and Oceans or Department of the Environment on this very critical matter.

Could the Minister tell this House why he has not contacted the environmental committee of the Paper Workers' Union to discuss the matter with them and why the Government has taken no action to investigate the matter?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I thank the Hon. Member for his question. The matter has not been brought to my attention. I am trying to find out at the moment the reason that such a serious matter has not been brought to my attention.

We will get the Hon. Member a report on the issue as quickly as we can.

Mr. Speaker: The Hon. Member for Comox—Powell River, a short supplemental.

PREVENTIVE MEASURES TO CONTAIN EFFLUENT

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, my supplementary question is for the Minister of Fisheries.

Would he undertake to launch an investigation into this company's operation to determine why it has not built holding tanks and settling ponds to contain and treat the effluent so as not to allow it to escape into the Straits of Georgia again.

Will the Minister undertake to do that as soon as possible?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I think it would be premature to undertake an investigation until we know more details of the specific matters which the Hon. Member has raised.

If there has been a sudden spill, as it has been characterized, then indeed I and the Minister of the Environment will want to know what the details of this circumstance amount to. On the other hand, if there is allegation of persistent malpractice on the part of Crown Forests, we will, of course, look into that in accordance with the habitat and effluent provisions of the Fisheries Act.

As I undertook earlier, I will look into this immediately.

* * *

[*Translation*]

FINANCIAL INSTITUTIONS

BILL C-81—MOUVEMENT DESJARDINS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of State (Finance) and concerns our proposed legislation on finance and loan companies and its possible application to the *Mouvement Desjardins*.

The way the Bill is drafted now, I don't see kow it could not apply to the *Mouvement Desjardins*. We must not forget that Desjardins is not a corporation but a financial co-operative, and I wish it could be clearly established that Desjardins will not be affected by our proposed legislation on trust and loans companies.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I said last week that our federal policy will in no way oblige savings and credit unions to get rid of their so-called non-financial interests. And furthermore, our policy will not in any way infringe on the rights and obligations of provincial institutions.

* * *

[*English*]

ADMINISTRATION OF JUSTICE

NOVA SCOTIA—REQUEST FOR PUBLIC INQUIRY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Justice in his capacity as Attorney General of Canada.

As he well knows, public confidence in the system of justice in Nova Scotia has been badly shaken by a number of incidents that have occurred recently. There are now serious allegations that the decision not to prosecute former Nova Scotia Deputy Premier, Roland Thornhill, on charges of receiving a $100,000 illegal benefit was made due to political interference by the Government of Premier Buchanan. As you know, the Deputy Premier has now resigned, Mr. Speaker.

Would the Attorney General of Canada be prepared to launch a public inquiry into this matter now that the Government of Nova Scotia has refused to do so, in order that the air can be cleared?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think the Hon. Member will understand that the prosecution of these matters is under provincial jurisdiction. I have every confidence in the law enforcement agencies of this country and in the independence of the Attorneys General in each of their jurisdictions to handle their responsibilities concerning prosecution.

As the Hon. Member points out, I do not comment with respect to individual cases because I think it is improper for an Attorney General to speculate with respect to an individual case. All I can say is that I will continue to make sure that in all areas of my own responsibility justice will, in fact, be observed.

REQUEST THAT MINISTER INTERVENE

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Minister will know well that the Public Inquiries Act gives him the full authority to call a public inquiry into this or any other matter.

In light of the serious deterioration of public confidence over a number of matters, not just the one referred to, would it not be justifiable and appropriate for the Minister to step in and reassure the people of Nova Scotia about the quality of the system of justice?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have to tell the Hon. Member that I do not share the premise and the pessimism of his question with respect to the Province of Nova Scotia, or indeed with respect to any part of this country.

Is the Hon. Member asking me to supersede provincial responsibility in terms of my responsibility as the Attorney General of Canada? If this is the policy of the Liberal Party of Canada, I wish the Member would stand up and say so. I think what he is suggesting that I do is to second guess every prosecution and every investigation that takes place in any jurisdiction. The Member knows that when he was in the previous Government it was very respectful of provincial jurisdictions, which was probably the only thing the Liberal administration did right in its whole term.

Mr. Speaker: I will recognize the Hon. Member for Prince Albert for a question and a supplemental and that will conclude Question Period.

* * *

CANADA POST CORPORATION

POST OFFICES AND RURAL ROUTES IN SASKATCHEWAN

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I have only one question for the Minister responsible for Canada Post.

Last Monday, again on Tuesday, and several times before, the Minister has told us that no one in Canada has suffered from a reduction in postal services.

Let me give the Minister an opportunity to make an honest man of himself and tell us that he will re-open and reinstate the post offices and rural routes in Domremy, Debden, Canwood, Weldon, Ayelsbury, Blaine Lake, Mont-Nebo, Crutwell, Alingly, Tweedsmuir, and dozens and dozens of others that have been closed in Saskatchewan and the rest of Canada.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member has listed some of the places in which changes have been made in the postal system. I would refer the Hon. Member to an article in today's *Ottawa Citizen* dealing with the post office at Delcray, Ontario, nearby, being closed because the postmaster retired. The service was replaced with group mailboxes, and Anastasia Collins, 68, who lives across the street from the post office, looks forward to the group mailboxes which will be open longer hours than the post office was.

• (1500)

The point is that the union and the NDP would say that there has been a degradation of service. The person who uses the service and lives across the street is welcoming the change because it means that mail will be accessible for longer hours than when the services were operated by the post office on union hours. Changes do not mean deterioration, they mean improvement to most reasonable people.

Mr. Hovdebo: As a supplementary—

Mr. Speaker: This is somewhat unusual. First, I apologize to the Hon. Member for Prince Albert for removing one question the other day, but I suppose with the disposition in the House such as it is, he can change his mind this afternoon and ask his last question.

CLOSURE OF RURAL ROUTE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I ask the Minister if he is suggesting that the difference between driving 22 kilometres for his mail and driving 80 kilometres for

his mail does not mean a reduction in service to a rural route? My rural route was closed. I now have to drive 20 miles instead of getting my mail across the road.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, the policy Canada Post has had in place since I have been the Minister responsible is that there is to be no closure of rural routes. There are changes in rural post offices. There are changes in post offices in urban centres as well. They are being removed from corporate run operations which operate for a few hours a day, to the private sector where they are open for eight, 10 or 12 hours a day in locations more convenient to the customers.

I recognize why the New Democrats, spokesmen for the unions, have to complain about this. However, the customers find it useful to be able to access postal services for longer hours than those available under the old system.

Mr. Speaker: I would like to advise the House that I will hear the Hon. Member for Windsor West and the Hon. Member for Kamloops—Shuswap on the usual question of business, but before I do so I want to indicate that I will then be hearing from the President of the Treasury Board on a point of order arising out of Question Period, and I will then hear another Member on a question of privilege, in that order.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, you anticipated quite promptly that I intend to rise on a point of order to ask the Deputy Government House Leader to give us a statement of the business he wants to put before the House for the Government over the coming days, and, I hope, until the end of June, but if he cannot do that, at least for the coming week.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, this afternoon after the vote, we will continue consideration of Bill C-113, the Western Diversification Act. Friday, we will go to Bill C-74, the Environmental Protection Act, Bill C-92, amendments to the Wheat Board Act, Bill C-89, victims of crime, and then after Routine Proceedings in the afternoon, we will go to amendments to the National Housing Act, third reading of Bill C-103, the Atlantic Canada Opportunities Agency, and Bill C-126, the Bretton Woods.

In the event that any of those Bills are not finished in the afternoon, we will deal with those on Monday and Tuesday of next week.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, while the Deputy House Leader is on his feet, I wonder if he could explain something. The Minister of Communications (Miss MacDonald) indicated earlier that the Government would be taking steps to introduce legislation soon. Has he any indication when that legislation would be introduced? Would it be introduced within the next week?

Mr. Lewis: Mr. Speaker, I have to deal with legislation once it is introduced. I understand that my colleague hopes to be in a position to introduce that legislation very, very soon. As soon as it is introduced, we will give it consideration in the entire timetable of the Government's business.

Mr. Riis: Mr. Speaker, I do not plan to take up any more time other than simply to seek a clarification. Did the Deputy House Leader indicate that the Minister of Communications does plan to introduce legislation regarding the Canadian film industry?

Mr. Lewis: As the Hon. Minister indicated in Question Period, once she has the opportunity to bring that legislation to the House, I am sure she will bring it forward and then we will put it into the timetable of the Government.

* * *

POINT OF ORDER

ALLEGED ASPERSIONS CAST ON MINISTER

Hon. Pat Carney (President of the Treasury Board): Mr. Speaker, I rise on a point of order arising out of Question Period which relates to the answer given by the Hon. Member for Oshawa (Mr. Broadbent) in response—

Mr. Broadbent: Answer?

Mr. Riis: He asked questions.

Miss Carney: I want to direct my point of order to the remarks made by the Hon. Member for Oshawa (Mr. Broadbent) to the Minister for International Trade (Mr. Crosbie). I think you will find, in checking the "blues", that this is a pretty accurate reflection of what he said. He said that he would not be the first Minister who did not know what was going on in Washington.

Some Hon. Members: Guess who he's talking about.

Miss Carney: I think it might be wise to draw to the attention of Members of the House that—it is interesting that the NDP will not even allow me the courtesy of raising a point of order in the House.

It may be wise to remind Hon. Members that they should direct their questions to the Minister responsible for the issue involved and not cast aspersions on other Ministers who, under the rules of the House, cannot answer in this forum. I think you might consider directing the Hon. Member for Oshawa (Mr. Broadbent) to cast such aspersions in a forum where we

can show the rest of the country his vast ignorance of this matter.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am sorry that the sensibilities of the Minister have been somewhat deranged by my comment. I took it that I was not casting aspersions but simply making a straightforward contention of fact.

Miss Carney: Mr. Speaker, I think the answer of the Hon. Member for Oshawa is unhelpful. I am speaking to the rules of this House, and the rules of this House do not permit such aspersions to be made against other Ministers, any Minister who, under the rules of this House, is not in a position to make a response. I think the cheap, shoddy shot of the Hon. Member for Oshawa contributes to the degrading of the atmosphere of the House, and I wish to bring this to your attention, Mr. Speaker.

Mr. Broadbent: Mr. Speaker, I certainly do want to be consistent with the rules, but my understanding is that, as long as I was talking about Ministers in plural, I certainly would not want the Minister to feel that I was exempting any of her colleagues from what I had to say. It was a whole batch of Ministers, and my understanding of the rules is that it is perfectly acceptable, but I can well understand why she should be so upset by her past record. It is all right.

Miss Carney: Mr. Speaker, I am amused by the fact that the Hon. Member is continuing the kind of argument which I raised in the first place. It proves my point about the unhelpful manner in which the Hon. Member is dealing with this.

I would like to ask you, Mr. Speaker, to deal with the rule and the issue I raised. The Hon. Member does not even know what he said. He said that the Minister for International Trade would not be the first Minister who did not know, so I am asking you to address the issue raised.

Mr. Speaker: The Hon. President of the Treasury Board (Miss Carney) has raised a matter and has specifically drawn attention to the interpretation of the rules. I will take the matter under advisement and return to the Chamber if it is necessary.

* * *

PRIVILEGE

ALLEGED REFUSAL TO ALLOW MULTICULTURALISM COMMITTEE TO HEAR WITNESSES

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I had occasion just over a month ago, on March 22, to raise a question of privilege relating to a denial of the Government, through the House leadership refusing to present a motion authorizing the Standing Committee on Multiculturalism to visit the regions of Canada to hear from persons in the ethnocultural groups and multicultural organizations in response to the report of the committee.

• (1510)

This morning in the legislative committee which is dealing with the multiculturalism Bill a very similar matter arose. I will not read Citation 16 of *Beauchesne's* again but only emphasize that Members of Parliament who have responsibilities to deal with matters of public policy need to be aware of what the Canadian people think about these matters. They should have the opportunity to hear from multicultural organizations on their views of the matter.

Three government Members proposed a motion this morning to bring an end to consideration by the committee of testimony by witnesses on Bill C-93. The Canadian Ethnocultural Council is the only non-governmental organization which has been heard to this point. The Canadian Ethnocultural Council has proposed a number of witnesses from organizations.

A motion proposed and carried by the government majority on the committee imposed a guillotine, a six or eight-hour marathon session in which selected witnesses will be heard. Submissions from five of these six organizations will be denied.

I submit that this is a prima facie case of denial of my privileges as a Member and the critic for multiculturalism in the legislative committee. If you agree with me, Mr. Speaker, and find that, I will, of course, be very happy to move the necessary motion.

Mr. Speaker: I think I can assist Hon. Members in this matter. The Hon. Member for Thunder Bay—Nipigon (Mr. Epp) referred to an event of several weeks ago in which there was a complaint. As it turned out, I did not have to rule on whether there was a question of privilege, but there was a complaint with respect to the number of witnesses that were being heard in another committee. I suggested at the time that Hon. Members on both sides of the House discuss the matter. As I understand it, the matter was satisfactorily resolved, or at least resolved without having to come back to the Chamber.

The Chair is not happy to interfere with affairs inside a committee, as I mentioned several weeks ago. It would seem to me, having listened carefully to the Hon. Member for Thunder Bay—Nipigon, that this is a matter which lies completely within the jurisdiction of the committee in question. It is very difficult for the Chair to see that, under the circumstances, there is a prima facie case of privilege.

The Hon. Member has as complaint and that complaint may, in another context and another place, be pursued. However, despite the force of the Hon. Member's argument and the obvious concern which the Hon. Member has for certain witnesses that were not considered, I do not believe that under the circumstances it is appropriate for the Chair to interfere.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed from Wednesday, April 27, consideration of Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, as reported (with amendments) from a legislative committee.

The Acting Speaker (Mr. Paproski): It being three o'clock, pursuant to Standing Order 13(4)(a) the House will now proceed to the taking of the deferred divisions at report stage of Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts.

Call in the Members.

• (1530)

And the division bells having rung:

The Acting Speaker (Mr. Paproski): In view of the fact that the fire bell has stopped and we have 10 minutes left in calling in the Members, we will now call in the Members again. The bell will ring for another 10 minutes.

• (1550)

And the division bells having rung:

Mr. Lewis: Mr. Speaker, I rise on a point of order. I have discussed this point of order with the leaders of the other two Parties. I wish to make two points with respect to the fire alarm that just rang.

I wish to suggest that I am very concerned about the congestion which occurred at the west door of the House of Commons. It was very difficult for people to get out of the House. I suggest that when the fire alarm rings constables should be instructed to take whatever action they have to take to clear that exit in order to make it possible for firemen to get in if they have to.

The other thing I would say is that I am concerned that people were allowed into the building while the alarm was still ringing. I suggest to you, Mr. Speaker, and this has been agreed to by my colleagues, that that breeds disrespect for the fire alarm. One day it might cause serious problems.

The Acting Speaker (Mr. Paproski): I have asked the Sergeant-at-Arms to make a report and to advise the Press Gallery of what happened here this afternoon, as well as to ensure that the halls are cleared and that people respect both the Sergeant-at-Arms and the constables in that area. We will have a further report on that particular incident.

The first question is on Motion No. 2 standing in the name of the Hon. Member for St. John's East (Mr. Harris). Mr. Harris moved:

Motion No. 2.

That Bill C-103 be amended in Clause 7

(a) by striking out line 14 at page 3 and substituting the following therefor:

"the order, any area in Atlantic Canada, which may be a sub-region in a province,"

(b) by striking out line 18 at page 3 and substituting the following therefor:

"employment by means of pilot projects and multi-year comprehensive area development strategies and action plans and other means as necessary."

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

(*Division No. 339*)

YEAS

Members

Althouse	Guilbault (Saint-Jacques)	Nicholson (Trinity)
Axworthy	Harris	Nunziata
Benjamin	Heap	Orlikow
Blaikie	Hovdebo	Ouellet
Caccia	Isabelle	Parry
de Jong	Jewett	Penner
Epp (Thunder Bay—Nipigon)	Kaplan	Prud'homme
Finestone	Killens	Riis
Foster	Langdon	Robinson
Fulton	McCurdy	Skelly—35
Gagliano	McDonald (Broadview—Greenwood)	
Gauthier	McLaughlin	
Grondin		

NAYS

Members

Andre	Friesen	McCain
Bertrand	Girard	McCuish
Binns	Gray (Bonaventure—Îles-de-la-Madeleine)	McInnes
Blais	Greenaway	McKenzie
Boyer	Grisé	McKinnon
Brightwell	Gustafson	McMillan
Cadieux	Halliday	Merrithew
Caldwell	Hardey	Minaker
Cardiff	Hawkes	Moore
Carney	Hicks	Nickerson
Cochrane	Hnatyshyn	Nowlan
Collins	Hockin	Oberle
Cossitt	Holtmann	Peterson
Crosbie (St. John's West)	Horner	Redway
Crosby (Halifax West)	Jacques	Reimer
Crouse	Jourdenais	Ricard
Desjardins	Kempling	Scott (Hamilton—Wentworth)
Dorin	King	Siddon
Duplessis	Leblanc	Sparrow
Fennell	MacKay	Stevens
Fontaine	Martin	Tardif (Charlesbourg)
Fraleigh	Mazankowski	Taylor

Thacker
Towers
Turner
(Ottawa—Carleton)
Valcourt
Vankoughnet
Vincent
White
Winegard
Wise—75

[*Translation*]

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

• (1600)

[*English*]

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 3 standing in the name of the Hon. Member for St. John's East (Mr. Harris). Mr. Harris moved:

Motion No. 3

That Bill C-103 be amended in Clause 12 by striking out line 28 at page 4 and substituting the following therefor:

"velopment of Atlantic Canada, and to reduce the economic disparity between Atlantic Canada and other regions of Canada, with particu".

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

(*Division No. 340*)

YEAS

Members

Althouse
Axworthy
Benjamin
Blaikie
Caccia
Cassidy
de Jong
Dewar
Epp
(Thunder Bay—Nipigon)
Finestone
Foster
Fulton
Gagliano
Gauthier
Grondin
Guilbault
(Saint-Jacques)
Harris
Heap
Hovdebo
Isabelle
Jewett
Kaplan
Killens
Langdon
MacLellan
McCurdy
McDonald
(Broadview—Greenwood)
McLaughlin
Nicholson
(Trinity)
Nunziata
Orlikow
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Robinson
Rossi
Skelly—40

NAYS

Members

Andre
Bertrand
Binns
Blais
Boyer
Brightwell
Cadieux
Caldwell
Cardiff
Carney
Cochrane
Collins
Cossitt
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Desjardins
Dorin
Duplessis
Fennell
Fontaine
Fraleigh
Friesen
Girard
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Jacques
Jourdenais
Kempling
King
Leblanc
MacKay
Martin
Mazankowski
McCain
McCuish
McInnes
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Moore
Nickerson
Nowlan
Oberle
Peterson
Redway
Reimer
Ricard
Scott
(Hamilton—Wentworth)
Siddon
Sparrow
Stevens
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Turner
(Ottawa—Carleton)
Valcourt
Vankoughnet
Vincent
White
Winegard
Wise—75

[*Translation*]

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

[*English*]

Mr. Hawkes: Mr. Speaker, I rise on a point of order. The confusion caused by the fire alarm has subsided. We seem to have our numbers and there appears to be a trend emerging in the votes.

Would the Opposition consider saving taxpayers some dollars and Members some time and allow us to proceed with the business of the House, namely, the western initiative? Would there be a predisposition to have the count on the last vote apply to the substantive motions which are still before us?

Mr. Riis: Mr. Speaker, Members will have noticed that we have been debating the very thoughtful amendments put forward by the Hon. Member for St. John's East (Mr. Harris) to improve the Atlantic Canada Opportunities Agency Bill. We thought it would be appropriate to have the Members stand to oppose these very positive initiatives so as to identify who they are and also to point out that 133 Conservatives are not even in the House today—

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 4 standing in the name of the Hon. Member for St. John's East (Mr. Harris). Mr. Harris moved:

Motion No. 4

That Bill C-103 be amended in Clause 12 by adding immediately after line 35 at page 4 the following:

"(2) In carrying out its object the agency shall ensure that there be equity between the Atlantic Provinces in the allocation of resources, effort and programs in a manner to be determined by the Agency, and the Agency shall report annually to Parliament on the fulfillment of this objective."

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

(*Division No. 341*)

YEAS

Members

Althouse
Axworthy
Benjamin
Blaikie
Boudria
Caccia
Cassidy
de Jong
Dewar
Finestone
Foster
Fulton
Gagliano
Gauthier
Grondin
Guilbault
(Saint-Jacques)
Harris
Heap
Hovdebo
Isabelle

Jewett
Kaplan
Killens
MacLellan
McCurdy
McDonald
(Broadview—
Greenwood)
McLaughlin
Nicholson
(Trinity)
Nunziata
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robichaud
Robinson
Rompkey
Rossi
Skelly—39

NAYS

Members

Andre
Bertrand
Binns
Blais
Boyer
Brightwell
Cadieux
Caldwell
Cardiff
Carney
Cochrane
Collins
Cossitt
Crosby
(Halifax West)
Crouse
Desjardins
Dorin
Duplessis
Fennell
Fontaine
Fraleigh
Friesen
Girard
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Jacques
Jourdenais
Kempling
King
Leblanc
MacKay
Martin
Mazankowski
McCain
McCuish
McInnes
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Moore
Nickerson
Nowlan
Oberle
Peterson
Redway
Reimer
Ricard
Scott
(Hamilton—Wentworth)
Siddon
Sparrow
Stevens
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Turner
(Ottawa—Carleton)
Valcourt
Vankoughnet
Vincent
White
Winegard
Wise—74

• (1610)

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

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 5. Mr. Baker moved:

Motion No. 5.

That Bill C-103 be amended in Clause 12 by striking out line 36 at page 4 and substituting the following therefor:

"mentation with equal emphasis in each of the four Atlantic Provinces".

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

(*Division No. 342*)

YEAS

Members

Althouse
Benjamin
Blackburn
(Brant)
Blaikie
Boudria
Caccia
Cassidy
Copps
de Jong
Finestone
Foster
Gagliano
Gauthier
Grondin
Guilbault
(Saint-Jacques)
Harris
Heap
Hovdebo
Isabelle
Jewett
Kaplan
Killens
MacLellan
Malépart
McCurdy
McDonald
(Broadview—
Greenwood)
McLaughlin
Nicholson
(Trinity)
Nunziata
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robichaud
Robinson
Rompkey
Rossi
Skelly
Tardif
(Richmond—Wolfe)—40

NAYS

Members

Andre
Bertrand
Binns
Blais
Boyer
Brightwell
Cadieux
Caldwell
Cardiff
Carney
Cochrane
Collins
Cossitt
Crosby
(Halifax West)
Crouse
Desjardins
Dorin
Duplessis
Fennell
Fontaine
Fraleigh
Friesen
Girard
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Jacques
Kempling
King
Leblanc
MacKay
Martin
McCain
McCuish
McInnes
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Moore
Nickerson
Nowlan
Oberle
Peterson
Redway
Reimer
Ricard
Scott
(Hamilton—Wentworth)
Siddon
Sparrow
Stevens
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Turner
(Ottawa—Carleton)
Valcourt
Vankoughnet
Vincent
White
Winegard
Wise—72

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

• (1620)

[*Translation*]

The Acting Speaker (Mr. Paproski): The next vote is on Motion No. 6. Mr. Baker moves:

Motion No. 6

That Bill C-103 be amended in Clause 13 by striking out line 37 at page 4 and substituting the following therefor:

"shall".

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

(*Division No. 343*)

YEAS

Members

Boudria
Caccia
Copps
Finestone
Foster
Gauthier
Grondin
Guilbault
(Saint-Jacques)
Isabelle
Kaplan
Killens
MacLellan
Malépart
Nicholson
(Trinity)

Nunziata
Ouellet
Prud'homme
Robichaud
Rompkey
Tardif
(Richmond—Wolfe)—20

NAYS

Members

Althouse
Andre
Benjamin
Bertrand
Binns
Blackburn
(Brant)
Blaikie
Boyer
Brightwell
Cadieux
Caldwell
Cardiff
Carney
Cassidy
Cochrane
Collins
Cossitt
Crosby
(Halifax West)
Crouse
de Jong
Desjardins
Dorin
Duplessis
Fennell
Fontaine
Fraleigh
Friesen
Girard
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Gustafson
Halliday
Hardey
Harris
Hawkes
Heap
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Hovdebo
Jacques
Jewett
Kempling
King
Leblanc
MacKay
Martin
Mazankowski
McCain
McCuish
McCurdy
McInnes
McKenzie
McKinnon
McLaughlin
McMillan
Merrithew
Minaker
Moore
Nickerson
Nowlan
Oberle
Orlikow
Parry
Peterson
Redway
Reimer
Ricard
Riis
Robinson
Scott
(Hamilton—Wentworth)
Siddon
Skelly
Sparrow
Stevens
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Turner
(Ottawa—Carleton)
Valcourt
Vankoughnet
Vincent
White
Winegard
Wise—89

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

[*English*]

Mr. Hawkes: Mr. Speaker, it is always possible in this Chamber that people do get a little silly. However, I would like to point out to the House that the Government is willing to reach some accommodation in order that we can complete this voting in an efficient fashion. We have been doing some figuring. The direct cost is about $7,500 per vote.

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 7 in the name of the Hon. Member for St. John's East. Mr. Harris moved:

Motion No. 7

That Bill C-103 be amended in Clause 13

(a) by striking out line 7 at page 5 and substituting the following therefor:

"port and promotion of enterprises and community economic development organizations, and"

(b) by striking out line 36 at page 5 and substituting the following therefor:

"enterprises and community economic development organizations, and more particularly small"

(c) by striking out line 44 at page 5 and substituting the following therefor:

"prises and community economic development organization, and more particularly small and".

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

(*Division No. 344*)

YEAS

Members

Althouse
Benjamin
Blackburn
(Brant)
Blaikie
Boudria
Caccia
Cassidy
de Jong
Finestone
Foster
Gauthier
Grondin
Guilbault
(Saint-Jacques)
Harris
Hovdebo
Isabelle
Jewett
Kaplan
Killens
MacLellan
Malépart
McCurdy
McDonald
(Broadview—Greenwood)
McLaughlin
Nicholson
(Trinity)
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robichaud
Robinson
Rompkey
Rossi
Skelly
Tardif
(Richmond—Wolfe)—36

NAYS

Members

Bertrand
Binns
Boyer
Brightwell
Cadieux
Caldwell
Cardiff
Cochrane
Collins
Cossitt
Crosby
(Halifax West)
Crouse
Desjardins
Dorin
Duplessis
Fennell
Fontaine
Fraleigh
Friesen
Girard
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Jacques
Kempling
King
Leblanc
MacKay
Martin
Mazankowski
McCain
McCuish
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Moore
Nickerson
Nowlan
Oberle
Peterson
Redway
Reimer
Ricard
Scott
(Hamilton—Wentworth)
Sparrow
Stevens
Tardif
(Charlesbourg)
Taylor
Towers
Turner
(Ottawa—Carleton)
Valcourt
Vankoughnet
Vincent
White
Winegard
Wise—66

• (1630)

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

The Hon. Member for Saint-Denis (Mr. Prud'homme) has asked to rise on a point of order. I will recognize him, and then I will recognize the Hon. Member for Saint-Jacques (Mr. Guilbault).

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I think it is the right of any Member of Parliament to express his opposition or his agreement with a vote as he sees fit. We have nothing to learn, I say regretfully, from the Hon. Member for ... what is the name of his constituency?

An Hon. Member: He is a Parliamentary Secretary.

An Hon. Member: The Hon. Member for Calgary something.

An Hon. Member: The Hon. Member for Calgary West.

Mr. Prud'homme: You will understand that when they are disagreeable, Mr. Speaker, I try not to learn the names of their ridings. So the Hon. Member for Calgary West (Mr. Hawkes) has no lesson to teach us. Personally, I had to leave earlier because I have my Liberal nominating convention on Sunday.

Some Hon. Members: Hear, hear.

Mr. Prud'homme: Just the same, I think it is very important to vote this afternoon, even if I should be in my riding to attend to some unfinished business.

[*English*]

The Acting Speaker (Mr. Paproski): That is not a point of order. The Hon. Member for Saint-Jacques (Mr. Guilbault) on the same point of order.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I understand the intention of the Government and certainly the intention of the Government House Leader to try to come to an agreement to take the vote more expeditiously. However, what I do not understand is the choice of the messenger. When the Government House Leader asks the Member for Calgary West (Mr. Hawkes) to stand up and ask us to co-operate, he is asking a Member who has been using the extension of the hours—

The Acting Speaker (Mr. Paproski): Order. I regret that that is not a point of order. The next question is on Motion No. 8—

Mr. Guilbault (Saint-Jacques): A point of order.

The Acting Speaker (Mr. Paproski): Mr. Baker moves—

Mr. Guilbault (Saint-Jacques): A point of order. They want to have co-operation?

The Acting Speaker (Mr. Paproski): Was the Hon. Member still on his feet?

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I would like to ask the Government House Leader to keep his Members in line, if he wants our co-operation.

[*English*]

Mr. Holtmann: Why do you not have another caucus meeting?

Mr. Guilbault (Saint-Jacques): I think we will vote, Mr. Speaker. They do not feel like co-operating.

The Acting Speaker (Mr. Paproski): Mr. Baker moved:

Motion No. 8.

That Bill C-103 be amended in Clause 13 by striking out line 9 at page 5 and substituting the following therefore:

'sized enterprises, with emphasis on the utilization of primary resources, particularly the fishery and agriculture in Atlantic Canada,'.

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

(Division No. 345)

YEAS

Members

Althouse
Benjamin
Blackburn (Brant)
Blaikie
Boudria
Caccia
Cassidy
de Jong
Epp (Thunder Bay—Nipigon)
Finestone
Foster
Gauthier
Grondin
Guilbault (Saint-Jacques)
Harris
Hovdebo
Isabelle
Jewett
Kaplan
Killens
MacLellan
Malépart
McDonald (Broadview—Greenwood)
McLaughlin
Nicholson (Trinity)
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robichaud
Robinson
Rompkey
Rossi
Skelly
Tardif (Richmond—Wolfe)—36

NAYS

Members

Bertrand
Binns
Boyer
Brightwell
Cadieux
Caldwell
Cardiff
Cochrane
Collins
Cossitt
Crosby (Halifax West)
Crouse
Desjardins
Dorin
Duplessis
Fennell
Fontaine
Fraleigh
Friesen
Girard
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Jacques
Kempling
King
Leblanc
MacKay
Martin
Mazankowski
McCain
McCuish
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Moore
Nickerson
Nowlan
Oberle
Peterson
Redway
Reimer
Ricard
St. Germain
Scott (Hamilton—Wentworth)
Sparrow
Stevens
Tardif (Charlesbourg)
Taylor
Towers
Turner (Ottawa—Carleton)
Valcourt
Vankoughnet
Vincent
White
Winegard
Wise—67

[*Translation*]

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

Mr. Rossi: Mr. Speaker, on a point of order. The Hon. Member for Montreal—Mercier (Ms. Jacques) is perhaps not very familiar with our Standing Orders due to her lack of experience.

I would like to mention that she entered the House after we started to vote, and that she voted, Mr. Speaker. I believe her vote should therefore be cancelled.

[*English*]

Mr. Mazankowski: Mr. Speaker, I think there are some very rigid rules that should be applied when the vote is being taken. I know the Speaker has been very generous. There are Members on both sides who have been moving around rather freely—

Mr. Benjamin: Not in and out of the House.

Mr. Mazankowski: A person is not even allowed to move from one seat to the next, but that has been going on. If we are going to apply the rules, they should be applied strictly across the board.

We have become more tolerant with each other in this exercise. While I appreciate what the Hon. Member has raised, I think he would do well to check that procedure with some of his own colleagues on his side.

Mr. Rossi: On the same point of order. When we leave our seat on this side we do not come back to vote. We stay out and come back when you read the motion. But in that case, she did come in after the vote started.

• (1640)

An Hon. Member: Forget it.

Mr. Rossi: I will not forget it.

[*Translation*]

Ms. Jacques: On a point of order, Mr. Speaker. I would like to inform the Hon. Member that he may need glasses, because I was here in the House when the vote started. I was in my seat. And I know the Standing Orders as well as he does. I may not have been in the House very long, but I know the Standing Orders.

[*English*]

The Acting Speaker (Mr. Paproski): We have to accept the Hon. Member's word in this House.

The next vote is on Motion No. 9. Mr. Harris moved:

Motion No. 9

That Bill C-103 be amended in Clause 18 by striking out line 29 at page 7 and substituting the following therefor:

"each province in Atlantic Canada and shall be broadly representative of the business, social cultural, governmental and educational participants in the economic development of Atlantic Canada."

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

(Division No. 346)

YEAS

Members

Althouse	Guilbault (Saint-Jacques)	Nicholson (Trinity)
Benjamin	Harris	Nunziata
Blackburn (Brant)	Hovdebo	Orlikow
Blaikie	Isabelle	Ouellet
Caccia	Jewett	Parry
Cassidy	Kaplan	Prud'homme
de Jong	Killens	Riis
Epp (Thunder Bay—Nipigon)	MacLellan	Robichaud
Foster	Malépart	Robinson
Gauthier	McDonald (Broadview—Greenwood)	Rompkey
Grondin	McLaughlin	Rossi
		Skelly—34

NAYS

Members

Bertrand	Halliday	Redway
Binns	Hardey	Reimer
Brightwell	Hawkes	Ricard
Cadieux	Hicks	St. Germain
Caldwell	Hnatyshyn	Scott (Hamilton—Wentworth)
Cardiff	Holtmann	Siddon
Cochrane	Horner	Sparrow
Collins	Jacques	Stevens
Cossitt	Kempling	Tardif (Charlesbourg)
Crosby (Halifax West)	King	Taylor
Crouse	Leblanc	Towers
Desjardins	MacKay	Turner (Ottawa—Carleton)
Dorin	Martin	Valcourt
Duplessis	Mazankowski	Vankoughnet
Fennell	McCain	Vincent
Fontaine	McCuish	White
Fraleigh	McKenzie	Winegard
Friesen	McKinnon	Wise—67
Girard	McMillan	
Gray (Bonaventure—Îles-de-la-Madeleine)	Merrithew	
Greenaway	Minaker	
Grisé	Moore	
Gustafson	Nickerson	
	Nowlan	
	Oberle	
	Peterson	

The Acting Speaker (Mr. Paproski): I declare the motion lost. The next vote is on Motion No. 10. Mr. Baker moved:

Motion No. 10

That Bill C-103 be amended in Clause 20 by striking out line 25 at page 8 and substituting the following therefor:

"13(c) to improve the business environment, particularly as it relates to the development of the fishery and agriculture,".

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

Government Organization Act, Atlantic Canada, 1987

(*Division No. 347*)

YEAS

Members

Althouse	Guilbault (Saint-Jacques)	Nunziata
Benjamin	Harris	Orlikow
Blackburn (Brant)	Hovdebo	Ouellet
Blaikie	Isabelle	Parry
Caccia	Jewett	Prud'homme
Cassidy	Killens	Riis
de Jong	MacLellan	Robichaud
Epp (Thunder Bay—Nipigon)	Malépart	Robinson
Foster	McDonald (Broadview—Greenwood)	Rompkey
Gauthier	McLaughlin	Rossi
Grondin	Nicholson (Trinity)	Skelly—33

NAYS

Members

Bertrand	Gustafson	Redway
Binns	Halliday	Reimer
Brightwell	Hardey	Ricard
Cadieux	Hawkes	St. Germain
Caldwell	Hicks	Scott (Hamilton—Wentworth)
Cardiff	Hnatyshyn	Siddon
Cochrane	Holtmann	Sparrow
Collins	Horner	Stevens
Cossitt	Jacques	Tardif (Charlesbourg)
Crosby (Halifax West)	Kempling	Taylor
Crouse	King	Towers
Desjardins	Leblanc	Turner (Ottawa—Carleton)
Dorin	MacKay	Valcourt
Duplessis	Martin	Vankoughnet
Fennell	Mazankowski	Vincent
Fontaine	McCain	White
Fraleigh	McCuish	Winegard
Friesen	McKenzie	Wise—65
Girard	McKinnon	
Gray (Bonaventure—Îles-de-la-Madeleine)	Merrithew	
Greenaway	Minaker	
Grisé	Moore	
	Nickerson	
	Nowlan	
	Oberle	

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

• (1650)

Mr. Hawkes: Mr. Speaker, I rise on a point of order. We are getting closer to five o'clock, which is the normal hour for Private Members' Hour. I wonder if the Opposition would be willing to facilitate the vote and the vote count if upon completion we were to call it five o'clock, so that we do not lose any time on Private Members' Hour, even though the Opposition has managed to wipe out Government Orders.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, now that the arrogance of the back-benchers on the other side seems to have simmered down, we may be able to come to some arrangement to try to expedite the remaining divisions, especially out of respect for the Hon. Member for Mississauga North (Mr. Horner) in whose name the Private Members' Motion stands.

May I suggest that the last vote be applied to the remaining motions, provided that once we have applied this vote, we call it five o'clock?

Mr. Riis: Mr. Speaker, earlier it would have been helpful to have that suggestion of applying the vote. However, just to make it clear, we have had undertakings from the Deputy House Leader on a number of occasions. While they were not made on the floor of the House of Commons, a number of those commitments have been breached.

I want to make it perfectly clear, and I want to hear it from the Hon. Member that, if we apply the last vote to the remaining motions, the Speaker will see that it is five o'clock. Again, the Government has indicated its intention and willingness to abuse the rules on a number of occasions in the last few days, and I would not want to give it that opportunity between now and five o'clock.

Mr. Hawkes: Mr. Speaker, in the absence of the Deputy House Leader who is away on government business, I want to indicate categorically that we do not accept the notion that he has breached any agreement at any time. In his presence, Hon. Members might choose to raise that where it might be debated.

On the undertaking that I heard from my hon. colleague from the Liberal Party, what I heard was that on all of these substantive motions the vote on the last motion would apply to the main motion, of course, to complete the report stage. Then I guess it would apply in reverse, because the Government intends to support that. Then the understanding would be that we would call it five o'clock, Government Orders would be completed for the day, and we would move to Private Members' Business.

If that is what I am hearing from across the floor, I see no problem for government Members on that.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, the Parliamentary Secretary understood correctly. That is what I suggest. I simply want to make sure that the names of two of my colleagues who were not in the House during the previous vote are added for subsequent votes. I am referring to the Hon. Members for Hamilton East (Ms. Copps) and Laval-des-Rapides (Mr. Garneau).

[*English*]

Mr. Gauthier: Speaking as Whip of this Party, and I hope speaking for the Whip of the Government, I would hope that there would be agreement that we would dispense with the bells on the concurrence vote, and that we could proceed in the same way that we have already agreed. In other words, we would apply that vote without the bells to the concurrence motion.

Mr. Turner (Ottawa—Carleton): Mr. Speaker, I wonder if the Chair could advise the House, within the process of

parliamentary reform, the status of the proposed electronic voting process?

Some Hon. Members: Order.

The Acting Speaker (Mr. Paproski): I think the Hon. Member could raise that with the Elections, Privileges and Procedure Committee. It would be a good item for him to bring up in that committee.

Is it agreed that Motion Nos. 11, 12 and 33 be counted as negatived, with the addition to the divisions of the names of the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), the Hon. Member for Laval-des-Rapides (Mr. Garneau), the Hon. Member for Westmorland—Kent (Mr. Robichaud), the Hon. Member for Mount Royal (Mrs. Finestone), and the Hon. Member for Hamilton East (Ms. Copps)?

Motions Nos. 13, 16 to 32 inclusive are negatived on division, agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Motions Nos. 34 to 50 inclusive, and Motion No. 33 are lost on division.

The next question is on Motion No. 11. Mr. Baker moved:

Motion No. 11

That Bill C-103 be amended in Clause 21

(a) by adding immediately after line 13 at page 9, the following:

"(2) The annual report referred to in subsection (1) shall contain:

a statement on the annual impact of the operations of the Agency upon the regional disparities between Atlantic Canada and other regions of Canada. The rate of economic disparity shall be calculated on the basis of a formula reflecting the economic disparity of those regions as measured by low employment, low earned income per capita and low gross domestic product."

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

(*Division No. 348*)

YEAS

Members

Althouse
Benjamin
Blackburn (Brant)
Blaikie
Boudria
Caccia
Cassidy
Copps
de Jong
Epp (Thunder Bay—Nipigon)
Finestone
Foster
Garneau
Gauthier
Grondin
Guilbault (Saint-Jacques)
Harris
Hovdebo
Isabelle
Jewett
Killens
MacLellan
Malépart
McDonald (Broadview—Greenwood)
McLaughlin
Nicholson (Trinity)
Nunziata
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robichaud
Robinson
Rompkey
Rossi
Skelly—37

NAYS

Members

Bertrand
Binns
Brightwell
Cadieux
Caldwell
Cardiff
Cochrane
Collins
Cossitt
Crosby (Halifax West)
Crouse
Desjardins
Dorin
Duplessis
Fennell
Fontaine
Fraleigh
Friesen
Girard
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Jacques
Kempling
King
Leblanc
MacKay
Martin
Mazankowski
McCain
McCuish
McKenzie
McKinnon
Merrithew
Minaker
Moore
Nickerson
Nowlan
Oberle
Peterson
Redway
Reimer
Ricard
St. Germain
Scott (Hamilton—Wentworth)
Siddon
Sparrow
Stevens
Tardif (Charlesbourg)
Taylor
Towers
Turner (Ottawa—Carleton)
Valcourt
Vankoughnet
Vincent
White
Winegard
Wise—66

The Acting Speaker (Mr. Paproski): The next question is on Motion No. 12. Mr. Baker moved:

Motion No. 12

That Bill C-103 be amended by striking out Clause 24 and substituting the following therefor:

"24. Every indeterminate employee in the Public Service of Canada who is declared affected as a result of the creation of the Agency shall be transferred to the Agency within ninety after the day on which this section comes into force, and is deemed to have been appointed to the Agency in accordance with subsection 15(1)."

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

(*Division No. 349*)

YEAS

Members

Althouse
Benjamin
Blackburn (Brant)
Blaikie
Boudria
Caccia
Cassidy
Copps
de Jong
Epp (Thunder Bay—Nipigon)
Finestone
Foster
Garneau
Gauthier
Grondin
Guilbault (Saint-Jacques)
Harris
Hovdebo
Isabelle
Jewett
Killens
MacLellan
Malépart
McDonald (Broadview—Greenwood)
McLaughlin
Nicholson (Trinity)
Nunziata
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robichaud
Robinson
Rompkey
Rossi
Skelly—37

NAYS

Members

Bertrand
Binns
Brightwell
Cadieux
Caldwell
Cardiff
Cochrane
Collins
Cossitt
Crosby
(Halifax West)
Crouse
Desjardins
Dorin
Duplessis
Fennell
Fontaine
Fraleigh
Friesen
Girard
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Jacques
Kempling
King
Leblanc
MacKay
Martin
Mazankowski
McCain
McCuish
McKenzie
McKinnon
Merrithew
Minaker
Moore
Nickerson
Nowlan
Oberle
Peterson
Redway
Reimer
Ricard
St. Germain
Scott
(Hamilton—Wentworth)
Siddon
Sparrow
Stevens
Tardif
(Charlesbourg)
Taylor
Towers
Turner
(Ottawa—Carleton)
Valcourt
Vankoughnet
Vincent
White
Winegard
Wise—66

Mr. George Baker (Gander—Twillingate) moved:

Motion No. 13

That Bill C-103 be amended by deleting Clause 25.

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

(*Division No. 350*)

YEAS

Members

Althouse
Benjamin
Blackburn
(Brant)
Blaikie
Boudria
Caccia
Cassidy
Copps
de Jong
Epp
(Thunder Bay—Nipigon)
Finestone
Foster
Garneau
Gauthier
Grondin
Guilbault
(Saint-Jacques)
Harris
Hovdebo
Isabelle
Jewett
Killens
MacLellan
Malépart
McDonald
(Broadview—Greenwood)
McLaughlin
Nicholson
(Trinity)
Nunziata
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robichaud
Robinson
Rompkey
Rossi
Skelly—37

NAYS

Members

Bertrand
Binns
Brightwell
Cadieux
Caldwell
Cardiff
Cochrane
Collins
Cossitt
Crosby
(Halifax West)
Crouse
Desjardins
Dorin
Duplessis
Fennell
Fontaine
Fraleigh
Friesen
Girard
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Gustafson
Halliday
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Jacques
Kempling
King
Leblanc
MacKay
Martin
Mazankowski
McCain
McCuish
McKenzie
McKinnon
Merrithew
Minaker
Moore
Nickerson
Nowlan
Oberle
Peterson
Redway
Reimer
Ricard
St. Germain
Scott
(Hamilton—Wentworth)
Siddon
Sparrow
Stevens
Tardif
(Charlesbourg)
Taylor
Towers
Turner
(Ottawa—Carleton)
Valcourt
Vankoughnet
Vincent
White
Winegard
Wise—66

The Acting Speaker (Mr. Paproski): The vote on Motion No. 13 will apply to Motions Nos. 16 to 32 and 34 to 50 inclusive.

The next question is on Motion No. 33. Mr. Baker moved:

Motion No. 33

That Bill C-103 be amended in Clause 43 by adding immediately after line 24 at page 17 the following:

"(2) The decision to separate the functions of Enterprise Cape Breton Corporation from the Cape Breton Development Corporation shall be reviewed by the House of Commons Standing Committee on Regional Industrial Expansion and, within two years following the coming into force of this Act, the Committee shall report on whether the functions of Enterprise Cape Breton Corporation ought to be reintegrated with those of the Cape Breton Development Corporation."

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

(*Division No. 351*)

YEAS

Members

Althouse
Benjamin
Blackburn
(Brant)
Blaikie
Boudria
Caccia
Cassidy
Copps
de Jong
Epp
(Thunder Bay—Nipigon)
Finestone
Foster
Garneau
Gauthier
Grondin
Guilbault
(Saint-Jacques)
Harris
Hovdebo
Isabelle
Jewett
Killens
MacLellan
Malépart
McDonald
(Broadview—Greenwood)
McLaughlin
Nicholson
(Trinity)
Nunziata
Orlikow
Ouellet
Parry
Prud'homme
Riis
Robichaud
Robinson
Rompkey
Rossi
Skelly—37

NAYS

Members

Bertrand
Binns
Brightwell
Cadieux
Caldwell
Cardiff
Cochrane
Collins
Cossitt
Crosby
(Halifax West)
Crouse
Desjardins
Dorin
Duplessis
Fennell
Fontaine
Fraleigh
Friesen
Girard
Gray
(Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Gustafson
Halliday
Hardey
Hawkes

Hicks
Hnatyshyn
Holtmann
Horner
Jacques
Kempling
King
Leblanc
MacKay
Martin
Mazankowski
McCain
McCuish
McKenzie
McKinnon
Merrithew
Minaker
Moore
Nickerson
Nowlan
Oberle
Peterson
Redway
Reimer
Ricard
St. Germain
Scott
(Hamilton—Wentworth)
Siddon
Sparrow
Stevens
Tardif
(Charlesbourg)
Taylor
Towers
Turner
(Ottawa—Carleton)
Valcourt
Vankoughnet
Vincent
White
Winegard
Wise—66

Hon. Don Mazankowski (for the Prime Minister) moved that the Bill be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): It has already been agreed to and adopted in reverse.

Mr. Riis: It was the intention of the New Democratic Party to vote in favour of the motion. I am seeking clarification on whether or not that has been done.

The Acting Speaker (Mr. Paproski): If that is the case, I would suggest that we take a vote on this motion. All those in favour of the motion will please rise.

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

(Division No. 352)

YEAS

Members

Althouse
Benjamin
Bertrand
Binns
Blackburn
(Brant)
Blaikie
Boudria
Brightwell
Caccia
Cadieux
Caldwell
Cardiff
Cassidy
Collins
Copps
Cossitt
Crosby
(Halifax West)
Crouse
de Jong
Desjardins
Dorin
Duplessis
Epp
(Thunder Bay—
Nipigon)
Fennell
Finestone
Fontaine
Fraleigh
Garneau
Gauthier
Girard
Gray
(Bonaventure—Îles-de-
la-Madeleine)
Greenaway
Grisé
Grondin
Guilbault
(Saint-Jacques)
Gustafson
Halliday
Hardey
Harris
Hawkes
Hicks
Hnatyshyn
Holtmann
Horner
Isabelle
Jacques
Jewett
Kempling
Killens
King
Leblanc
MacKay
MacLellan
Malépart
Martin
Mazankowski
McCain
McCuish
McDonald
(Broadview—
Greenwood)
McKenzie
McKinnon
McLaughlin
Merrithew
Minaker
Moore
Nicholson
(Trinity)
Nickerson
Nowlan
Nunziata
Oberle
Orlikow
Ouellet
Parry
Peterson
Prud'homme
Redway
Reimer
Ricard
Riis
Robichaud
Robinson
Rompkey
Rossi
St. Germain
Siddon
Skelly
Sparrow
Stevens
Tardif
(Richmond—Wolfe)
Tardif
(Charlesbourg)
Taylor
Towers
Turner
(Ottawa—Carleton)
Valcourt
Vankoughnet
Vincent
White
Winegard
Wise—99

• (1700)

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

Motion agreed to.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time?

Ms. Nicholson: At the next sitting of the House.

* * *

[*Translation*]

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Kamloops—Shuswap (Mr. Riis)—Veterans Affairs—Request for adjustment measure/Policy on veterans designated AWOL; the Hon. Member for Algoma (Mr. Foster)—Horticulture—Bees—Need for replacement stocks/Request that honey producers be given government compensation; The Hon. Member for Western Arctic (M. Nickerson)—Northern Development—Negotiation of energy accord with Northwest Territories.

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

[*English*]

The Acting Speaker (Mr. Paproski): It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

Illicit Drugs Promotion

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Friday, March 11, consideration of the motion of Mr. Horner that Bill C-264, an Act to amend the Criminal Code (instruments and literature for illicit drug use) be read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): When this motion was last before the House the Hon. Member for Hamilton East (Ms. Copps) had the floor. Since no Hon. Member is rising on debate, is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Mr. Riis: On division.

The Acting Speaker (Mr. Paproski): Accordingly, the Bill stands referred to a legislative committee.

Motion agreed to, Bill read the second time and referred to a legislative committee.

The Acting Speaker (Mr. Paproski): The time provided for Private Members' Business has now expired. Shall we call it six o'clock?

Some Hon. Members: Agreed.

Mr. Hawkes: Mr. Speaker, I think there was some anticipation that there might be an opportunity to move to the "Late Show" a little early tonight. However, I am not sure if the Hon. Members who have questions on the adjournment debate are present in the House. I am not sure which Members might indeed be disadvantaged. Perhaps we could suspend for a couple of minutes to see where those Members are.

When we do things rather quickly we hate to offend the rights and privileges of individual Members. Perhaps members of the three Parties could look for their members to see where they are and to see if we can get them into the Chamber so we can proceed with the "Late Show".

The Acting Speaker (Mr. Paproski): The Hon. Member for Kamloops—Shuswap (Mr. Riis), the Hon. Member for Algoma (Mr. Foster), and the Hon. Member for Western Arctic (Mr. Nickerson) are the Members with questions on the adjournment debate.

Mr. Riis: Mr. Speaker, since I am one of the Members who has some comments to make at this time, I am prepared to make those comments now. That would allow for at least 10 minutes or 15 minutes for the other Members to be identified, located and brought into the House to make their presentations.

The Acting Speaker (Mr. Paproski): Is there a Parliamentary Secretary in the House to respond?

An Hon. Member: Yes.

The Acting Speaker (Mr. Paproski): Therefore, we can proceed to the adjournment debate.

• (1705)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

VETERANS AFFAIRS—REQUEST FOR ADJUSTMENT MEASURE POLICY ON VETERANS DESIGNATED AWOL

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is a pleasure for me to have an opportunity to expand on one of the questions I raised in the House earlier this week regarding the situation of the late Mr. Gordon Broad. In 1943 at age 18 this individual joined the Canadian Army. He served in Europe until peace was declared. Since I happened to know this individual personally and knew him for many years, I am fully aware of his war record. Mr. Broad served gallantly. He, along with his comrades, were prepared to lay down their lives so that those of us today are able to live and cherish the peace and freedom that we have come to know in our country and in our part of the world.

After peace was declared in Europe, Mr. Broad volunteered for the Pacific theatre and got 30 days leave before he was about to debark. At that time in 1945, war with Japan ended. He was then age 20. He asked for industrial leave in Nanaimo, B.C. His sergeant denied the request, although Mr. Broad had a job to go to in the interior of the province. The sergeant said that men were needed to police the grounds, but for the individual troops this meant that they would be hanging around to do KP duty while awaiting their appropriate papers. Since Mr. Broad had a job to go to—he was anxious to seek employment—he left on October 17, 1945. Some of his friends and colleagues at the time were applying for and receiving leave.

You will recall, Mr. Speaker, that amnesty was declared for 14,000 absentees or deserters, as they were called, although in no way would these individuals be considered deserters. They had served their country well, gallantly and had been prepared to give their lives. When the war ended and peace was declared, the young men saw no reason to remain. They were

anxious to get on with their lives and with building their careers. This included Mr. Broad.

At the time amnesty was declared, Gordon Broad was prospecting in the interior of British Columbia and was unaware of it. You know from your constituency of Alberta, Mr. Speaker, that when you are in the bush prospecting you are neither listening to the news regularly nor reading daily newspapers and are, therefore, unaware of government initiatives. Such was the case here.

The 1946 Order-in-Council PC 3264 was made under the 1945 National Emergencies Transitional Powers Act. It was applicable to all service personnel who went absent on or before January 1, 1946, in Canada, and who had not been apprehended or surrendered themselves before August 15, 1946.

• (1710)

I received that in the letter of the Associate Minister of National Defence (Mr. Dick) of April 24, 1987. This Order in Council provided that such persons would be deemed never to have served in the Canadian Forces and consequently would not be entitled to any of the rights, privileges or benefits normally accorded to former members of the Armed Forces.

Mr. Broad approached the Canadian Legion a number of years ago, and through countless attempts was unsuccessful in obtaining the appropriate pardon. On August 25, 1980, a letter from the National Personnel Records Centre confirmed the Order in Council application to his record.

In early 1985, through the then Minister of National Defence, I asked that a review of Mr. Broad's case be undertaken, and the Minister of National Defence of the time wrote in a letter of June 18, 1985, that no discretionary power existed under the Order in Council for individual cases and those of the 14,000 other people affected by this, although dispensation had not been undertaken in any single case as was made clear in that letter.

On December 5, 1986, I wrote to the Minister of Veterans Affairs (Mr. Hees) asking that he review the case as Mr. Broad was not eligible for any benefits. At this time, Mr. Broad was in extremely ill health. Under doctor's orders, he had been prohibited from working. He had no income apart from his unemployment insurance benefits. I am sad to say that his wife was also ordered not to work by her physician. The Minister of Veterans Affairs sent a letter on to the Associate Minister of National Defence as he had no jurisdiction, he said, back on December 17, 1986.

The Order in Council still stands. Despite representations made on behalf of Mr. Broad and others, the Government has failed to take any action.

I wrote again to the Associate Minister of National Defence on March 10, 1987, asking if Cabinet would consider amending the Order in Council to enable Gordon Broad, after having served so well in the overseas theatre during the Second World War, to be eligible for appropriate benefits that ought to be available to veterans and particularly those who actually served overseas. On April 24, 1987, the Associate Minister of National Defence wrote that the whole question of dealing with absentees received the most careful and exhaustive examination, and in the end, it was concluded that the course of action which was followed was the best and most practical way of dealing with a difficult problem. This brings little comfort to people like Mr. Broad.

The Canadian Legion made representations as early as 1946 and again over the years, but there was no alteration to the Government's position regarding that Order in Council. Today, I simply want to make an appeal on behalf of an individual who served his country throughout his entire life. He has a long record of serving his community and his country in so many different ways. It would take literally pages to list the different ways Mr. Broad and his wife have served our country.

While in this case I am referring to a specific individual, the same thing applies to many, many others. I simply want to say that I think it is appropriate now that the Government take whatever steps necessary and whatever extraordinary steps necessary to ensure that these men and women receive a pardon and that their families be eligible for the appropriate benefits that any veteran who served his or her country in the last war is eligible to receive. I am really asking the Government to give special consideration to this and to related cases.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, my hon. friend from Kamloops—Shuswap has a particular case in mind and is really asking the current Ministry to revisit history and perhaps to change it.

The Hon. Member does know that under the National Emergency Transitional Powers Act of 1945, an Order in Council was passed which indicated that any Armed Forces personnel who had gone absent from Canadian Forces on or before January 1, 1946, in Canada, and who had not been apprehended or had not surrendered themselves before August 15, 1946, close to some eight months later, would be deemed never to have served in the Canadian Forces.

• (1715)

That was the decision made at the time to accomplish two things, to be fair to those who had served with distinction and had obeyed the rules in the situation in force at that time, and to recognize that some people leaving the Forces without the proper papers of discharge were doing so for some perceived actual or real advantage to themselves by not doing what was required of them at that time.

That would have created quite a large problem because there were about 14,000 absentees or deserters who fell into that category. Somehow their lives needed to be regulated. They needed to be able to return to civilian life and not have their futures destroyed. That was the decision taken by the

politicians of the time. That is why the Order in Council was passed and it did indeed accomplish that.

Very strong representations were made on this issue in 1972. The issue was reconsidered and the decision was made that the original Order in Council should stand and should be upheld for the reasons which I have outlined.

The matter can be reviewed in an individual case if there is something on the file which indicates that a mistake was made. In the 40 years during which this order has been in existence, individual petitions have been made and files have been examined but no such mistake has been uncovered.

In response to the Hon. Member's question on April 26 the Associate Minister of National Defence (Mr. Dick) told him, and repeats today, that it is the Government's decision to abide by the Order in Council of 1946. It was fair and just and remains so.

HORTICULTURE—BEES—NEED FOR REPLACEMENT STOCKS/ REQUEST THAT HONEY PRODUCERS BE GIVEN GOVERNMENT COMPENSATION

Mr. Maurice Foster (Algoma): Mr. Speaker, on April 19 I put a question to the Minister of Agriculture (Mr. Wise) which was responded to by his Parliamentary Secretary. I asked the Government what it was going to do with regard to the tremendous crisis facing honey producers in western Canada.

On January 1 the Government closed the border to bees being brought into Canada because of a parasitic varroa mite which is affecting a number of states in the United States. This is having a devastating impact on some 2,000 honey producers in Manitoba, Saskatchewan, and Alberta, including the Peace River country.

The Government assured these producers last July that they would be able to bring in replacement bees as they do every year for their hives in western Canada. However, on January 1 the border was closed. The cost of replacement bees from other countries such as Australia and New Zealand is almost double.

I asked the Parliamentary Secretary if the Government would be prepared to provide the extra transportation costs which amount to approximately $25 per hive. I got a zero answer, a comment about the Government providing assistance under the Special Grains Program for honey producers which, of course, has nothing to do with the varroa mite problem.

That compensation is being provided because the U.S. Farm Bill has effectively dropped the price of honey in this country from at least 60 cents a pound to some 30 to 40 cents a pound. The compensation being provided under the Special Grains Program covers that, but that is another problem.

The Parliamentary Secretary tried to smother this parasite infestation problem with another problem of the United States Farm Bill driving down the price of honey and effectively gave me no answer. Time has passed and the Government has not provided the compensation. Alberta has provided some but Saskatchewan, Manitoba and British Columbia have provided none.

• (1720)

The time has almost passed for transporting in replacement supplies of packaged bees from Australia or New Zealand. The Government has procrastinated for so long that we are now getting to the stage of compensation because the producers are effectively put out of business for an entire year. This will cost them tens of thousands of dollars.

I hope the Parliamentary Secretary will not prolong the agony these producers are facing and will announce a compensation program of at least $30 per hive, which is judged by many producers in the West as being more adequate compensation. It will allow them to get back into business in the coming year even though their income will be effectively destroyed for this year.

The Government has a responsibility to take some action in this regard. I hope it will make an announcement this afternoon for the benefit of these producers in western Canada. While it seems like a relatively small industry to those of us who are not directly involved, it does involve 2,500 jobs in western Canada and $10 million worth of honey. It impacts on millions of dollars in production of clover, seed, Canola and alfalfa because the seeds need to be properly pollinated. The industry has a broad impact across western Canada and compensation by the Government is definitely in order. It should be paid immediately.

Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the honey industry is divided on the issue of the ban on importation of honey bees from the United States and has been for some time. Its national body, the Canadian Honey Council, has not taken a consensus position to provide advice to the Government. Instead, this issue has rested on provincial beekeepers' associations of which all but one have indicated that they are not willing to live with the risk of importing bees from the United States.

The polarization of the industry on this issue has been emphasized by the strong lobby of the beekeepers who want to import bees from the United States, and, recently, some beekeepers formed an organization called Alberta Beekeepers for Mite-Free Bees to represent the producers who favour the border closure.

Recognizing that some citizens were not well informed about the prevailing situation and to clarify facts and distribute uniform information across the country, an industry-Government meeting was held on March 23, 1988. At that time, U.S. officials in attendance outlined the progress the scientists and regulatory officers had achieved in attempting to control the varroa disease and its spread. Agriculture Canada officials are still concerned about the completeness of the scientific data and the effectiveness of regulatory measures used to assist in disease reduction in the United States. To

date, there is no indication that these will ensure 100 per cent control over the disease.

There are presently 19,000 beekeepers in Canada, of which approximately 2,000 are commercial. Together, they operate 700,000 beehives or colonies. There is a maximum of 120 commercial beekeepers who will be affected by the border closing measures, representing approximately 100,000 colonies. Of these 120 beekeepers, most are bulk honey producers and will hire about 500 people as seasonal help. At an average of 150 pounds of honey per hive, 15 million pounds of honey will be lost to production in 1988. The five-year Canadian average production is 85 million pounds. Therefore, the decrease in production is estimated at 18 per cent for an approximate value of $7 million at the current price of honey.

• (1725)

It is not clear how the decreased honeybee population will affect the pollination of clover and canola. While honeybees are the recommended pollinators of clovers, wild bees and leaf cutting bees also contribute to their pollination. The biology of the Canola plant also allows the plant to be productive without the presence of honeybees. This data has not been clearly researched and it would be presumptuous to attribute a dollar value to the impact of the losses of honeybees to these crops.

Alternative sources of bees have been available to supply the increased Canadian demand. Agriculture Canada officials, as well as provincial Government officials and some beekeepers, have been in close contact with New Zealand and Australia who awaited bee orders to gear up production all winter. We are familiar with the Australian animal health system and have confidence in its regulatory measures. There is no evidence that varroa and tracheal mites exist in that country and we have concluded that bees could be safely imported from both Australia and New Zealand.

Canadian beekeepers were also willing to provide bees to their fellow package bee operators. The problem, therefore, was not one of supply, but of price. The Special Canadian Grains Program should help to ease part of the financial crisis faced by beekeepers. The Province of Alberta has offered financial assistance to all beekeepers to compensate the increased cost of honey production. Unfortunately, other prairie provinces have not accepted this responsibility, thus creating disparities between provinces.

We have concluded that a fair and equitable compensation payment cannot be made at this time. Eastern beekeepers did not receive compensation when the border east of Manitoba was closed in 1986. It must be pointed out that the Government has never compensated for actions to prevent the introduction of undesirable diseases into the country. As I have already mentioned, some relief will be forthcoming from the Special Canadian Grains Program and should help to alleviate the financial burden facing many honey producers. A meeting on tripartite stabilization was held at the beginning of the month. If provinces and beekeepers agree on the program, there is a strong possibility it could be in place for the 1988 marketing season.

As you can see, Mr. Speaker, positive actions have been triggered by the setbacks the industry faces and I assure you that the Government will continue to work with the industry to build a strong sector.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 5.29 p.m.

HOUSE OF COMMONS

Friday, April 29, 1988

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

VACANCY

LAC-SAINT-JEAN—CLÉMENT M. CÔTÉ, BY RESIGNATION

Mr. Speaker: I have the honour to inform the House that I have received a communication notifying me that a vacancy has occurred in the representation, namely, Clément Côté, Member for the electoral district of Lac-Saint-Jean, by resignation. Accordingly, I have addressed my warrant to the Chief Electoral Officer for the issue of a new writ of election for the said electoral district.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House proceeded to the consideration of Bill C-89, an Act to amend the Criminal Code (victims of crime), as reported (with amendment) from a legislative committee.

Hon. Ray Hnatyshyn (Saskatoon West) moved:

That Bill C-89 be amended in Clause 7, in the French version, by striking out lines 20 to 25 at page 15 and substituting therefor:

"(1.4) pour l'application du présent article, la victime est:

a) la personne qui subit des pertes ou des dommages matériels ou moraux par suite la perpétration d'une infraction".

Mr. Speaker: The motion has been put. Does the Minister wish to continue with debate?

Mr. Hnatyshyn: Mr. Speaker, this comes as a surprise to me. I was not expecting to speak at this stage. I had understood that there had been discussions between my acting Parliamentary Secretary and the Opposition critics—

An Hon. Member: He is doing a bad job for you.

Mr. Riis: There have been no discussions.

Mr. Hnatyshyn: —with respect to this amendment, an amendment which is technical in nature. It simply corrects the French version. It is not a substantive amendment.

Mr. Riis: We were told yesterday what the business of the House was to be for today, and—

Mr. Hnatyshyn: If it is the intention of the Opposition to stall this Bill for reasons unrelated to its merits, I would very much regret that decision. Bill C-89 has to do with victims of crime, and it is one which is universally supported.

Mr. Riis: It was not discussed as part of the business of the House for today.

• (1010)

Mr. Hnatyshyn: If the House Leader of the New Democratic Party wants to carry on his negotiations, perhaps he could go behind the curtains and allow me the courtesy of finishing my remarks. He knows and I know that Rule 904 does exist. If I were inclined to invoke that, we could spend the rest of the day talking about this Bill. I do not operate that way. I think the New Democratic Party should try to be straightforward. If New Democrats are trying to delay and disrupt the proceedings of the House then let them stand up and say so. I understood that this matter had been cleared. We are quite prepared to go ahead with this other technical matter. If that is not the case and there is some problem that I have not communicated fully, then I apologize.

Mr. Blaikie: Don't be a cry-baby.

Mr. Hnatyshyn: If anyone had a reason to be a cry-baby after what happened in Manitoba, the Hon. Members over there should be out there with Kleenex.

If there is not an inclination to proceed, we can have a vote on this technical amendment and show how childish the New Democrats are, and I will come back another day.

Mr. Kaplan: Mr. Speaker, I came to the House with an understanding from the Government that there had been an all-Party agreement to deal with this matter. I was not expecting it to be first on the list until very late in the day yesterday. I am here and prepared to proceed. I hope we can deal with this Bill now, as the Government says. It is a step about which I would like to comment. It deals with the problems of victims and their legitimate claims for better treatment under the criminal law. I did come on the under-

standing that there was an agreement about which I had not myself consulted with the New Democratic Party.

Mr. Robinson: Mr. Speaker, just to set the record straight on this matter, in the middle of this week I spoke with the Acting Parliamentary Secretary to the Minister of Justice. For many months the Minister of Justice (Mr. Hnatyshyn) has not had a Parliamentary Secretary to work for him. We are still waiting for the Prime Minister (Mr. Mulroney) to appoint one. Apparently there is some difficulty getting someone to work with the Minister.

Some Hon. Members: Oh, oh!

Mr. Robinson: I spoke in the middle of this week, to set the record very straight, with the Acting Parliamentary Secretary to the Minister of Justice. At that time I informed the Acting Parliamentary Secretary with respect to a technical amendment to Bill C-89 that we were certainly prepared to agree to it. We have supported this Bill in principle. We have worked to improve the legislation in the House and we will support the Bill at third reading.

Let us set the record straight in terms of the all-Party agreement. Yesterday I spoke again with the Acting Parliamentary Secretary. I spoke with the Government House Leader, and I indicated that we in the New Democratic Party were prepared to deal with this Bill early next week with very few speakers and to pass the legislation. In fact, I even suggested that perhaps in the middle of the week we might want to deal with the legislation at all stages, report stage and third reading, in one afternoon session. That was the agreement we made because we recognize the importance of the legislation.

Yesterday, immediately after the Question Period when the Government House Leader was asked what legislation would be before the House on Friday morning, he indicated that it would be the Western Diversification Act. Then he said that Bill C-74, the Environmental Protection Act would be called, followed by Bill C-92, amendments to the Wheat Board Act and Bill C-89, victims of crime. That was the order we were given yesterday afternoon at 3.15 p.m.

At approximately six o'clock yesterday afternoon we were phoned and told that all that was changed. The New Democratic Party House Leader, the Hon. Member for Kamloops—Shuswap (Mr. Riis), was informed about six o'clock yesterday afternoon to forget what was said, that Bill C-89 was to come forward at 10 o'clock today. In other words, forget what he was told at 3.15. This House cannot function in that way. Some of us have responsibilities in our constituencies and we must have some notice.

The Acting Parliamentary Secretary is a man of honour, and he will know that the agreement very clearly was that this legislation would be dealt with next week and dealt with expeditiously. There was never any suggestion to the contrary. The Acting Parliamentary Secretary knows that.

When the Government attempts to change at the last minute the order of important legislation, despite indications of full co-operation from the Opposition, it still remains our responsibility to ensure that the legislation is given the kind of debate that is appropriate. A number of my caucus colleagues who want to speak on this legislation are unable to be here today. They assumed that the Government would act in good faith and would proceed as it indicated yesterday afternoon and as was indicated to me. Because of that, Mr. Speaker, we are given no alternative but to insist on a vote on this otherwise technical amendment and hope that the Government next time will co-operate with opposition critics in scheduling the debate for a time that is mutually agreeable.

Mr. Riis: Mr. Speaker, I want to say a few words regarding this important interchange. The Minister of Justice (Mr. Hnatyshyn) indicated that he was quite prepared to debate this matter today. I feel sorry in a sense that he was given information that there had been some understanding because, as my hon. colleague, the Hon. Member for Burnaby (Mr. Robinson) indicated, the Deputy House Leader said yesterday that today's business would be the Environmental Protection Act and we assumed that that was what the business would be. If we completed that legislation, we would then go on to the Wheat Board Act. Again, we assumed that that was what we would be doing later today. Consequently people made arrangements, assuming that what the Government said would be the business for Friday would be the business on Friday. But we found out late last night that there had been some changes.

In the meantime, I am afraid to say this but I say it with all sincerity to the Minister of Justice, the people who wanted to participate in the debate on this most important piece of legislation regarding victims of crime have left town for other business. I know the Minister knows that if people feel strongly about the issue they ought to have the opportunity to speak. I understand there was an agreement that we would be debating this matter presumably mid-week. As the Justice critic for the New Democratic Party has said, there was an indication that there would be a short list of speakers and that we would attempt to wrap up the matter in one day's debate. That is the way we do business, and I would like to think that is the way we will continue to do business.

We are trying, as Members of the New Democratic Party, to make the House of Commons work as effectively and as efficiently as possible. We are trying to conduct the business of the House of Commons in a business-like way, which means giving notice so that we can make plans and the debates can be informed and Members can participate in a positive way. We should deal with this legislation now. There is an amendment before the House. Let us deal with it and move on in an expeditious and positive way.

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr.

Speaker, I would also like to provide some clarification about the agreement on the technical amendment. This week, in the course of negotiations with the Hon. Member for York Centre (Mr. Kaplan) and the Hon. Member for Burnaby (Mr. Robinson), there was agreement on having the amendment approved immediately. The amendment is of a technical nature and applies only to the wording of the French text. There are no amendments to the English version of the Bill.

As for the responsibility of the spokesmen for the respective parties, I think the House should adopt Bill C-89 which is extremely important to all Canadians.

As far as today's debate is concerned, the Government House Leader's office advised Opposition Members last Wednesday that Bill C-89 would be considered within the next few days. So the news did not come yesterday evening at six o'clock but Wednesday, when negotiations took place with the offices of the respective House Leaders.

Mr. Speaker, I would like to point out that this is a very important Bill and that there was agreement among all three Parties on accepting this technical amendment.

[*English*]

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: The question is on the amendment of Mr. Hnatyshyn. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

• (1020)

And the division bells having rung:

Mr. Speaker: I would advise the House that pursuant to Standing Orders, this vote will be deferred until six o'clock on Monday.

WESTERN ECONOMIC DIVERSIFICATION ACT

MEASURE TO ENACT

The House resumed from Thursday, April 28, consideration of the motion of Mr. Mulroney that Bill C-113, an Act to promote the development and diversification of the economy of western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts, be read the third time and passed.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is a pleasure—

Mr. Althouse: Mr. Speaker, I rise on a point of order. I think the record will show that I was in mid-speech when we last handled this Bill, and I would like to complete my remarks.

Mr. Speaker: The Chair is very much in favour of an orderly proceeding this morning, and I am observing the Hon. Member for Kamloops—Shuswap (Mr. Riis) who seems to be in agreement with the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), so I will recognize the Hon. Member for Humboldt—Lake Centre on debate.

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, when I was last interrupted, I was drawing to the attention of the House some of the difficulties I thought would arise as a result of the mandate for the western diversification office. I was commenting on the mandate, which is that the Western Diversification Office will represent the interests of western Canada in the development of national policies and the design of national programs and will ensure that western Canada is effectively linked to decision-making in Ottawa.

I had noted that the amount of federal moneys going to western Canada by way of federal expenditures for goods and services had actually dropped during the mandate of this Government. It had dropped from approximately 15 per cent to approximately 13 per cent. I was saying that it was indeed very necessary for someone in the Government to start looking after the interests of western Canada.

I find that this necessity is very hard to understand in light of the fact that throughout this Government's mandate, three of the four western provinces have been very supportive of the Government. Members of Parliament from government benches predominate in western Canada. In Alberta, for instance, there are no MPs except government MPs. Yet the amount of money going to the purchase of goods and services by the federal Government in western Canada declined. I can see why the Government felt it necessary to do something to increase the influence of westerners in the Government.

We all agree that the Senate is very ineffectual at representing regional interests and has never really performed that job, if in fact it was intended to perform that job in 1867 when the Constitution was put together. In spite of biannual and sometimes even more frequent meetings of the premiers, their

influence on the Government does not seem to be taking, even though most of them are supporters of the Government. The preponderance of MPs on the government side does not seem to be helping either.

Perhaps the problem then rests in the Cabinet. Does this Bill change that? I submit that it does not. The Minister of Indian Affairs and Northern Development (Mr. McKnight) will simply take on an extra responsibility. There will be no more votes in Cabinet and he will have no more power in Cabinet than he has now. How will western Canada be further represented and have its interests guarded, given that western Canada has already sent an overwhelming majority of government Members to Ottawa?

The Government's response has been to put another Deputy Minister outside Ottawa in Edmonton where he or she can speak on behalf of western Canada. Edmonton is a long way from Ottawa. The Premier of Alberta, when dealing with this Government, is finding that out. I do not understand how a Deputy Minister's voice will be any stronger with the Government than those of elected officials. I am concerned about whether or not the mandate of the Western Diversification Office will change the way western Canada is treated in confederation.

I would suspect that a Deputy Minister who is located in Ottawa might have more influence because of the way Ottawa Deputy Ministers function. There are meetings and official and unofficial gatherings. My understanding is that much of the interdepartmental work gets done at those kinds of functions. It will be difficult for a Deputy Minister located in Edmonton to exert the kind of influence that Deputy Ministers of other Departments influence over each other.

As I was pointing out the other day, there are some fairly strong Ministries with which the Western Diversification Office will have to deal. These Ministries also have an interest in western Canada as well as in other parts of the country and their final words tend to become law. The Ministry of Finance, for example, is now busily fighting inflation and the threat of inflation, even though in western Canada, the problem is deflation, not inflation. In my riding, property values have dropped by about 50 per cent since 1984. Yet the federal Government and the Department of Finance is fighting a war against inflation.

It is pretty hard to understand that we have inflation for those whose property values have dropped by 50 per cent, whether they own homes in small towns or farms in the agricultural area of my riding. For westerners, the focus on inflation does not seem to be a proper one. We are wondering who in Cabinet will be able to convince the Department of Finance of that fact.

In order to fight inflation, the Department of Finance has been raising interest rates. How does this help western Canada? Western Canadians are already carrying a very high debt load because of the depression. As incomes drop and property values drop, their ability to borrow money has declined and interest rates are going back up. How will they be able to stay in business with interest rates rising?

Another factor that goes along with the business of raising interest rates is a policy of the Department of Finance which the Western Diversification Office and western MPs and cabinet Ministers will have to resist. It has raised the value of the Canadian dollar quite precipitously, more than 10 cents in the last year. What does that mean for my constituents and western Canadians? It means that the value of their wood products, their grain, and the oil that they export is down approximately 12 per cent in real value in terms of Canadian dollars from what it was one year ago. Not only are they having to fight a wrong-headed policy for their region, but they do not seem to be getting very much assistance from the premiers, from the Senators, or indeed from the government Members from that part of the country. The Western Diversification Office, and the creation of that office, will have great difficulty changing that, because so far all of the elements have appeared to be quite ineffectual in dealing with the interests of western Canada.

• (1030)

Mr. Langdon: My colleague from the West referred especially to the problems of the agricultural economy, which have been devastating to western Canada. Since we have just had a national day of protest with respect to these agricultural problems, I would like to ask what his sense is of whether this Western Diversification Office is likely to provide any solutions or responses to those crises in agriculture, and what suggestions he might make as a counter to what the Conservatives have so far failed to do in western Canada?

Mr. Althouse: One of the chief things that could be done to address the problem raised during the day of protest is to act on some of the proposals that have been put forward by the farm organizations, and the Senate agriculture committee, which published a report yesterday with regard to farm finance. In that report it pointed out that there were some 54,000 farmers across Canada who were in jeopardy of going out of business in the next year or two. This is close to 31 per cent of the active commercial farmers in the country. That committee report proposed a form of debt set aside, or a period of time when the farmers would not be required to pay interest on the debt that has accumulated over the past years. This would permit them to have a chance to get their feet under them, so to speak.

This proposal has the backing of most of the national farm organizations. It would have a great impact on maintaining the economy, especially the small economies in rural Canada, which rotate around small towns and villages. It would keep people on the farms and provide the population that is necessary to maintain the service sector in those small towns and villages.

The Government ought to be pursuing this approach more vigorously. It has had nearly four years to deal with this. It is

something that is known across the country as a $22 dilemma. The Canadian farming community owes $22 billion. This debt is far too high for the amount of income that can be generated from farm goods and services at the moment.

Mr. Towers: I wish to ask the Hon. Member a question, Mr. Speaker. The NDP was crying the blues when the Canadian dollar was devalued. Now the NDP is crying the blues when it is increasing in value. On which side of the issue did the NDP cry the loudest?

Mr. Althouse: Any time that values change by 10 cents, which is the equivalent of 12 per cent or 13 per cent, in the course of one year, there is a very difficult readjustment to overcome. The rapidity of this adjustment will be felt in the export oriented community, which is basically the farmers of western Canada, and it will impact on them just as negatively as the rapid increase in the interest rates that we suffered under the Liberals. As the Hon. Member will recall, interest rates went from 12 per cent to 24 per cent in the course of approximately a year and a half. That virtually wiped out a lot of younger and growing farmers, farmers who had added to their debt load. This particular initiative that the Department of Finance is now engaged in will have exactly the same effect over the course of the next year or two, mark my words.

Mr. Cassidy: I would like my friend, the Hon. Member for Humboldt—Lake Centre, to comment on whether the diversification fund will be put in a place where the funding will be equitably distributed among different regions and provinces in western Canada. When allocation of funding began, which I believe was prior to the legislation being adopted here, and there has already been some allocation take place, there was only what can appear like a politically motivated decision to make allocations and to talk about supporting different diversification projects in Saskatchewan, Alberta, British Columbia, but not in Manitoba. In fact, the tap was very distinctly kept shut in Manitoba. I believe that that reflected political intervention by the present Government. It was attempting to make the New Democratic Party that was in power there look as though it could not deliver, because the diversification funds were not coming through. With the election in process, suddenly the tap opened up, because the Government was trying to show that somehow if the people voted Conservative, that would do good things.

It has not created a strong new government there. The new government is weak. In fact, it lost votes from the last election, where the Conservatives had more seats and more votes than they have now.

Does my hon. friend believe that this politically motivated interference will be acceptable to westerners, and will make the best use of taxpayers dollars, thus achieving the needed economic diversification in western Canada?

Mr. Althouse: I think that the people of Manitoba showed that it was not acceptable. They gave Gary Filmon's Conservatives less seats than they had in the previous Government when they were in opposition, and basically told the federal Government that they did not like the activities that the Conservative Party had engaged in in that province.

The reaction of westerners in general has been pretty much a wait-and-see attitude toward this initiative. Most westerners see it as a reshuffling of money and programs that did exist, and the hanging of a new sign on a lot of old programs. There has not been a lot of excitement one way or another. I note that the small business community has indicated that it is very fearful on the basis of some of the initial actions under the aegis of the Western Diversification Office, which appears to be more politically oriented than economically oriented. They have questioned some of the grants that have been made.

I remind the House that the initiatives are supposed to be targeted toward small and medium-sized businesses, yet one of the first diversification programs has been the announcement to assist a very large pulp and paper operation in northern Alberta. Another initiative was the creation of a national park, which is a very laudable use of federal money, but does not normally fall within the assistance of small and medium-sized businesses. It is small wonder that many westerners think that this will be used as much for a political slush fund as anything else.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I am pleased to have the opportunity to speak on Bill C-113, an Act to promote the development and diversification of the economy of western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts. As other speakers have said, this Bill is a red herring to let the Government convince western Canadians that there is something new coming for that region of the country. Western Canadians are on to this scam and realize that this will not be the situation.

• (1040)

Government, of course, knows full well how regional development works and how it has worked for some time. We have had different programs. We have had regional bodies and regional programs. We had the Department of Regional Economic Expansion and then the Department of Regional Industrial Expansion. As we go along it seems that the commitment of the early 1970s to regional development is not getting stronger but weaker. The Government does not have the conviction to proceed with regional development.

The four western provinces and the four Atlantic provinces seem to be forgotten more and more with each passing year as far as this very important principle is concerned. That is evident. If we look at the facts and look deeply into the structure of how the Government has disbursed funds, we will see that this is very evident. This evidence is apparent in the closing of rail lines, the reduction of postal services, and the general reduction of government services which are important if people are going to locate business enterprises in western Canada. This cannot continue to be the case. If we continue

the present trend of centralization, Canada as we know it will disappear.

In Canada we have approximately 800 one-industry towns. That is why we have been trying to convince the Minister of Finance to continue with flow-through shares as a means of continuing real, meaningful regional development. If we do away with flow-through shares we will hurt the mining industry, which is a large support for those 800 one-industry towns. It is the one industry in many of the towns as is the fishing industry in many other towns. Flow-through shares are a very important part of regional development, yet they are not mentioned in this Bill.

On March 4, 1987, the federal Government announced the amalgamation of the Department of Regional Industrial Expansion and the Ministry of Science and Technology to form the Department of Industry, Science and Technology. The responsibility for regional development functions was given to ACOA in Atlantic Canada, to the Northern Ontario Advisory Board for northern Ontario, and to the Department of Western Economic Diversification for western Canada, the head office to be located in Edmonton, Alberta.

This is another reorganization, it is a shuffling of the cards and no more. Each time the cards are shuffled something falls from the table, something very important for regional development, something from the fibre of this very important process. When we went from DREE to DRIE we lost a lot of commitment from the Government on regional development. We are again losing a great deal.

The new Department of Industry, Science and Technology will deal with a number of things which will be mainly in central Canada. The Government has parcelled out a sum of money to northern Ontario, to Atlantic Canada, and to western Canada. It said "Here is your fund, don't bother us any more. This is what you are going to get, now be quiet".

In addition to co-ordinating federal programs in western Canada, this Western Diversification Fund, which will be $1.2 billion over five years, is going to be insufficient to meet the economic needs in western Canada. As my colleagues from Winnipeg—Fort Garry and Algoma have noted, this $1.2 billion over five years amounts to $220 million a year, which will not be sufficient to meet the purposes which the Government would like us to believe it intends for western Canada.

By 1983-84 a commitment for $1.2 billion was made to western Canada under the ERDA agreement. This was matched by the provincial governments for a total of $2.1 billion. It is obvious that the Western Diversification Fund is not generous and that it is not a new initiative by the Government. The question is what moneys which are presently in the system are going to be taken from other programs and put into the Western Diversification Fund. How much of this is new money?

The Government also wants us to believe that this system of regional development through a department or agency in a particular region is going to be easier for people in Atlantic Canada, northern Ontario, and western Canada. The Government has told us that this money will be looked after by people from the region and will be more sympathetically allotted throughout the respective areas. That would be fine if that were what the Government really intended.

The recommendations and studies done by the Government on how to approach regional development specified that if you are going to have a regional agency, it must be non-political. You cannot put people in control who have political backgrounds or are in any way identified with political operations.

The Government has not followed this recommendation. It succumbed to the temptation of putting in people who have been connected with the Progressive Conservative Party. That is bad because, even if the Government did not intend it, as happens in many cases where there are political appointments, the first thing to be looked after is the political connections. That does not always mean that the best projects are funded. It means that the best political contacts are funded.

This is a travesty. We are telling the people of western Canada, Atlantic Canada, and northern Ontario that this is going to be something new, that the frustrations with regional development over the years are going to be met, that things are different now. However, things are not going to be different. Things cannot be different until the Government develops a purposeful will to get out of the political business in dealing with the welfare of the regions of the country.

I see that the Minister of Energy, Mines and Resources (Mr. Masse) is in the House today. On March 29 I asked the Minister of Finance (Mr. Wilson) a question on the Canadian Exploration Development Incentive Program of which the Minister is well aware. The Minister of Energy and the rest of the Government are planning to reduce CEDIP considerably by October 1 of this year. At present CEDIP refunds one-third of investments of up to $10 million by particular companies in the oil and gas industry.

• (1050)

This was wonderful for small companies. While it may not have been the best program that could have been developed, it was an initiative taken by the Government. It was a step in the right direction that was much appreciated by small oil and gas companies in western Canada. This fund was introduced when oil prices were low in an attempt to help small companies that are so very important to the oil and gas industry in western Canada. They have come to depend on this funding, much of which is spent on exploration and development.

When oil prices rose. the Government felt that it could reduce these funds. Rather than a one-third refund it is considering a one-sixth refund, to take effect October 1. There is a significant difference between one-third of $10 million and one-sixth of $10 million, and our Party and small producers have suggested to the Government that rather than making a change by reducing the 33.3 per cent refund to 16 2/3 per cent,

it should reduce the $10 million to $5 million. It would still protect the smaller companies and give the full percentage they have at the present time.

The Government has not responded to this suggestion, and refuses to make a commitment. I believe the Government is letting down the small oil and gas producers in this country. There is no need for a royal commission or an investigation in this particular area. The Government only needs to make a decision, but that is not forthcoming.

Let us consider the free trade agreement. It may seem to the energy sector that it will be able to sell more oil and gas into the United States, but it is not taking into consideration the ramifications of the omnibus trade Bill. If that passes, it will be a severe deterrent to our trading rights with the United States.

Last spring the Prime Minister (Mr. Mulroney) spoke to the people in Alberta and said that the regulations imposed by the U.S. Federal Energy Regulatory Commission on the sale of natural gas through the pipeline system into the United States was wrong. He said that it was extraterritorial and that the United States had no right to do this. However, when the free trade agreement was negotiated, the National Energy Board was almost completely decimated. Its powers have been severely reduced so that even if it is able to function, we do not know if it will have any meaningful effect.

In return, the United States was required to do very little. The Federal Energy Regulatory Commission was left almost completely intact. The agreement contains only a nebulous comment which states that the federal Government of Canada and the United States Government will enter into negotiations to try to work at reducing the regulatory network that exists in the two countries. That is not good enough. The Prime Minister told the people in western Canada that this arrangement would not be good enough, but the changes he was seeking did not occur. One must ask if the Government has any real intention to strengthen regional development in western Canada.

We have to consider the CF-18 contract and other contracts for which western Canada had every right to be considered but was ignored. We have not seen any real change in the Government's lack of commitment to western Canada.

The Government must do more than simply offer $120 million and ask to be left alone. It must have a comprehensive plan to meet the aspirations of western Canada. It must introduce such a plan soon in order to address the difficulties facing the West, with lower prices and fewer problems in the agricultural industry. The Government is only paying lip service to farmers at a time when families in western Canada who have been in farming for generations are losing their farms. Yet the Government continues on in the belief that western Canada will accept a pittance in the form of a slush fund and forget that western Canada will be ignored as a vital centre of this country, which it should really be.

Mr. Deputy Speaker: Questions or comments? Is it the wish of the House to call it 11 o'clock?

Some Hon. Members: Agreed.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ABORTION

SUPREME COURT DECISION—CALL FOR GOVERNMENT ACTION OF FETAL RIGHTS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, in the recent Supreme Court ruling on abortion, all seven Justices said that they were not deciding on the rights of the fetus but that there is a valid state objective to do so. They also made it clear that the state interest in protecting the fetus increases as it develops.

The bedrock of fundamental justice cannot be based on arbitrary gestation periods. If life gains value as it matures, does it lose value as it gets much older? I think not.

Dr. Albert Schweitzer said: "If a man loses reverence for any part of life, he will lose reverence for all life".

The Canadian Conference of Catholic Bishops wrote recently: "For us to accept abortion would be to deny our belief in the value of human life".

I urge our Government to act quickly on fetal rights, to develop comprehensive national programs that show abortion is no answer to unwanted pregnancies, to strengthen services to help pregnant women and unwanted children, and to do what is morally right and not allow abortion on demand.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—CANADA-UNITED STATES DISCUSSIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the acid rain saga with the United States continued yesterday when the Prime Minister (Mr. Mulroney) said that a treaty on acid rain between Canada and the United States is inevitable, just as surely as summer follows spring.

Apparently the President will ask George Shultz to discuss Canada's eight-point proposal for an acid rain accord as a matter of priority with our External Affairs Minister. But in his remarks the Prime Minister did not mention that in January this year such a plan was examined by the United States and rejected by the same George Shultz. In addition, Michael Perley of the Canadian Coalition on Acid Rain scoffed at the Prime Minister's assertion that shifting the issue to Shultz is a sign of progress. He said:

• (1100)

This is just a repetition of what has already been done. It is a sign that the Prime Minister failed to get the President to act. Reagan never had any intention of doing anything on acid rain.

Unfortunately, we seem to be back to square one.

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PROVINCIAL AFFAIRS

MANITOBA'S BOND RATING

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in the April 28 edition of *The Globe and Mail*, Brian Milner writes as follows:

Manitoba's new Government is stepping into a financial quagmire with little room to manoeuvre . . .

That is the harsh assessment of Dominion Bond Rating Service . . . which paints a picture of persistent economic mismanagement by former Premier Howard Pawley's New Democrats.

The lessen is clear. An NDP Government means economic stagnation and social regression. Barret destroyed the British Columbia economy. Pawley did likewise in Manitoba. We must never, ever, let Broadbent and his gang similarly ruin Canada.

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AGRICULTURE

INTEREST RATE LEVELS—FARM DEBT

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, farmers and small businessmen in Canada know the economic devastation that was created when the Bank of Canada, under a Liberal Government, permitted interest rates to rise from 12 per cent to 24 per cent in a very short period of time. They could not adjust their price. They could only suffer and incur debt. This Government is also adding an equally devastating debt burden to farmers and small business people who export their products. By raising the Canadian dollar, it is reducing the export value of these products, again forcing these people into debt.

Farmers do not need more debt. It is inappropriate at a time when the Senate Agriculture Committee report of yesterday estimates that 31 per cent of Canada's farmers are practically insolvent due to debt. It calls for a relief scheme where the Government would pay all or part of a farmer's interest charges for a fixed period, for a restructuring of debt on more favourable terms, and extensions of repayment periods. It also calls for the establishment of a secondary loan market similar to CMHC.

The Government has used up nearly four years of its mandate. When will it address the problem, the $22 billion problem?

[*Translation*]

HEALTH

ORGAN DONOR AWARENESS WEEK

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I want to take this opportunity to remind Hon. Members and the general public that this week is National Organ Donor Awareness Week. Our Government, through our Minister of National Health and Welfare, works with various agencies to help inform the public and health professionals of the benefits of transplants and the need for organ and tissue donors.

I invite all Canadians to take a moment to think about becoming donors and discuss their decisions with members of their families. Through organ donations, each one of us can give the most generous gift there is, the gift of life.

However, Mr. Speaker, my invitation specifically excludes all Members of the PD Caucus. That tribe should not be allowed to reproduce in any way whatsoever!

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MINORITIES

THE FRANSASKOIS—ABOLITION OF FUNDAMENTAL RIGHTS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, all Canadians are equal before the law. The Devine government in Saskatchewan is now violating this fundamental principle of a democracy by abolishing the Fransaskois' basic rights and replacing them with a misleading law that gives the government absolute discretionary power.

This kind of action by Saskatchewan threatens the future of all linguistic minorities in the country, be they English- or French-speaking. We do not want any politician to be able to play with the basic rights of minorities, which are already too fragile and vulnerable.

Respect for minorities is an essential feature of Canada, one which makes our country a distinct society. Minorities do not need fine speeches. They need results in order to live fully.

Bill 2 violates the spirit of Canadian society. It is mean-spirited because it rejects existing rights instead of guaranteeing them and then finding ways to implement them appropriately.

It is regrettable that the Government did not see fit to consult the Fransaskois because their demands are reasonable and their future is at stake. I believe that the Conservative Government has not played a constructive, helpful role in this affair.

[*English*]

EMPLOYMENT

INFORMATION TECHNOLOGY SECTOR GROWTH

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, 40 years ago 70 per cent of the Canadian workforce was engaged in the resource and manufacturing industries. Today in 1988 industries using new-wrought information technology employ an ever increasing number of persons. Within the Canadian economy, total revenue for knowledge intensive industries in 1987 was $18 billion and those industries employed more than 230,000 persons.

The information technology sector is growing quickly. The knowledge intensive sector is expected to grow at an annual rate of 15.5 per cent, much faster than the Gross Domestic Product. The software and services segment of this industry is growing at an annual rate of 20 per cent. Information technology spending has accounted for 35 per cent of all R and D initiatives in Canada in recent years.

Canada's standard of living ultimately depends on its success in exporting internationally competitive goods and services, but our advantages in the natural resource industries are being severely challenged by other nations. Our future lies in exporting information technology. As the natural resource industries lose ground, knowledge intensive industries will provide opportunities for Canada to seize world export markets and bolster our standard of living.

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ATLANTIC CANADA OPPORTUNITIES AGENCY

NEW DEMOCRATIC PARTY AMENDMENTS TO LEGISLATION

Mr. Jack Harris (St. John's East): Mr. Speaker, yesterday the Conservative majority of this House voted against a series of amendments made by the New Democratic Party to improve the Atlantic Canada Opportunities Agency. These amendments would focus the agency on attacking regional disparity, guarantee fairness between the Atlantic provinces, and ensure that the ACOA board would be representative of all interests in economic development, not just a narrow view.

The Government refused to support these amendments and went further in this week's debate by having members of Cabinet, including the Minister for International Trade (Mr. Crosbie), attack members of this Party for speaking out for Atlantic Canada on the grounds that they represent Ontario ridings.

With this attitude of the Government it is no wonder that Atlantic Canada is not treated fairly. New Democratic Members of Parliament from all over Canada will continue to fight for regional development in Atlantic Canada in spite of government opposition. This fight will continue until regional disparity is eliminated and Atlantic Canadians are treated fairly and have equal opportunities with the rest of Canadians.

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FINANCE

FLOW-THROUGH SHARES—IMPORTANCE TO RESOURCE EXPLORATION

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I want to emphasize the seriousness of the phase out of flow-through shares. The White Paper of the Minister of Finance (Mr. Wilson) issued in June, 1987, does change the value and use of flow-through shares. This vehicle has been used by small and medium-sized resource companies, oil, gas, and mining, to raise capital for exploration and development, especially in our remote areas. It has created hundreds of thousands of jobs all across Canada.

To explore is a high-risk business. Flow-through is probably the only way for juniors to raise cash in a high-risk industry. I urge the Government to review this severe situation immediately.

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HARBOURS AND PORTS

CORNER BROOK, NFLD.—DEVELOPMENT PROJECT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, I rise today to plead with the Government to get on with its commitments with respect to the people of Humber—Port au Port—St. Barbe. In the Estimates brought down nearly two months ago was a clause or a provision for $17 million for harbour development for the city of Corner Brook, Newfoundland. This harbour development project goes back five years to a time under the previous administration. Nearly $400,000 was spent doing the engineering and design work.

It is critical at this time. Two container services run into the city of Corner Brook which is a major hub for western Newfoundland. We have a booming fishery, an export trade to the Soviet Union of some $900 million worth of fish. Quite literally, the economic activity of that Newfoundland west coast city is being choked because of inadequate harbour facilities.

The project was contained in the Transport Canada estimates two months ago. The engineering work is completed and ready to go. We are not talking about cutting a ribbon or cracking a bottle of champagne. We are talking about breaking the bottleneck that prevents economic growth and activity, and jobs in a region with unemployment of 30 per cent, from going ahead.

For God's sake, let's get the ball rolling. Let's make the harbour development happen. Let's let economic activity move ahead in Humber—Port au Port Ste. Barbe and, in particular, in the city of Corner Brook and let's do it now.

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• (1110)

[*Translation*]

CHILDREN

ADULTS' RESPONSIBILITIES

Mrs. Claudy Mailly (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, a dark and terrible aspect of our society was revealed in Thurso this week.

We all mourn the fate of the young victims of this so-called sexual abuse ring that supposedly included the parents of the young victims. We all know that children who are victims of such criminal acts will be marked for life and that our whole society will lose as a result.

That is why I appeal to the sense of responsibility of all leaders in our society, including the media, police and our judicial system. I remind them that sensational revelations, sensationalism and irresponsible comments on the background of the accused contribute nothing to the situation.

We have before us Bill C-89 to help crime victims. This morning, unfortunately, the New Democratic Party took offence for procedural reasons and did not admit the urgency of proceeding with this Bill. It is regrettable, given the circumstances.

We must all pray for these young children who did not receive the protection that the adults in whose care they were owed them, Mr. Speaker.

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EXTERNAL AFFAIRS

EXPRO AFFAIR—MANDATE OF PARLIAMENTARY SECRETARY

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the scandalous Expro affair has revealed several failings of the Government and the munitions export system. At the beginning of its mandate, the Secretary of State (for External Affairs) stated that the Government would never allow the exporting of weapons to a country at war. But, Mr. Speaker, it seems that this has happened four times and a fifth shipment for the Iran-Iraq war, to be sent via the coast of Iran, may now be in preparation.

It goes without saying, Mr. Speaker, that the present export licensing system must be thoroughly reformed to prevent a recurrence in future. Also, Mr. Speaker, the Secretary of State for External Affairs (Mr. Clark) must look at the answers that his own Parliamentary Secretary gave in this House to see whether they are as honest as the Government is entitled to demand its Parliamentary Secretaries' answers to be.

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REGIONAL DEVELOPMENT

ASSISTANCE FOR UPPER SAINT-MAURICE REGION

Mr. Michel Champagne (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, it is with great pride that I join the people of the Upper Saint-Maurice in thanking the Minister of Employment and Immigration (Mrs. McDougall) for the grant of $2.3 million under the Community Development Program. I must also point out the excellent cooperation of the industrial commissioner and his team in bringing about this project.

The people of the Upper Saint-Maurice are proud and believe in its development potential. By carrying through this project, they now have the financial leverage to diversify the economy and a local decision-making structure working for the community. This is further proof, Mr. Speaker, that our Government believes in regional development, in its diversification and above all in its success through the participation of responsible people representing the community.

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[*English*]

CHILD CARE

EDMONTON—PROPOSED FACILITY IN GOVERNMENT BUILDING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we heard this morning the stark reality that in Canada the lowest paid workers are child care workers. We heard earlier this week, and it is a shameful fact, that somebody who is a guardian of animals, a zoo keeper, is far more valued in our society in terms of the amount of money that person receives than are child care workers.

We also hear the Government claiming it will come up with a national child care strategy. Well, actions speak louder than words.

Right now in the city of Edmonton there is a federal government building that is scheduled to open at the beginning of June. Under the previous Liberal administration we planned a child care facility in that building. Right now that facility has been put on hold.

There are parents who want to know what is going to happen at the end of May, the beginning of June. They are waiting to put their children into this child care facility.

The child care facility has been put on hold. We demand that the Government put its money where its mouth is and open that child care facility when the building opens in Edmonton.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S ADDRESS TO UNITED STATES CONGRESS

Mr. George Minaker (Winnipeg—St. James): Mr. Speaker, the Prime Minister's (Mr. Mulroney) speech to the U.S. Congress was a great success. It drew the attention of the American public to the very serious problem of acid rain. It was educational in that many people who live outside the northeastern states in America had no knowledge of the seriousness of the problem of acid rain.

It is clear from the response of callers to an open line call-in show on an American network that people in all parts of the U.S. are now taking notice. Americans have been calling their Congressmen to let them know that they want something done.

It has taken a number of years to educate Canadians about the devastating effects of acid rain. The awareness and education process of Americans was certainly enhanced by the Prime Minister's address to Congress. The general public in the U.S. is beginning to take notice of this serious problem. For that we must thank our Prime Minister and our Government for giving this issue the importance it deserves by raising it not only in the minds of elected representatives in the United States but also with the American public.

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OFFICIAL LANGUAGES

ENTRENCHMENT OF FRENCH LANGUAGE RIGHTS IN THE YUKON

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, this week marked a historic step in the constitutional development of the Yukon when an agreement was signed between the Yukon Territorial Government and the federal Government to entrench French language rights in the territorial Legislature and courts.

In recognition as well of the cultural and historical importance of aboriginal languages in the territory, an agreement was also made regarding a start on developing essential services in the seven aboriginal languages as well.

This is an important step forward in the Yukon. It recognizes the contribution of Francophone people within the Yukon and their rights, and also the important language and cultural development of aboriginal people, the Yukon's first citizens.

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

EXPECTATIONS OF POPULATION OF MONTREAL REGION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, a year and a half after Mr. Picard's committee submitted its report on the development of the Montreal region, the people of Montreal are still waiting for the space agency and the development of the Port of Montreal. The people are still waiting for really effective help for eastern and southwestern Montreal, are still waiting for housing assistance in the Montreal area and a real banking centre for east-end Montreal. The only answer the Government has given, Mr. Speaker, is to abolish the departmental committee. Montrealers will remember in the next election campaign. They will remember that it is the Liberals who defend them.

* * *

[*English*]

NATIONAL FORESTRY WEEK

CONTRIBUTION BY FORESTERS TO NATIONAL ECONOMY

Mr. Ted Schellenberg (Nanaimo—Alberni): Mr. Speaker, Canada is about to celebrate National Forestry Week. Canadians have much to celebrate.

Ten per cent of our national workforce is employed in forest or related industries. Over half of Canada's forest product is produced in my home province of British Columbia.

As long as we continue to farm our forests responsibly, Canadians can rely on more and more economic growth in primary and secondary forest production. From Vancouver Island to the island of Newfoundland, Canadians will celebrate National Forestry Week next week.

The contribution of our foresters to our national economy is truly something to celebrate.

ORAL QUESTIONS

[*Translation*]

TRADE

UNITED STATES—SENATE'S PASSAGE OF OMNIBUS BILL

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. When he addressed the U.S. Congress, the Prime Minister did not utter a single word to condemn the omnibus trade Bill. He did not ask President Reagan publicly to veto this Bill. He said nothing to urge Congress not to override the veto. He sang the praises of his own trade agreement with the United States but not a word about the biggest threat to world trade and to his

own trade agreement with the United States. Why didn't the Prime Minister have the courage to tell Congress that the omnibus trade Bill is not acceptable to Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, for the simple reason that President Reagan told me he was going to veto the Bill.

M. Turner (Vancouver Quadra): We are waiting for the outcome, but Congress still has the right to reverse the veto. The Prime Minister didn't mention that to Congress, any more than he mentioned the omnibus Bill.

[*English*]

UNITED STATES TRADE REMEDY LAW

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister told Canadians that U.S. trade remedy law cannot apply to Canada, period. That is what he said a year or so ago.

He also told Canadians that he would raise the omnibus Bill with the United States Congress. But he did not. He also told Canadians that we would get an exemption from the omnibus Bill currently before the Congress. He did not.

I ask the Prime Minister this. Where is the exemption from U.S. trade remedy law he promised us, and where is the exemption for Canada in that omnibus trade Bill?

• (1120)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition contends that I indicated that I would raise the omnibus trade Bill with the U.S. Congress and that I did not. He is, of course, quite wrong. I raised the omnibus trade Bill with the leaders of the U.S. Congress, with the majority and with the minority leaderships, both in the House and in the Senate. We had very extensive and important discussions with regard to it.

Inasmuch as the President of the United States had already indicated privately to me, and publicly to the people of the United States, that he was going to veto the measure, it is entirely appropriate for us to allow the mechanisms that exist in the United States, in the U.S. Congress, to unfold as they should.

There has already been indication on the part of those concerned with the omnibus trade Bill that any congressional override would not succeed. But that is for them to decide.

Mr. Turner (Vancouver Quadra): The Prime Minister knows that any motive of the President of the United States to veto the omnibus trade Bill relates, not to his preoccupation with Canada, but the domestic politics of the plant-closing clause of that Bill.

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S VISIT TO WASHINGTON

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, on the subject of acid rain, we had the Prime Minister's admission of failure on television last evening, when he said: "Well, what do you do? What do you do with the United States? Do you declare war?"

We would not ask for that, but we do want the Prime Minister to declare war on acid rain, and to tell the President of the United States that this is the single most important bilateral issue between our two countries at the moment.

My question of the Prime Minister is this. Why did he not tell the President and the U.S. Congress that the situation in respect of acid rain is of crucial and vital importance to Canada; that our priority is not a technological deal on nuclear submarines, but to clean up the environment of our two countries?

The Prime Minister knows as well as I do that the U.S. generates six million tonnes of acid rain-causing emissions every year, and that those emissions are killing our rivers and lakes.

Why does the Prime Minister not admit to the country that he has failed to persuade the President and the Congress on this very vital issue to Canadians?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the answer is because the opposite is the case. There are two things that I want to say about this. First of all, there were suggestions in the House of Commons, before the most recent meeting between the President and the Prime Minister, that Canada should declare failure on the question of acid rain before going to the summit.

An Hon. Member: Another inaccuracy.

Mr. Clark (Yellowhead): That was the proposal of the New Democratic Party and others in this House.

That was not the course that we intended to follow. Indeed, the Prime Minister placed before the President a summary of the position that Canada has put forward on acid rain. As a result of that initiative taken by the Prime Minister with the President, President Reagan has specifically instructed Secretary Shultz to meet with me in the very near future to go over the eight central points of that Canadian proposal, to see if we can make progress.

An Hon. Member: Oh boy!

Mr. Clark (Yellowhead): People scoff. Members of the Liberal Party, who did nothing for years on acid rain, sit and scoff when we stand in the House to report progress.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The second point which is well worth making on the record has to do with the Prime Minister's success in dealing with the other half of the American equation, with Members of Congress. Let me quote for the record the response of some of the Members who heard the Prime Minister on this question—

Some Hon. Members: Order, order!

Mr. Clark (Yellowhead): Senator Moynihan of New York stated, and I quote: "I have never seen a head of government received as well as he was received today."

Some Hon. Members: Order!

Mr. Clark (Yellowhead): He continued: "It was a brilliant speech."

Some Hon. Members: Hear, hear!

Some Hon. Members: Order!

Mr. Clark (Yellowhead): Senator Moynihan, who enjoys more support in the Liberal caucus than the Right Hon. Leader of the Opposition does, went on to say, and I quote—

Mr. Speaker: Order. The Hon. Member for Winnipeg—Fort Garry.

PRIME MINISTER'S APPROACH TO ISSUE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I should like to address my questions to the Prime Minister. I have listened to the comments of the Secretary of State for External Affairs. Given that he was not invited to the meetings in Washington, he must be quite confused as to what went on.

I want to ask the Prime Minister about a statement he made to Mr. Michael Herman, a Québec maple sugar farmer. During a press conference in Washington, Mr. Herman posed the following question to the Prime Minister: "Did you achieve anything that would stop acid rain from destroying my trees?" And the Prime Minister said "no".

Obviously, the Secretary of State is totally confused as to what the Prime Minister said.

Now that the Prime Minister has admitted that the efforts of the last four years of his style and approach have been a total and complete failure, is he prepared to say what he is going to do now? What is going to be the approach in policy and strategy vis-à-vis the Americans on acid rain?

We now have the clear admission of the Prime Minister that his approach to this point in time has been a total and abysmal failure.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend refers to a question being posed by a maple sugar producer and my answer having been "no". That, of course, is false. The Prime Minister said: "No, not tomorrow". Of course I did not expect any miracles overnight—

An Hon. Member: You have had four years.

Mr. Mulroney: Only the Liberals and the NDP would expect that one would go to a meeting on acid rain and that acid rain would cease the next day.

An Hon. Member: You have had four years to resolve the issue.

Mr. Mulroney: As the Secretary of State has already indicated, we did engage with—

An Hon. Member: You have had four years.

Mr. Mulroney: Mr. Speaker, while the Opposition ask the question, they clearly do not want to hear the answer. They know that the answer will be much more compelling than their rhetoric of "failure over four years in not having dealt with this fundamental problem".

GOVERNMENT POLICY

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Liberal Party is not saying that we must have miracles; what we are saying is that we want the representatives of the Government of Canada, when in the United States, to stand up for Canadian interests. That is what we want.

The Prime Minister seems to have changed his mind one more time. His admission of failure at the press conference has now become an assertion of great success.

Is it the position of the Prime Minister, now, that his approach, his strategy, his style, has succeeded and, if so, can he show us the results? Can he point to any progress that has been made over the past four years?

What we have had over the past four years is the total failure of the Government to bring about any further movement on the part of the U.S. administration on the issue of acid rain.

Can the Prime Minister point to any evidence whatsoever that his Government has done anything that is going to solve the problem of Mr. Herman and the plight of his maple sugar farm?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, three or four days ago the opposition Parties were making the case that no further progress could be made on this issue. The Prime Minister secured from the President of the United States an agreement as to a next step, a step that may hold a better prospect for change than we had thought possible before the summit.

That speaks to the progress that is available to be made with the U.S. administration. It is not settled, but there has been a significant new chapter opened, one which will allow for meetings between—

Mr. Axworthy: What is that? Having more talks! Tell us about that.

Mr. Clark (Yellowhead): I am asked, Mr. Speaker, what that is; I am asked whether we are to have "more talks", and I am asked that in a pejorative sense, as though there were something wrong with holding talks.

Yes, we are having talks, and those talks will focus on the eight points put forward by Canada in response to the President's suggestion that he would accept the proposal for an accord put forward by the Prime Minister of Canada.

An Hon. Member: We have been talking for four years.

Mr. Clark (Yellowhead): The members of the Opposition can pretend progress is not progress; but there has clearly been a step forward insofar as the position of the U.S. administration is concerned. That speaks to the progress that has been made with the U.S. administration. That is one-half of the equation in the U.S.

As to the situation with respect to the U.S. Congress, let me continue to quote the remarks of Senator Moynihan, as follows: "On acid rain, the Prime Minister was much more open with us than I think we have heard in the past, and he put it in terms so compelling, a case so clear, and a mutual one. He did not say: 'You Americans must do this like Canadians'. He said: 'We have to do this for one another'; and he is right."

That is the position of a leading Senator in the United States.

Some Hon. Members: Order!

Mr. Clark (Yellowhead): A Member of Congress, Mr. Oxley, said: "The Canadians are doing a good job. They are spending 10 times more per capita on acid rain control than—"

Mr. Speaker: Order. The Hon. Member for Oshawa.

NITROGEN OXIDE EMISSIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Prime Minister. We have just heard the Secretary of State for External Affairs say that a "significant new chapter has been opened on acid rain"; that progress is being made. In today's *The Gazette*, we have—

Some Hon. Members: Order!

Mr. Speaker: Order. As Hon. Members are aware, at one time we had a rule against even quoting from newspapers. Certainly, I do not think, when quoting from a newspaper, that the newspaper should be waved around in the Chamber.

Perhaps the Hon. Member can make reference to the article without waving the article itself around, because it does seem to create disorder.

The Hon. Member for Oshawa.

• (1130)

Mr. Broadbent: Mr. Speaker, I cited *The Montreal Gazette*. I have the *Washington Post* which I will not hold up. Its headline, from the very day the Prime Minister arrived in Washington, points out that the Reagan administration, while it was saying sweet words to Canadians on the one hand, was at the same time in Geneva calling for a right of the United States to increase its emissions of acid rain, the key ingredient, by some 20 per cent.

How can the Prime Minister say there has been progress when the United States administration, where it really counts in an international agreement, is asking for the right to increase emissions? Who is the hypocrite—President Reagan when he talks to the Prime Minister, or the Prime Minister when he talks to the people of Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not sure whether the word hypocrite is parliamentary, but Canadians themselves can judge on the basis of the facts.

The Leader of the New Democratic Party is speaking in this House about what he claims is a current U.S. proposal regarding the NOx emissions. The United States proposal for an emission credit clause has been deleted. The Leader of the New Democratic Party should keep up to date. He is talking about a set of events that has disappeared. He is talking about news that is two days old. The current news is that, as a result of the work and the effort by Canada and other countries, a proposal put forward by the United States at Geneva, an unacceptable proposal, has been withdrawn.

UNITED STATES POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, not for the first time the Secretary of State for External Affairs has missed the point.

While the Reagan administration was saying one thing to our Prime Minister, in Geneva the Americans were trying to move in the opposite direction to get increases in the right of emissions. That explains why the Canadian Prime Minister in four years of buttering up to Reagan, telling him everything he wanted to hear, does not have one bit of progress on the issue of acid rain.

Maybe the Prime Minister will answer, instead of allowing his Foreign Minister to answer for him. Will he give us a single example of progress in changing the policy direction of the Reagan administration, which has the only head of government in the modern world who believes that trees cause pollution?

Some Hon. Members: Oh, oh!

Ms. Copps: Sit down. Brian can answer.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I do not know whether the Member for

Hamilton East has the courage to stand up in the House of Commons or can only speak from her seat.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Right Hon. Secretary of State for External Affairs.

Mr. Broadbent: Issue the writ. Go ahead. It will be zap for you guys.

Mr. Speaker: The Right Hon. Secretary of State for External Affairs has the floor.

Mr. Clark (Yellowhead): Mr. Speaker, I think that the attitudes taken by Parties in this House very much reflect our capacity to comport ourselves effectively internationally.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): What does that mean?

Mr. Clark (Yellowhead): The Leader of the Opposition—

An Hon. Member: It is a hard job. Someone has to do it.

Mr. Clark (Yellowhead): The New Democratic Party is so deeply imbued with anti-Americanism that that is all it can express on any issue in this House.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): Let me deal with the substance of the issue which has been raised by the Leader of the New Democratic Party.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): If we can quiet the zoo across the way, let me deal with that issue.

The Leader of the New Democratic Party misrepresented the facts as to what was happening regarding NOx emissions in Geneva. There have been discussions going on for four years regarding those levels of emissions. It may be that they were discovered by the NDP on the day that the President and the Prime Minister met, but they have been going on for years.

Simultaneously with the meeting of the Prime Minister of Canada and the President of the United States on acid rain in Washington, Canada and other countries were successful in moving the Americans back from their proposals for more emissions of NOx in Geneva. Not only did we win in Washington but we won in Geneva and there should be some credit given for that.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Joe Clark, Bush's running mate.

Mr. Speaker: A short supplemental.

Mr. Broadbent: Mr. Speaker, it is clear that the Prime Minister goes to the meetings but the Secretary of State for External Affairs does the answering. That is called leadership in the Conservative Party.

Mr. Speaker: In the interests of moving this matter along, I would ask the Hon. Member to put his question quite directly.

[*Translation*]

QUERY CONCERNING PROGRESS MADE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. He mentioned that the Canadian Government made some progress on acid rain. Could the Prime Minister give Canadians an example, for the benefit of Quebecers and all other Canadians who are faced with many problems as a result of acid rain emissions from the United States?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first of all, the Secretary of State for External Affairs has already done so. The President's instructions to Secretary of State Shultz to immediately engage in a dialogue on an eight-point treaty is, I believe, a gesture that deserves reflection, not criticism on the part of the New Democrats. Second, the Secretary of State for External Affairs has read some important comments made by U.S. Senators and representatives, indicating that the trend has been reversed and that we now have a far better chance of signing a worthwhile treaty with the Anmericans. In the United States two elements are important: the administration and Congress. And reactions from U.S. legislators have been most favourable.

I believe I mentioned that a treaty is inevitable between our two countries, and this important initiative involving the Senators and representatives will, I hope, have a positive effect, together with the initiative of the Secretary of State for External Affairs with Secrertary Shultz, and we hope this will result in major dividends for Canada and ultimately in resolving the problem. I think this should be reason for rejoicing, not criticizing, by the Leader of the New Democratic Party.

* * *

REGIONAL INDUSTRIAL DEVELOPMENT

ABOLITION OF MINISTERIAL COMMITTEE—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and concerns not the U.S. but Canadian issues and, more specifically, the Montreal region.

Last week, we heard the Government had abolished the ministerial committee on economic development of the Montreal region. Yesterday, the Mayor of Montreal said he was very upset because the federal Government had abolished

this committee and that he was not satisfied with the Government's response to the Picard report. Could the Prime Minister inform the House why he abolished this committee that was so important for the Montreal region, without either consulting with or notifying the authorities in Montreal?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the Minister of Regional Industrial Expansion previously tried to explain to the Hon. Member for Montreal—Sainte-Marie what happened to the ministerial committee but as usual, he either can't or won't understand. And we can't do anything about that.

As for the Picard report, the Hon. Member has been claiming for months and would have the people of Montreal believe that the report recommended putting Montreal under trusteeship. That is his opinion of Montreal. But if he cared to take off his blinkers—I hope he can, because they must be pretty tight—and look at what is happening in Montreal, he would see that since September 1984, we have earmarked more than $500 million for development projects in Montreal. Unemployment has dropped, and development centres have been identified. Substantial progress is being made, although not necessarily in the area that concerns the Hon. Member, but a lot of work is being done in Montreal and that will continue.

Mr. Malépart: Mr. Speaker, if I ever need a role model for stupidity, I'll know where to look.

OPPORTUNITY TO ESTABLISH MINISTERIAL COMMITTEE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, I have a supplementary for the Prime Minister.

Further to his Minister's reply, there was nothing in the Picard report about the space agency, the development project for the Port of Montreal, the pre-retirement benefits issue in Montreal East, the shipyards or the railway industry.

I wonder why, and I would ask the Prime Minister to at least respond to the issues that concern Montreal, because I know he is letting Quebec go altogether. Will the Prime Minister, at the official request of municipal authorities, the unions who also want the ministerial committee and the Chamber of Commerce . . .

If an official request is made by these three groups for setting up a ministerial committee, with more competent members, would the Prime Minister agree to act on this request?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I am surprised that a Member who claims to have any credibility at all should rise in the House and lie to Quebecers and lie to the people of Montreal as he is doing.

It is clear the federal Government has undertaken . . .

• (1140)

[*English*]

Mr. Speaker: Perhaps the Hon. Minister would like to correct himself.

[*Translation*]

Mr. Valcourt: You are right, Mr. Speaker. I will follow their example. My choice of words was unfortunate, and I withdraw what I said.

I assume he has a poor grasp of the issues, so he doesn't realize what is happening in Montreal, but the fact remains he keeps saying nothing has been done in Montreal. What about Pétromont, the CF-18 contract and the announcement the Minister of Regional Industrial Expansion made in the House this week that finally an agreement had been reached with Quebec? By May 15 there will be a tripartite agreement on the development of the Port of Montreal, and I suppose this clown will get up and say we aren't doing anything for Montreal!

* * *

[*English*]

FILM DISTRIBUTION INDUSTRY

TASK FORCE RECOMMENDATIONS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I have a question for the Prime Minister. I would like to return to his visit to the United States.

My sources tell me that the Government's new film distribution policy is a sellout that will give the Americans national treatment while attempting to buy the acquiescence of our Canadian industry with some sort of a grant program. Why does the Prime Minister not make the structural changes to the film distribution industry here in Canada that, first, were recommended by the film industry task force, second, were promised by his Government in the House in February of 1987 and, third, were found in the original draft legislation? Why does he not do that, or is it not really a fact that the Canadian film industry will be another sacrifice on the altar of free trade?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that assertion is categorically false. I do not know if the Hon. Member, who is a very busy Member, was in the House yesterday when my colleague, the Minister of Communications, had an opportunity to respond to questions respecting that policy and that legislation. The Minister made it very clear that Canada has been seeking the means to ensure that Canada operates as a distinct and separate national distribution market for films. That is the goal we have been pursuing, that is the goal that will be at the centre of legislation that will be introduced into the House by my colleague, the Minister of Communications.

That is a step forward taken by this Government for Canadian reasons. It improves upon a situation that was not in the interests of Canadian film makers, not in the interests of Canadians who want to see Canadian films, and not in the interest of Canadian culture, a situation that existed before. As in so many other fields, we are changing that bad former situation.

The Bill will be before the House soon, and I certainly hope that we will have the support of the Hon. Member if he is indeed interested in improving the quality of Canadian culture and Canadian film, and is not simply seeking to create false controversies here on the floor of the House of Commons.

PRIME MINISTER'S POSITION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I wonder if the Secretary of State would look at the gentleman on his left. Is the Secretary of State aware that the former Minister of Communications released a letter in which he noted the abandonment of the Government's film policy, cultural policy, and book-publishing policy, and tied it to free trade? I am not the one who is saying that, it is his colleague who is saying that.

I want to ask the Prime Minister, because Canadians want to know, just what sort of deal he made with President Reagan and Jack Valenti for a film distribution policy in Canada, and why has he sold out the Canadian film distributors, again at the altar of free trade? Tell Canadians what sort of deal the Prime Minister made.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I will try to be as direct as I can. What sort of deal, none. What sort of deal did the Prime Minister—

Mr. Waddell: That's not true. You were changing your policy completely.

Mr. Clark (Yellowhead): It is very difficult to answer. I do not know what it is about Friday mornings, but whenever an answer that tries to convey some facts begins, there is shouting from the other side.

The Hon. Member asked what sort of deal did the Prime Minister make with Mr. Valenti. None, no deal was made by the Prime Minister and Mr. Valenti.

The point is that we are dealing here with the need to address a problem that has afflicted the Canadian film industry for a long time—

Mr. Waddell: Like Ronald Reagan didn't want your policy. Be honest.

Mr. Clark (Yellowhead): Ronald Reagan goes back a long time.

Mr. Broadbent: Yeah, the 18th century. Back to silent movies.

Mr. Speaker: The Right Hon. Minister will continue his answer.

Mr. Clark (Yellowhead): Mr. Speaker, the problems with the Canadian film—

Mr. Turner (Vancouver Quadra): One last one for the Gipper.

Mr. Clark (Yellowhead): I understand why the Leader of the Opposition is diverted these days, but—

Mr. Speaker: I think perhaps we will move on. I recognize the Hon. Member for Ottawa—Carleton.

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PUBLIC SERVICE

LANGUAGE TEACHERS' LABOUR DISPUTE

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker—

Mr. Hnatyshyn: Will the real Mr. Turner stand up?

Some Hon. Members: Oh, oh!

Mr. Turner (Ottawa—Carleton): Mr. Speaker, I am the Tory Turner.

My question is addressed to the President of the Treasury Board. I wish to congratulate her on her new-found responsibilities and to wish her well. I am sure by now the Minister is very much aware of the ongoing serious problems with respect to the hours of teaching of federal language training teachers across Canada. I wonder if the Minister can tell the House the status of the negotiations on this very important issue and when she expects to have a resolution to this problem.

Hon. Pat Carney (President of the Treasury Board): Mr. Speaker, I would like to thank the Hon. Member for Ottawa—Carleton for his question. I know he has taken a great interest in this matter and has met with the language teachers. I would like to reinforce the Government's support for dealing with this matter and for reaching a settlement.

The Hon. Member should be aware that on April 22 a mediator was appointed by the Public Service Staff Relations Board. The parties will start work with the mediator on May 9, and we hope that this will lead to a quick solution.

[*Translation*]

FINANCE

EARNED DEPLETION ALLOWANCE ON FLOW-THROUGH SHARES—MINISTER'S POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have two questions to ask the Minister of Finance concerning the welfare of Canadians living in northern regions.

We know that Members of all three Parties in this House are urging him not to eliminate the earned depletion allowance on flow-through shares, which is an important tax incentive for the development of northern Ontario, the Abitibi, the Lac-Saint-Jean area, northern Manitoba, etc.

The Minister told us several times in the House that he was reviewing the matter and that he would be able to make a statement soon.

Could the Minister tell us today whether he has made his decision to maintain the depletion allowance and to restore the 33 1/3 per cent on flow-through shares so as to maintain the development of our northern regions and particularly our mining regions in future years?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I indicated yesterday that we have maintained the flow-through share mechanism. We are now looking at ways to enhance flow-through shares. To answer his question directly, I have not yet made a decision, but I will soon, possibly!

Mr. Garneau: Mr. Speaker, I ask the Minister to make his decision very soon, because based on the consultations I have had, flow-through shares are disappearing completely and the mining regions will no longer be able to find funds.

DEDUCTIONS FOR NORTHERN RESIDENTS—ESTABLISHMENT OF TASK FORCE

Mr. Raymond Garneau (Laval-des-Rapides): I would now like to ask my question on—

[*English*]

—fiscal reductions for residents living of northern regions.

The Minister has promised on a number of occasions to set up a task force to study the question of deductions for northern residents to make them more fair and less arbitrary. Can the Minister tell us when this task force will be set up and when it will have to report to him or to the House? Can he assure the citizens of northern regions that the measures will be applicable retroactively so that residents will not lose benefits for the 1987 tax year?

• (1150)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite clear that I think in the way that the Hon. Member has expressed that question he has indicated that we are taking something away from northern residents. We are not taking anything away from northern residents. In fact, we have augmented the program quite substantially from a revenue cost of some $50 million in the previous years to $200 million under the changes that have been proposed.

The Hon. Member is correct, we are going to establish a commission to look at the very difficult problem of where those boundaries should be and how those boundaries should be established. I would hope to make that announcement at a very early date.

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TRADE

REVISED UNITED STATES TRADE BILL—REQUEST FOR CANADIAN EXEMPTION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I would like to direct this question to the Prime Minister. Mr. Yeutter, the United States Trade Representative, said on television this morning that he expected a revised omnibus trade Bill, with Mr. Reagan's support, to be passed within three weeks.

Given that this revised Bill is still going to have within it many of the factors and many of the concerns that Canada has identified in the past, I wish to ask the Prime Minister directly, did he raise with Mr. Reagan the Canadian request that we be exempted from this omnibus trade Bill?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, who am I to doubt the prescience of a New Democratic Member of Parliament.

Mr. Broadbent: What went on at the meeting?

Mr. Clark (Yellowhead): The Hon. Member is talking about the contents of a Bill whose ultimate details he cannot predict, and the consequences of which he cannot predict.

His point, if I can cut through what he said and come to it, is whether or not the agreements signed between Canada and the United States respecting trade between our two countries will prevail. The answer to that, as he well knows, is that they will. This is a historic undertaking that Canada has entered into. The fearful in Canada, or those who are captives of organized labour, are opposed to the arrangement. Most confident Canadians want us to go forward and to establish a free trade agreement that will help to guarantee the future of this country. That is what we are doing.

CANADIAN POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, as the Secretary of State well knows, there is no exemption for us whatsoever in the trade deal from the omnibus trade Bill—no exemption whatsoever.

Given that one of Canada's trade ambassadors, Gordon Ritchie, has stated that the trade deal legislation here is now

being delayed "because we obviously must formulate our legislation with a very close eye to what the Americans are doing . . . " does this mean that our legislation is going to take into account changes which the Congress of the United States is pressing for in its implementation legislation?

In short, what has happened to Canadian independence?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, two quick things. One, as is the custom with New Democratic Members when they put the question, they tell part of the truth, not the whole truth. The Hon. Member quoted Mr. Ritchie on part of what Mr. Ritchie said, not all of what Mr. Ritchie said. I cannot use the term "dishonesty" in the House, Mr. Speaker, but certainly that practice would invite that term were it allowed.

Some Hon. Members: Order.

Mr. Speaker: I want to assure the Hon. Minister that it is not allowed. The Hon. Minister will complete his answer.

Mr. Clark (Yellowhead): Thank you, Mr. Speaker. If in that formulation I inadvertently bruised the rules of the House, Mr. Speaker, let me withdraw any infraction of the rules.

The second point is that the agreement that was worked out between negotiators for Canada and the United States in the free trade area sets forth the regime that will govern the commercial relations between Canada and the United States. It is consistent with the GATT. We expect that other legislation that proceeds from the United States will be consistent with the free trade agreement. That is the nature of the representations that we have been making on all levels to members of the United States administration and to the Congress.

* * *

[*Translation*]

THE ECONOMY

GOVERNMENT'S PERFORMANCE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of Finance and concerns a report produced by the Conference Board of Canada, in which the President, Mr. Nininger, also mentioned the Government's excellent performance. The report established a link between the drop in interest rates from 12.1 per cent to 9.5 per cent and our controls, and said the same about the drop in unemployment from 13.3 per cent to 8.9 per cent. It said the economic growth rate will be 3.8 per cent in 1988 and 2.7 per cent the year after. I would ask the Minister to comment on the forecast for economic growth in 1988, 1989 and 1990.

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I do appreciate the question from the Hon. Member. I think that the Conference Board report is indicative of the type of reports that we have seen from a number of economists recently. As Mr. Frank himself stated, it reinforces the feeling that the Canadian scene is very positive. He also stated that there is no recession this year because of strong employment gains.

[*Translation*]

I am very proud of our Government's record on the economy, and I think it is possible that the kind of progress we have already seen will continue in the future. I think it is also very important to mention that the conclusions of the report of the Conference Board of Canada are similar to those in many other reports by economists in this country.

* * *

[*English*]

NORTH ATLANTIC TREATY ORGANIZATION

SHORT-RANGE NUCLEAR WEAPONS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It was reported that at the meeting of NATO Defence Ministers held yesterday in Brussels a decision was taken to upgrade the short-range nuclear weapons force in Europe.

Does the Minister support this decision? If so, is it not in fact a circumvention of the recent INF Treaty which would remove 1,400 nuclear warheads from Europe? Does it not make more difficult the present negotiations to reduce strategic nuclear weapons? Is this not a step backward for nuclear disarmament?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one of the preoccupations of the countries that are involved in NATO is to take actions which support the INF agreement that has been reached, and that create conditions which will make it possible for us to have other agreements made between the Soviet Union and the United States regarding further kinds of arms control, whether those have to do with strategic weapons, chemical weapons, or with others.

In taking account of the necessity to maintain a climate that will allow for further progress in negotiations, we also naturally have to take account of the actual forces now not covered by treaty that exist on both sides between the Warsaw Pact and the NATO countries.

It is in that spirit that my colleague, the Minister of National Defence, and his colleague Defence Ministers from other countries in NATO are holding discussions now.

GOVERNMENT POLICY

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, is the Minister saying that more and

better nuclear weapons are the way to peace and disarmament?

On December 10, following the INF Treaty, the Prime Minister said, "Canada hopes that the INF Treaty will now provide the momentum for reducing the huge number of nuclear weapons that remain and lead to an agreement in Moscow next spring. This would meet the fundamental Canadian priority, stable security at much lower levels of armaments".

How can the Government support this agreement to increase and improve nuclear arms when in fact it states that its policy is in the other direction? It does not make sense.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I hate to say this because it is a phrase that was used by the Hon. Member's former Leader in the House very often, but it is unhappily in this case true, the premise of the Hon. Member's question is inaccurate.

The Hon. Member is a serious student of these matters and he knows that there is a wide range of threatening weapons on both sides that must be dealt with, if we are going to achieve stability in Europe, and indeed stability between the superpowers. Not all of them are nuclear weapons. There are hideous weapons in the chemical weapons field on which we are trying to make some progress.

It is important to continue the formula that brought us the INF. That formula was that the nations of NATO worked together in support of common goals, making it clear to the Soviets that the only way the Soviets could get agreement was by negotiated agreement, that they could not force NATO to back down in any particular area.

There is a range of questions on the table. We are trying to address several of them, strategic and chemical very high among them. It is in that context that my colleague, the Minister of National Defence, and his colleagues from other NATO countries have been meeting and discussing.

* * *

• (1200)

CANADIAN NATIONAL RAILWAYS

TRANSCONA SHOPS—REQUEST FOR ASSURANCE WORK WILL REMAIN IN WINNIPEG

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for either the Deputy Prime Minister or the Minister of Transport and is with regard to the longstanding anxiety in Winnipeg about jobs moving out of Winnipeg, either to Montreal through the CF-18, or to Toronto, and sometimes to Edmonton.

Word has it now that the CNR is planning to shut down its reclamation yard in Transcona and move the work from Transcona to London, Ontario. Can the Minister answering on behalf of the Government give this House, and through the House the people of Winnipeg, an assurance that this will not be allowed to happen, that that work will stay in Winnipeg and will not be going to Ontario?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I have not been informed by CN of such a decision. However, I think my friend knows very well that this kind of decision for CN is internal. In making the decision management would look at all employment, not only in Winnipeg, but elsewhere in the operations throughout the country.

For that reason I cannot confirm today that this will happen. However, I know that CN is studying this possibility. If the time comes to make an announcement, I will have more comments at that time.

REQUEST FOR MINISTERIAL ASSURANCE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I have approached CN about this and they have certainly not denied that this is happening. The Minister may know that this is all related to a policy developed over the last few years of permitting CN, and CP for that matter, to lease American rolling stock which is made in the United States, repaired in the United States, and is now to be scrapped in the United States. This means that all the jobs associated with that are going to the United States or being concentrated in Ontario instead of Manitoba.

I want an end to this. I want the Minister's assurance that this is not an internal matter, that it is a matter of government policy, and that something is finally going to be done about it.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the Member for Winnipeg—Birds Hill can be very passionate. I will only tell him that there are 100 more people working in Transcona at the present time than there were last year.

* * *

HARBOURS AND PORTS

CORNER BROOK, NFLD.—DEVELOPMENT PROJECT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. The Minister will know that a harbour development project for Corner Brook, Newfoundland, which was approved in 1983, was deferred by the Government in November, 1984.

The Minister will further know that the same project was contained once again, after three and one-half years, in the Estimates of his Department brought down in March of this year, only a few months ago.

The $17 million fund has been provided for in the Estimates since March. The previous Minister of Transport promised an

official announcement on that project in order that it could start this year and we would not lose the construction season due to begin in a few weeks.

Can the Minister inform the House, and through the House the people of Corner Brook, Newfoundland, when that project is going to proceed? If he cannot give us an exact date, can he at least give us an assurance that the announcement will be forthcoming soon so that we will not lose this construction season?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I am fully supportive of the project. Everything will be done to enable it to be announced within two or three weeks.

* * *

CORRECTIONAL SERVICES

FUNDING OF AGENCY TO ASSIST EX-PRISONERS IN NOVA SCOTIA

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Justice as the Acting Solicitor General. A very important service to Nova Scotian ex-prisoners for getting re-established in the community and helping them find jobs, the Real Opportunities for Prisoner Employment, or ROPE program, headed by Rocky Jones, has had all federal government funding cut by the Tory Government.

Will the Minister look into the cut in funding for this important agency and restore funding to this agency which helps hundreds of ex-convicts every year? Will the federal Government bring back support for the ROPE?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, we have evidence here of another flip-flop on the part of the New Democratic Party through the mouth of its justice critic.

I am obviously not aware of the exact circumstances of this program. Without accepting the premise, veracity, or accuracy of the Hon. Member's question, I will take the matter up with my colleague, the Solicitor General, and ensure that he gets back to the Hon. Member within an appropriate time with the information required.

While I am on my feet, Mr. Speaker, thank you for ending Question Period.

ROUTINE PROCEEDINGS

[*English*]

CANADA DEVELOPMENT INVESTMENT CORPORATION

TABLING OF ANNUAL REPORT

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Section 152(1) of the Financial Administration Act, and Standing Order 67(2) of the House of Commons, I am pleased to table, in both official languages, the 1987 annual report of the Canada Development Investment Corporation.

* * *

FISHERIES AND OCEANS

AUTHORIZATION FOR STANDING COMMITTEE TO TRAVEL

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the Parties on two motions. I move:

That the Standing Committee on Fisheries and Oceans and the necessary supporting staff be authorized to travel to the East Coast from May 2 to May 10, 1988, inclusive, for the purpose of continuing its on-going study of aquaculture.

Motion agreed to.

* * *

PRIVATE MEMBERS' BUSINESS

ORDER TO WITHDRAW ITEMS

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I have been asked by two Members who are unable to be in Ottawa today to seek the consent of the House, on their behalf, to have their respective Private Members' Business items withdrawn.

There have been discussions and I think you would find that there is unanimous consent for the following motion dealing with the withdrawal of these items. I move:

That Notice of Motion M-35 standing in the name of Mr. Schellenberger be withdrawn and that the order for second reading of Bill C-240, an Act to amend the Public Service Employment Act, standing in the name of Mr. Ravis, be discharged and the Bill withdrawn.

Motion agreed to.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, while I have the floor, I move:

That the House do now proceed to Orders of the Day.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Lewis) which was agreed to on the following division:

(*Division No. 353*)

YEAS

Members

Bertrand	Hawkes	St-Julien
Champagne (Champlain)	Jourdenais	Schellenberg (Nanaimo—Alberni)
Cooper	Lewis	Sparrow
Della Noce	Mailly	Towers
Dick	Mazankowski	Tupper
Duplessis	McCain	Turner (Ottawa—Carleton)
Ellis	McCuish	Valcourt
Epp (Provencher)	Minaker	Warner—36
Fontaine	Moore	
Fraleigh	Nickerson	
Greenaway	Oberle	
Grisé	Peterson	
Hardey	Pietz	
	Reimer	
	St. Germain	

NAYS

Members

Althouse	Guilbault (Saint-Jacques)	McLaughlin
Axworthy	Harris	Mitchell
Benjamin	Jewett	Orlikow
Copps	MacLellan	Ouellet
de Jong	Malépart	Waddell—20
Finestone	McDonald (Broadview—Greenwood)	
Fulton		
Gagliano		
Grondin		

● (1240)

Mr. Deputy Speaker: I declare the motion carried.

GOVERNMENT ORDERS

[*English*]

WESTERN ECONOMIC DIVERSIFICATION ACT

MEASURE TO ENACT

The House resumed debate on the motion of Mr. Mulroney that Bill C-113, an Act to promote the development and diversification of the economy of western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts, be read the third time and passed.

Mr. Les Benjamin (Regina West): Mr. Speaker, several times in the past we in the West have heard about western diversification. As far back as 1911, 1912, 1913 the hue and cry was to diversify. We moved into massive irrigation projects. The Bassano dam was built, and irrigation projects were undertaken east of Calgary and between Calgary and Medicine Hat. A few years later irrigation projects were undertaken in the Lethbridge area. All of that was in aid of diversification.

During the war, western agriculture diversified into a variety of vegetable crops, including sugar beets. In the late 1950s, early 1960s, we were again advised to diversify. The hue and cry went out from the four provincial Governments and the federal Government that we had to attract more industry, and we did. From the late 1940s on, we had tremendous development in oil wells, gas wells, potash mines, and so forth.

In 1968-69, we again heard the cry that we had to diversify. Grain prices had gone all to heck. We were up to our ears in grain, literally speaking. Farmers diversified into livestock, establishing hog operations, cow-calf operations, and beef cattle operations. We had feedlots by the dozens, all over the West, to the point where we were shipping too many to the United States, resulting in the U.S. imposing a countervail and imposing quotas on product going from western Canada into U.S. markets. As well, at that time the Canadian dollar was trading at par with its U.S. counterpart. As a result, feedlots all over the West were going bankrupt. To give some indication of how depressed grain prices were in 1968-69, one could buy three bushels of barley for $1. So much for that diversification effort. That was the third or fourth diversification effort to go down the drain.

I heard the Hon. Member for Red Deer (Mr. Towers) say earlier today that the NDP had been crying about the dollar going down, and now we were crying about it going up.

I have never heard any Member of my Party cry about the dollar going down. I wish it would go down much lower. I wish it would get down to 65 or 70 cents *vis-à-vis* the U.S. dollar. It is when the Canadian dollar is at that level *vis-à-vis* the U.S. dollar that we do well with exports. As well, Canadian manufactured and processed products can better compete in

the domestic market in competition with imports from the U.S. and other parts of the world.

If the Government of Canada manipulates the Canadian dollar to higher levels *vis-à-vis* the U.S. dollar, the producers, processors and manufacturers in the Atlantic provinces and the western provinces are going to have that much more difficulty, not only in competing in the markets in central Canada, but in U.S. markets, or markets anywhere else in the world.

Unless some fundamental change is made in policy direction, no diversification plan in the world will work. While there may be some salutary effects for a few hundred small businesses—and that is something about which I would not complain—the basic problem would remain.

The objective of this measure is to bring about increased diversification in western Canada and in Atlantic Canada, with a move to larger and more efficient modes of production, processing and manufacturing. No one can be against that. Who would not be in favour of that? However, since Atlantic Canada and western Canada have small markets, the problem then is how we get the products to the large market, in competition with those who produce, process or manufacture the same or similar products in central Canada or central and eastern United States. We have to compete.

• (1250)

We are quite happy to compete on quality, quantity, warranties and reliability. We can do those things in western Canada and Atlantic Canada as well as those in any place else in the whole continent. However, we also must compete against geography, against interest rates and against a Canadian dollar that is rising in comparison to the American dollar. Those are three major handicaps, and we have found out in the past that those handicaps have caused diversification ideas, as good as they were, to fail.

It seems to me that there must be a fundamental national policy of discrimination, not discrimination against the large industrial and manufacturing complexes from Québec City to Windsor, but discrimination in favour of the western provinces, Atlantic Canada, northern Ontario and northern Québec. One of the ways to do that is to do something about transportation costs.

In my province, there is a first-class poultry operation. It is located at Wynyard, Saskatchewan, 200 miles from Regina. The grocery stores in my city sell those chickens. However, over the last several months, we have found that there are chickens from elsewhere for sale in that store as well. Those chickens are from Georgia, 2,000 miles away, while Wynyard is 200 miles away.

Those chickens from Georgia are good chickens. There is no problem with their quality. The Wynyard operator also has an excellent operation. He has received grants and loans from the provincial and federal Governments. He employs a few dozen people. It is a family-owned and operated business and he pays a good wage. In Georgia, they pay $1.65 per hour. I do not think there is one single self-respecting businessman in all of Canada who would lower himself to paying that kind of a wage. That is why the poultry producer in Georgia can place chickens in the Regina market for just as cheap as our own operator in Wynyard, 200 miles away. That is one of the handicaps we face in western Canada and in Atlantic Canada. Therefore, we need transportation assistance.

The programs that presently exist must be improved, and as well, we need additional programs. If the national Government really wants to do something about western diversification, let me suggest that we return to what we were doing up until 1960 when anywhere from five to 20 trainloads of coal moved out of Saskatchewan, Alberta and eastern British Columbia per day, destined for Ontario. That was low-sulphur coal that did not cause acid rain. Since that time, there have been no trainloads of coal moving from western Canada to the Ontario hydro plants. Those plants are burning high-sulphur coal from Virginia and Kentucky.

When we were debating the abolishment of the Crow rate in the House in 1982 and 1983, one of the things we said then, and we say again now, is that we need not only a Crow rate for grain but a Crow rate for coal and a Crow rate for a whole host of other products so that the transportation costs of a manufacturing plant in Alberta can be equalized with those of a manufacturing plant in southern Ontario. Then these plants would have to compete only on the quality of their products, their reliability, their serviceability and their warranties. They would have to compete in areas where the real competition should exist. Unless those who start industries in western Canada and Atlantic Canada can get their products to market at a cost no greater than their competitors in Boston, New York, Toronto or Montreal, they do not have a prayer.

There is another little item that could be helpful. This Government has made much of the whole issue of western diversification. One would have thought that in four years this Government would have made a calculated and deliberate move to increase the purchases made by the national Government in western Canada and Atlantic Canada and decrease the purchases made in Ontario and Québec. That would be an example of discriminating in favour of the West and the Atlantic provinces.

What has happened instead? In 1984-85, this Government purchased 13.9 per cent of its requirements through Supply and Services in western Canada. In 1985-86, that figure went down to 12.8 per cent. In 1986-87, it went down further to 11.5 per cent.

We are not talking about peanuts here. The total figure for purchases in the four western provinces plus the Yukon and the Northwest Territories in 1986-87 was over $900 million, and that is only 11.8 per cent of the federal Government's purchases. Québec got 32 per cent and there is a smaller population in Québec than there is in the four western

provinces. Ontario, with a slightly higher population than the four western provinces, got 44 per cent.

In the Atlantic provinces, the picture is even worse. Federal government purchases from the four Atlantic provinces amounted to 7 per cent of the total. I suppose the Atlantic provinces would have something in the order of 3.5 million to 4 million people. They received 7 per cent, which was down from what they spot in the Atlantic provinces in 1985-86.

• (1300)

I have mentioned two areas where if we want to do something about diversification and greater opportunity for farmers, businessmen, and fishermen, we would redirect a lot of the government purchases that are required. Some of it could be diverted from offshore purposes without jeopardizing some of the purchases made in central Canada. We purchased billions from other parts of the world and from the United States.

I mentioned the whole matter of coal. There is at least a 500-year supply of low sulphur coal in western Canada. There is not a single mine left operating in the whole Drumheller Valley. There may be one left operating in the Crow's Nest Pass. The only reason there are strip mines in southern Saskatchewan is because the coal is being used by Saskatchewan Power Corporation, otherwise we would not be moving any of it. Here is an area of massive development—

Mr. Riis: Mr. Speaker, I rise on a point of order. I would like to call a quorum.

The Acting Speaker (Mr. McCain): I see a quorum. The debate will continue.

Mr. Benjamin: I thank my colleague for doing that. I want my good friends opposite to be able to enjoy my remarks.

I want to mention the main items that would ensure the success of diversification and opportunity for Atlantic Canada and for western Canada; have the Canadian dollar go down, reduce interest rates and, if necessary, bring in limited foreign exchange. If an investor in Canada wants to invest in some processing or manufacturing, and he wants to do it in the United States, he could be given a tax incentive to do it in Canada and it will cost him if he tries to do it somewhere else.

We must also look at Canadian history and remember and realize that transportation subsidies of various types, direct and indirect, are an absolute necessity for western Canada and for Atlantic Canada to be able to diversify their economies and compete where the markets are in central Canada and the heavily populated areas of the United States. Without that, no matter what political Party is in power, efforts to diversify the economies of northern Ontario, and northern Quebec, Atlantic and western Canada are doomed to failure. It has been tried before without ensuring that the things I have mentioned were in place. I hope that the Government's program for western development succeeds, but I am warning that it cannot succeed unless interest rates are reduced, unless the value of the Canadian dollar in relation to the United States dollar goes down, and unless something more is done about subsidizing transportation costs for our processors and manufacturers in those other regions of Canada.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is a pleasure to participate in the debate regarding western Canada. As a western Canadian I must say that I remember when there were thousands of small and medium sized businesses in western Canada requesting assistance of one type or another from the federal Government to allow them to expand into new product lines and new markets, and we kept hearing that there was not any money available. Then the announcement was made that the Ghermezian brothers received $5 million from the federal Government for Fantasyland. They are one of the richest families in Canada, they have one of the largest and most powerful industrial business conglomerates in Canada; and they received $5 million from the federal Government.

We remember that because it seemed to send a certain signal that, if you were a small western business person or a struggling westerner trying to establish a business or to expand a business, there were no funds available. However, if you had political connections with the Conservative Party, and presumably had lots of campaign funds, you could ask for $5 million and would receive it. Many westerners remember that day.

They also remember the day regarding the CF-18 maintenance contract where virtually every adviser to the federal Government said that the maintenance contract for the CF-18 fighter planes should be given to Bristol Aerospace in Winnipeg; in other words, a western Canadian maintenance operator. The Prime Minister (Mr. Mulroney) overruled every adviser and said that that maintenance contract would go to Québec.

That was a political decision, and the Prime Minister has the right to make political decisions. However, he should have had the gumption and the intestinal fortitude to stand up and say: "I am going to make a political decision which goes against all the advice that I have received, which goes against sound business reasoning, which goes against running a decent, up-front Government, and I am making this political decision". He did not, Mr. Speaker. He fumbled and fiddled around for days attempting to justify how he knew better than all of the advisers regarding the maintenance contract for the CF-18s. Of course, western Canada lost that contract.

We also remember that not long ago Preston Manning decided that he needed to found a new political Party in the West because the Conservatives had let westerners down. They had sent a lot of Conservatives to Parliament to reverse the dastardly deeds that Liberals had been doing to western Canadians for so many years. What is the record, Mr. Speaker? When he formed the Reform Party, a western

Canadian Party, Preston Manning stated that the situation has actually worsened under the Mulroney Government.

Then a few weeks ago the Premier from British Columbia indicated that he had had enough; British Columbians were fed up with always getting the short end of the stick, always getting short shrift, being left out of federal government programs, and never getting their fair share. The Premier went on to explain that British Columbia represents a major portion of the Canadian population. It pays in excess of $11 billion annually to the federal coffers in terms of corporate and personal income tax. The number of federal government contracts and supply and service contracts were almost infinitesimal.

Earlier this week people representing the printing industry in British Columbia came to lobby. They stated that although British Columbia has almost 11 per cent of the population, it received less than 1 per cent of all of the federal government printing contracts. In other words, the lion's share of printing federal government brochures and of all printing that the federal Government does goes to central Canadian printers. The representatives of the printers stated that they wanted to get their fair share, and 1 per cent is not a fair share to British Columbia.

I could go on and on about others from western Canada who have registered their disappointment and disillusionment of the West not receiving its fair share.

• (1310)

The federal Government then decided to set up the western development office with a western development fund of $1.2 billion over five years, which comes to about $60 million per province per year. This was going to be the major government initiative to diversify the western economy.

The first announcement made was that the money required to develop South Moresby Park, $79 million, would be coming from the Western Diversification Fund rather than the Policy Revenue Fund from where money normally comes to develop a national park. A few days later another announcement was made. The funding for the Salmonid Enhancement Program for British Columbia, $53.7 million, would not come from the fisheries budget, from where one would normally expect it to come, but from the Western Diversification Fund as well. That is British Columbia taken care of for two or three years. It is like a shell game—now you see it, now you don't.

I decided that it was time to do a little research to find out what the situation was. I listened to one of the cabinet Ministers, the Minister of State for Grains and Oilseeds (Mr. Mayer) from Manitoba, who said with regard to the Western Development Fund:

> It sounds like a lot of money, but in the over-all scheme of things it is not that great.

That was a Minister of the Crown saying that the amount of funds is not that great.

I noticed that the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) spoke to the Rotary Club just after the announcement was made and was quoted in the *Edmonton Journal* as saying:

> The recently announced western diversification strategy, . . . is certainly a modest step in the right direction—but certainly inadequate in its funding.

One of the most outspoken western Members of Parliament has said that it is inadequate.

Two days after the announcement *The Financial Post* said that there is no doubt whatever the potential contribution of Ottawa's western diversification initiative is truly piddling. *The Financial Post* called the amount of money piddling in terms of western diversification.

One of the senior officers of the Western Diversification Office, whose name I will not mention because it would not be fair to him, said on the public record that the fund is not all that big when you look at the amount of capital.

I could go on with a whole list of people who are members of the Cabinet, members of the Government, or senior officials in economic development portfolios for the federal Government, saying that this is an inadequate amount of funds to do anything. However, that is a little too close to the Government.

Let us go to one of the spokespersons for small and medium-sized business in Canada. Mr. John Bulloch heads up the Canadian Federation of Independent Business. He put out a report from which I will read only two or three things, because that is all I have time for. The Canadian Federation of Independent Business said that the Western Development Fund "is a political slush fund to support vulnerable constituencies".

The Canadian Federation of Independent Business calls it a political slush fund. Good for John Bulloch for having the courage to speak out and call it what it is. He went on to say that it is also a "bureaucratic slush fund available for other line Departments of the Ministers to raid in lieu of other national programs that should have their fair share spent in the West". It is a slush fund for the politicians and for the bureaucrats.

He went on to say that it is a "narrow and highly concentrated centralized approach to diversification".

There is no grass roots involvement; it does not involve the people. A few bureaucrats headquartered in Edmonton will be making the decisions on western diversification based on political slush.

Mr. Bulloch went on to say that the Western Diversification Office was "a confusing black box lacking clear criteria or policy direction, and on a collision course with a myriad of client groups who are inevitably going to see thousands of applications rejected and thousands of hopes dashed".

I hate to say it, Mr. Speaker, but that is what has happened. In my own constituency there is a group called the Thompson

Nicola Manufacturers Association representing 500 manufacturing enterprises in the Kamloops region. They are struggling to co-ordinate organizations and represent manufacturers wanting to expand their operations. They went to the Western Diversification Fund and requested a paltry $40,000 per year for the next two years. They said that within two years their income from marketing royalties and software sales would be sufficient to ensure their ongoing financial independence.

Did the Western Diversification Fund support the Thompson Nicola Manufacturers Association to diversify the economy of central British Columbia to the tune of $40,000 a year for two years? No. It was rejected. I guess we should be asking the Ghermezian brothers to apply for us because they obviously have the right connections. They can get $5 million to build Fantasyland in Edmonton, but we cannot get $40,000 to expand a manufacturing base in western Canada.

Let us go on. Let us look at the facts. We have heard a lot of rhetoric and a lot of flim-flam and shell games. Let us look at the facts with regard to industrial assistance between September, 1984, and March, 1986, the last period for which we have good data. Over that period of time British Columbia received $47 million, Saskatchewan received $18 million, Alberta received $16 million, and Manitoba received $13 million, for a total of $111 million. In the same time frame Ontario received $260 million and Québec received $430 million.

Once again the West did not get its fair share. We are not saying that Québec should not get that amount of money or that Ontario should not get that kind of industrial assistance support. However, we are saying that the West should get its fair share; nothing more, just its fair share. However, it is not getting its fair share.

Let us refer back to the report which the Canadian Federation of Independent Business put together for parliamentarians. They talked about procurement, the fancy word for the federal Government buying things from western Canada. They said that with 11.4 per cent of the population, British Columbia received only 3.6 per cent of federal government procurement. Alberta won only 3.6 per cent of the contract even though it has 9.3 per cent of the Canadian population. Saskatchewan has 4 per cent of the population and gets only 1 per cent of government contracts, and Manitoba has 4.2 per cent of the population of Canada and gets only 2.8 per cent of the contracts. However, Ontario and Québec together receive 76 per cent of all government contracts.

The source of this is not a partisan research division. It is the Canadian Federation of Independent Business in a report dated April 12, 1988, which points out that government supply and service comes overwhelmingly from central Canada.

Let us go on and look at Employment and Immigration. The Estimates indicate that last year the Department of Employment and Immigration spent $479 million in the West. Next year Employment and Immigration will spend $339 million in the West. That is a net reduction of nearly $140 million. At a time when the West is struggling to play its rightful role in the Canadian economy, rather than providing support or even maintaining support the federal Government is cutting back on employment funds for western Canada.

Let us look, for example, at all supply and service purchases from western Canada. In the early 1960s, before the present Government took office, the federal Government purchased about 16 per cent of all its supplies from western Canada. When the Government of the present Prime Minister was elected in 1984 that had fallen to 13.9 per cent. In 1985 that had fallen to 12.8 per cent, and in the past year it fell to 11.5 per cent. There are the facts in black and white. Under this Conservative Government procurement in western Canada has actually decreased every year.

The West has 28 per cent of the population, and when we are told that the Government only purchases 11.5 per cent of its supplies from western Canada we get angry and upset. That is why western Canadians are telling the Government that we have had enough.

Let us go on. I have piles of material here which indicate that in virtually every Department the West is getting shafted, the West is getting the short shrift, the West is getting the short end of the stick.

With regard to service contracts I will compare, for example, Ontario and British Columbia. British Columbia is representative of any of the four western provinces. The information indicates that in 1986-87, the most recent year for which we have data, Ontario received $206 million in service contracts and British Columbia received $21 million in service contracts. When you consider the population of Ontario and British Columbia, you realize that there is no way British Columbia should get such an infinitesimal amount of contracts in terms of money.

• (1320)

Ontario received $138 million worth of goods and services contracts while B.C. received $15 million in contracts. When one adds up all the different contracts, including industrial cooperation, equipment contracts, goods contracts and service contracts, Ontario received $360 million worth in the last year while B.C. received $41 million. This is more evidence to indicate that British Columbia, like all western provinces, has to receive what it ought to receive in terms of federal Government investment in developing economic infrastructure.

I have already talked about the CF-18 contract. I have not mentioned the gas taxes that keep rising by one, two, or three cents a litre. It is westerners who are hurt the most by an increase in transportation cost. Westerners must travel over vast distances not only in terms of moving goods but for personal transportation.

Mr. Valcourt: What about farmers?

Mr. Riis: What about interest rate policy? The Governor of the Bank of Canada says that high interest rates are required to dampen the fires of inflation in Ontario. What about the

West? There are no fires of inflation in the West. Inflation is extremely low in the West, because many areas still face severe economic depression. The interest rate policy of the Government discriminates against western Canadian enterprises and western Canadian consumers.

Let us consider flow-through shares. I give credit to an Hon. Member from Calgary who earlier today stood in her place, as others have, to say that the Government must change its attitude about flow-through shares.

The flow-through share mechanism allowed small and medium sized resource companies in Canada, particularly in western Canada, to obtain the necessary capital to expand and explore for more deposits. It created tens of thousands of jobs in the most remote areas of Canada.

However, it did not create many jobs in downtown Toronto or in the heart of the cities. The Government proceeded to gut this program that was assisting western Canada. The prospectors, placer miners, the smaller junior mining companies and oil companies are on bended knee asking for a chance in western Canada. The Minister of Finance (Mr. Wilson) simply tells them that the Government has decided to do away with this program that provides so many benefits to junior oil and mining companies in western Canada.

It came to my attention recently that while there will be the Western Diversification Fund in western Canada, and a new agency in Atlantic Canada, the new Department of Industry, Science and Technology retains the regional development responsibilities for Ontario and Québec. This new, dynamic division of the Government will be responsible for regional economic development in Ontario and Québec. Will that not give an advantage to central Canada? Will it not have the automatic advantage of putting all these government programs and Departments at their disposal for industrial and economic development?

Will the Western Diversification Office play a co-ordinating role in light of the absolute failure of the Department of Regional Economic Expansion in terms of co-ordination? The Departments of Agriculture, Fisheries, and Mining simply continued programs while ignoring the programs of DREE.

We in the West need an office that will play an advocacy role and will ensure that an issue like the airbus contract will be carefully considered in order to ensure that anything that is done with Air Canada will benefit western Canada. That is what is required.

I realize that my time has expired. My colleagues will have much more to say about this subject. We recognize that there is potential for the Western Diversification Office. It could play a significant role, but it lacks capital and it lacks a mandate.

As Mr. Bulloch of the Canadian Federation of Independent Business calls it, it is a black box. We do not know what it does or what are its terms of reference. That must be changed.

Mr. Langdon: Mr. Speaker, I want to raise a question with my distinguished House Leader because I do not want him to be unaware of the fact that many parts of central Canada also suffer from serious economic problems.

My own constituency has a 9 per cent unemployment rate, and parts of northern Ontario have an unemployment rate well above 10 per cent. One must also recognize that there is a tremendous poverty problem within Toronto, as there is in other cities like Edmonton, Vancouver, and Halifax.

Will he indicate the alternatives we are considering for the country after the next election and outline an approach that does not discriminate against the West nor attempt to follow the traditional political rhetoric of blaming central Canada for problems which exist? After all, it is the Conservative Government, not central Canada, that is responsible for the problems the country faces.

Mr. Riis: Mr. Speaker, my hon. friend, the Hon. Member for Essex—Windsor (Mr. Langdon), is absolutely correct. In examining the economic hardship facing people in the country today, we have been looking at what is happening in western Canada. In the last few days we have been examining the appalling situation that continues to exist in Atlantic Canada.

As the Member so aptly points out, central Canada is also experiencing severe problems, even in the largest cities. When one considers that the largest city in Canada has the distinction of having one of the largest food banks, I think it tells the tale.

There is an obvious solution. It is to have a new Government. A New Democratic Party Government would set itself apart from the others by a simple distinction. At the top of the list of its priorities, the goal it would set out to achieve as one of the wealthiest countries in the world would be full employment and strategies to accomplish that goal.

• (1330)

One of the first steps should be not only to have a goal of full employment; we should set targets for the lowering of inflation and interest rates. We set targets in a whole range of areas. Why not set a target to lower unemployment not only across Canada but in the regions of the country which the Tories have essentially abandoned? They have abandoned the North, the West, the East, and whole regions of central Canada. Once we start setting a goal of full employment and putting in place strategies to accomplish that goal, once we start setting targets to reduce unemployment, we will be able to make real inroads into reducing the number of jobless and getting economic development back on track where it belongs.

Mr. Schellenberg: Mr. Speaker, I listened with great interest to the politically motivated diatribe of my colleague, the Hon. Member for Kamloops—Shuswap (Mr. Riis), and I must confess that over the course of his 20-minute speech I had to smile. As a western Canadian I remember full well that his Party was the Party which supported a federal Government

that for years, if not decades, excluded western Canada from its fair share of federal government programs.

In 1984 the Canadian voters in western Canada got the groom by reducing the western representation in the Liberal Party, but we did not get the bride. We reduced her effect, but we will get her in 1988 or 1989.

What we are hearing today is this born again interest in western Canada of the New Democratic Party, the Party that supported the Liberal Party of Canada. The Hon. Member talked about percentages in his speech. He said that British Columbia, having 10 per cent of Canada's population, was receiving 10 per cent or less of some federal government programs, not quite a proportionate share, in some cases.

I understand his argument, but is he suggesting that the sword cut both ways? The Government initiated $1 billion in reforestation funding, of which 30 per cent goes to British Columbia. Should that 30 per cent be reduced to 10 per cent? B.C. sends 30 per cent of unsolicited proposals to the Department of Supply and Services. Should that be reduced to 10 per cent, as well? How about the world's largest ice-breaker commissioned by the Government, $500 million worth? Should we build 10 per cent of that in British Columbia?

What about Phase II of the Salmonid Enhancement Program of $200 million? Should British Columbia only get 10 per cent of that? Is that what the Hon. Member wants, or is he just being selective with his figures? Is he suggesting that British Columbia be restricted to 10 per cent of all federal government programs, that all federal government funding be proportioned according to population, or is he simply having fun with figures this afternoon?

Mr. Riis: Mr. Speaker, it is interesting to hear the Hon. Member refer to the forest industry. I would think he would be embarrassed to refer to the forest industry, because his Government promised the people of British Columbia, indeed the people of Canada, that if elected it would put in place a full ministry of forests. The Tories failed to do that. Once again, another lie to the people of Canada. They broke another promise because they quite clearly said this was a priority. They are four years into office and we still have not seen this promise delivered. Again I say, another broken promise or even a lie.

Where is the Polar 8? We have heard some announcements, but the action is not there. The Hon. Member asks if British Columbia or the West should have its fair share? Not only should the west have its fair share but, for the next number of years—perhaps even for a two-year or three-year period—could we not have a program called economic affirmative action? Every Canadian understands that the West has been short-changed right from the very beginning. For the next few years, let us have not only a fair share but perhaps even a little more to allow, for instance, the manufacturing sector to be buoyed up. The printers in British Columbia came to Ottawa the other day asking for a fair share.

We are talking about regional industrial support and encouragement. Under the trade deal with the United States that will be impossible. That is what the Hon. Member is suggesting. He advocates, on the one hand, a free trade deal with the United States knowing full well that the minute it is signed regional development programs to support the West will be pulled right away. In other words, he wants to impoverish westerners and discriminate against western Canadians in terms of economic development.

Mr. Harris: Mr. Speaker, I listened with great interest to the House Leader of the New Democratic Party in this debate. As a Member of Parliament from the far eastern part of Canada, I want to put on the record that Atlantic Canadian New Democrats also support regional development in western Canada. I know the Deputy House Leader spoke out Wednesday against people from Ontario who supported regional development in Atlantic Canada.

Mr. Lewis: That's nonsense.

Mr. Harris: I know the Minister for International Trade (Mr. Crosbie) attacked the Hon. Member for Hamilton Mountain (Ms. Dewar) for supporting regional development in Atlantic Canada, but I want to put on record that I support regional development in western Canada as well.

Would the Hon. Member care to comment on the attitude the Government seems to have about the fact that only people from eastern Canada can talk about eastern regional development and only people from western Canada can talk about western regional development?

Mr. Riis: Mr. Speaker, we have heard comments in this House that only can be called regional racism. It was a very sad day when a leader for the government benches felt it was appropriate that debate on an issue of particular interest to Atlantic Canada, be restricted to only Members from Atlantic Canada. I think it should be made clear that those who represent the New Democratic Party represent all Canadians. We represent northerners, easterners, westerners, and people from central Canada. I do not apologize for that. I do not apologize for being part of a Party which cares about Canadians no matter where they live.

I realize the Conservatives have regional interests, that they come from a particular region and do not care about another particular region, but I am proud to be part of a Party that puts Canadians first no matter where they happen to live.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is hard to know where to begin. Perhaps I will pick up on the last exchange which so clearly identifies the two sides to the New Democratic personality. Those Members talk about people from all across Canada and not being afraid to stand up and talk on behalf of all Canadians. No one in this Chamber in the last nine years has fought more often than I

have to ensure that all Canadians are first-class Canadians no matter where they live.

Members of the New Democratic Party go on about the need to talk, and all of us have to have a 24-hour memory. Yesterday afternoon at between three o'clock and five o'clock when we could have been talking about western diversification, we spent one quarter of a million dollars of taxpayers' money bobbing up and down in the Chamber, getting exercise every six minutes when we stood to vote, instead of talking about western diversification.

Mr. Fulton: Mr. Speaker, I rise on a point of order. The point the Hon Member just put on the record is categorically false. There were 133 Tories missing from Parliament.

Mr. Deputy Speaker: Could I please ask all Members to be relevant to the Bill. Thank you very much.

Mr. Hawkes: Mr. Speaker, there is a parliamentary tradition that goes back over centuries. We have evolved our right to freedom of speech. We have evolved principles to stop the tyranny of the majority, but we have also evolved principles to stop the tyranny of the minority. The New Democratic Party, aided and abetted by the Liberal Party of Canada, this week stalled support for victims of crime. They have stopped perhaps the most significant environmental Bill in 25 years, a Bill that was given over 100 amendments in committee and more in the House of Commons at report stage. This Bill needs to be in place to protect the health, environment and heritage of Canadians. That is what they have done this week. Then, when we brought on the Bill today to help western Canada we get a filibuster, and political gamesmanship—

• (1340)

Ms. Jewett: Who is filibustering now?

Mr. Hawkes: There is a place for tactics of filibuster, that is, with respect to matters of fundamental principle.

I remember sitting in this place in 1980 when a constitutional proposal was brought forward and the Government of the day with its majority tried to ram it through. It was legitimate to use every rule of this Chamber because the principle was so fundamental to the future of our nation—

Ms. Mitchell: Is western Canada not legitimate?

Mr. Hawkes: It is an abomination of common sense. It is an abomination, an absolute abomination of why Members opposite receive an indemnity, money, from the taxpayers of the country to do the work of this Chamber, that is, to help—

Mr. Robinson: Mr. Speaker, I rise on a point of order. The Hon. Member, theoretically, is debating the Western Diversification Bill. I would ask Your Honour to point out to the Hon. Member that ascribing motives to Members of this House with respect to their votes is completely against the rules of the House.

Further, I would ask that when the Hon. Member reminds Canadians of the actions of the Conservative Party when it was in Opposition, he not forget that it was not just a question of working within the rules. I was here that night in the House when he and some of his colleagues stormed up to the chair. They stormed to the chair and shook their fists at the Speaker.

Some Hon. Members: Shame!

Mr. Robinson: That Member was one of them. Now he has the audacity to stand up here to criticize us for speaking out for Canadians. Let us have an end to hypocrisy.

Mr. Hawkes: Mr. Speaker, this Chamber has set aside in its wisdom approximately four hours a day—perhaps a little less; it probably comes out to three and a half hours—for the conduct of public business, for the public discussion on television of that public business. That is not much time. To stand up to say: "We want to talk", and to think back over this week the number of times the Opposition has caused bells to be rung, bells to be rung when no speaking can occur—

Mr. Fulton: Who rang the bells this morning? The Tories!

Mr. Hawkes: What has to be done with members of the New Democratic Party in particular is to listen carefully to what they say and then contrast that with what they do. Contrast that with what they do.

There was a very important evening in the history of this country in December of 1979. They moved a motion stating that they had no confidence in the budgetary plans of the Government.

Mr. Axworthy: Neither did anyone else!

Mr. Hawkes: They moved that same motion repeatedly on an annual basis every time we brought in a Budget. History tells us, as does the welfare council, that the Budget brought in by the Hon. Member for St. John's West (Mr. Crosbie) in 1979 was the fairest Budget to the poor people of Canada in the decade—

Mr. Deputy Speaker: I would ask the Hon. Member to relate the 1979 Budget of the Hon. Member for St. John's West to this Bill.

Some Hon. Members: Hear, hear!

Mr. Riis: Filibuster!

Mr. Axworthy: He cannot. He is stuck in 1979. He is a typical Tory. He cannot get to the present.

Mr. Hawkes: If we continue to be able to pass our Budgets, our legislation, and our western diversification plans, we will continue to take people off the poverty rolls.

Ms. Jewett: You will? What a laugh!

Mr. Hawkes: They will have no one to talk to because everyone will be healthy, wealthy, and wise. Members of that Party do not want that.

Mr. Riis: Call an election, Jim.

Mr. Hawkes: They say they do but they act as if they do not. That is the NDP for you. They did it in 1979 very graphically for the whole nation. It was the the most fair Budget to the poor people of the country, and they defeated it.

Mr. Riis: The people of Canada defeated it.

Mr. Hawkes: And the Budget never came into being. Those poor people got poorer because of the social democratic alliance between two Parties. They joined together to keep people in poverty, to continue to receive government cheques, and to vote for them.

Why do we need a western diversification program in 1988? We need it today because the two social democratic Parties, in alliance, with public policies over time, 17 to 18 years in a row, created a situation, an advantage for certain regions of the country, and a disadvantage for other regions so that they could send out more cheques. This Party believes in sending out more jobs—more jobs for Atlantic Canada, more jobs for western Canada. In three and a half years we have created one and a quarter million new jobs.

Some Hon. Members: Hear, hear!

Mr. Riis: Go to Calgary and say that.

Mr. Hawkes: One half a million Canadians are now off the poverty rolls.

Ms. Dewar: Not in British Columbia.

Mr. Hawkes: There is a significantly increased standard of living for seniors in the country, and retired people. That is what this legislation is all about. It is about jobs for friends of Members opposite, their neighbours who live in their neighbourhood in western Canada and who are unemployed today as we do not have policies—

Some Hon. Members: That's right!

Some Hon. Members: Hear, hear!

Mr. Hawkes: We do not pass legislation that provides the help we need. We listen to bells instead of passing legislation. We get filibuster, filibuster. We do not pass the laws that will help Canadians.

I will make Members an offer right this minute. Do we have unanimous consent to go beyond the normal hours of adjournment after Private Members' Hour to continue this debate and to pass this Bill? Can we have that from the Opposition?

Some Hon. Members: No!

Mr. Hawkes: "No", they say. They say: "We want to help the West". Will they give us unanimous consent to talk? They say that they believe in democracy. They say that they will not go on, that we will not have freedom of speech, and that we will not pass the Bill. They say that they will filibuster and ring the bells.

Mr. Riis: Go to the people. Let them decide.

Mr. Hawkes: The tyranny of this minority cannot continue. There is a will on the government side to pass the Bills that will help the victims of crime, that will help the environment, that will help Atlantic Canada, and that will help western Canada.

For that and many other reasons, but to stop at least a tiny portion of this filibuster and to move this Bill forward one small step, I move:

That this question be now put.

Mr. Benjamin: Thanks, Jim, I can make another speech now.

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

Some Hon. Members: Agreed.

Some Hon. Members: Debate!

Mr. Deputy Speaker: The Chair recognizes the Hon. Member for Churchill (Mr. Murphy) on debate.

Some Hon. Members: Hear, hear!

Mr. Rod Murphy (Churchill): Mr. Speaker, in the next 10 minutes I will have a chance to speak on this matter. I find it interesting that the Parliamentary Secretary who got up in the House is the same person who charged the Deputy Speaker many years ago. I find it interesting that he did not respect the procedures of the House of Commons on that late night many years ago when he physically charged the Deputy Speaker. Today in the House 10 minutes prior to the end of debate, he has moved a motion to cut off debate.

One of the problems we have had in the House is that when the Liberals were in government they ignored the minority. The Conservatives in those days used to rise in the House and say that the minority, the opposition Parties were being ignored. They made the claim that there was no chance for debate in the House of Commons; that the Liberals were ignoring the voices of the West, ignoring those who said that Parliament has a right, an obligation, a duty to examine carefully government legislation. Time after time we heard that view expressed by Progressive Conservative Members of Parliament. The very mover of the motion to bring in closure on this measure was so incensed when that happened when he was in Opposition that he, along with other Tory backbenchers at the time, physically charged the Chair.

• (1350)

It is interesting that this same Progressive Conservative Member, now sitting on the government benches, puts forward the closure motion in respect of this particular measure. And, immediately upon doing so, he left the Chamber.

There has not been a filibuster in respect of this measure. For that matter, there has hardly been adequate debate on it.

The legislative committee charged with studying Bill C-113 was not allowed to travel to the West in order to hear from those who wished to appear before it. We find that unacceptable. Whether one is talking about the West, the North, or Atlantic Canada, the residents themselves should be heard.

In the case of this particular measure, the committee should have had the opportunity to hear the views and opinions of those living in the West. Those living in the West should have been afforded the opportunity to put before Parliament their ideas, their concepts, their suggestions. Not many are in a position to travel to Ottawa in order to be heard. They have views to offer on community-based development, on co-operative development, on development based upon the resources of a given region.

I know that there are Progressive Conservative Members sitting opposite who recognize this. But they, too, must accept responsibility for the fact that this Progressive Conservative Government would not permit the committee to travel to western Canada in order to discuss with the people of western Canada this particular measure.

I remind Members of the House that the western diversification legislation that we are now discussing is about how to diversify the economy of western Canada. It does not make sense that a decision in respect of the economy of western Canada be made in the cabinet room in Ottawa, based only upon the advice of bureaucrats, most of whom are easterners. That makes no sense. Yet, that is the approach that this Government has taken with regard to Bill C-113.

When the Government of the Right Hon. Member for Yellowhead (Mr. Clark) was in power, there was talk of a "community of communities". It was the view of that Government that it was important that we understand that each province is different from its neighbours.

That is not what is happening now. I do not believe that we should pass legislation affecting a given region of this country without going to that region for input. The West is a very large region of this country, and certainly we should not pass Bill C-113 without going to the West and listening to the views of the people. We should have the opportunity to listen to their ideas and suggestions.

One of the problems that we have with Bill C-113 is that we have not had that opportunity. As is apparent from what is happening in the House at the present time, this Government, for political reasons, is afraid to go to the West.

At the time that diversification of the economy of Atlantic Canada was the subject, a parliamentary committee did travel throughout that region gathering input from the residents. But this Government, for political reasons, was afraid to have the legislative committee travel from place to place in western Canada for the purpose of receiving input in relation to Bill C-113. This Government was afraid that the remarks of the Hon. Member for Edmonton—Strathcona (Mr. Kilgour) would be remembered; it was afraid that past remarks of Progressive Conservative Members of Parliament would be thrown back at them; it was afraid that the people of the West would not accept the political propaganda of this Government and its legislation.

Bill C-113 would provide money for the West, but it does so in such a manner that the main purpose is not the development of the West, or the diversification of the West, but the realization of the maximum political benefit for the Progressive Conservative Party. That is the aim in respect of each and every project announced by this Government for western Canada.

To give an example, the Minister of National Health and Welfare (Mr. Epp), the "political" Minister for the Province of Manitoba, made the claim, in Manitoba, that the ideas for western diversification of the then Government of Manitoba, the New Democratic Government, were unworthy; but, in the same breath, he said that some would be approved before the election campaign in Manitoba had concluded. On the one hand, he criticized the projects; on the other hand, he recognized that the western diversification pool of money could be used as a political tool, with money being allocated to Manitoba prior to the Manitoba election campaign being concluded.

That type of thinking is what westerners used to complain about when the Liberals were in power in this country. The criterion was not whether a project was good or bad but whether it had political benefit. We have seen that time after time in this country. Last weekend, we had the Minister of National Health and Welfare travelling to my riding to announce a $88.5 million water and sewage program for native communities. Certainly it is a worthy project. The irony, however, is that the previous Liberal Government, in the opening days of the 1984 election campaign, announced the very same project. That was a project that involved the same communities, though a little less money. The $88.5 million figure no doubt reflects the effect of inflation from 1984 to the present.

What we have here is a worth while project which has been ignored between elections. It was promised during the 1984 election campaign by the Liberals, and now, four years later, during a provincial election, the same project is announced by the federal Progressive Conservative Government.

That is but just one example of what is wrong with the approach taken by this Government. There are good projects being suggested in all of the western provinces. We have community-based groups in the West who know best what can

be done within their own communities. We have people with ideas. But, the central political decision-making process, a process which ignores the communities, which ignores the development corporations in the West, creates a problem. We do not want a repeat of the bad old days of the Liberals and the way they did things. We want new ideas.

Mr. Speaker, I recognize that it is two o'clock. I will be here on Monday to continue the debate, assuming the Government call for a continuation of the debate at that time.

[*Translation*]

Mr. Deputy Speaker: It being two o'clock, the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

CONSTITUTION ACT, 1982

SUGGESTED AMENDMENT TO INCLUDE PROPERTY RIGHTS

The House resumed from Tuesday, March 15, consideration of the motion of Mr. Reimer:

> That, in the opinion of this House, the *Constitution Act, 1982*, should be amended in order to include property rights and, that the Governor General issue a Proclamation under the Great Seal of Canada to amend section 7 of the Canadian Charter of Rights and Freedoms so that it reads as follows:
>
> > "7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."
>
> and this House urges that the Legislative Assemblies of all provinces and the Senate pass similar resolutions.

Mr. Lorne Greenaway (Parliamentary Secretary to Minister of State (Forestry and Mines)): Mr. Speaker, I am very pleased to be able to enter into this debate on property rights and their future entrenchment in our Constitution. I do not think any one issue has bothered me more, nor have I received more letters on any issue than I have on this one. Almost all of my constituents would like to see property rights entrenched in our Constitution. It amazes them that they are not.

It is a well acknowledged, intrinsic human desire to own property, and one would think that to have ownership protected legally could almost be taken for granted in a democracy such as ours. However, we must not forget that it was not a simple oversight that left property rights out of our Constitution.

The Conservative Party proposed that this fundamental right be included in Section 7 of the Canadian Charter of Rights and Freedoms back in 1981 during the original drafting of the Charter. For a time, this worthy proposal was accepted by the then Solicitor General, the Hon. Member for York Centre (Mr. Kaplan). However, due to political pressures from the New Democratic Party, the Liberal Government quickly reversed itself and withdrew the property rights amendment.

The Leader of the New Democratic Party is quoted in *Hansard* of April 29, 1983 at page 25001, as having said in 1981 the following:

> There's no way we can accept the constitutional resolution with that amendment in it.
>
> The NDP fears the amendment could not only prevent provincial legislation restricting foreign owners—but could hinder Governments wishing to nationalize industries . . .
>
> The Conservative amendment flies in the face of what we're attempting to do in the resource sector—tightening up management control—

Prime Minister Trudeau and the then Liberal Government, by making a deal with the NDP, sacrificed Canadians' constitutional guarantee of this basic human right. Therefore, when the Constitution of Canada was patriated in 1982, only three of the four basic human rights were entrenched.

The terrible consequences of not adequately protecting our right to property in the Constitution have already been clearly demonstrated. Past Governments have repeatedly and needlessly seized land while offering little or no compensation. In recent years, the Liberals did that twice, with the shameless confiscation of the frontier lands for the National Energy Program and with the expropriation of land for Mirabel airport.

While the Liberals should be embarrassed by these violations of property rights, members of the NDP openly plot to violate these very same rights in order to realize their socialist ambitions. They oppose the inclusion of property rights in the Constitution because it would be a serious impediment to their policy of nationalization and economic intervention.

The American people recently celebrated the two-hundredth anniversary of their Constitution. What struck me about that event was the pride exhibited by the American people and their realization that a Constitution is a living document. It enunciates basic principles which are then, over time, further defined, added to and, most important, put into practice.

We do not want a Canadian Constitution that remains flawed, incomplete and so inextricably mired in the *status quo* that it loses its effectiveness and relevance. The majority of Canadians want property rights entrenched in our Constitution.

The Prime Minister (Mr. Mulroney), on April 15, 1987, indicated that with the Meech Lake Accord now under way we could begin to look at other constitutional issues such as property rights. He stated then that the successful resolution of the Québec issue would unlock the constitutional process and allow us to turn our attention to other issues such as property rights in a second round of constitutional discussions.

I would remind Hon. Members that this Government was elected with a mandate for national reconciliation. The Prime Minister stated that a key element of such reconciliation was Québec's signature on the Constitution. The provincial

premiers agreed, and at their Edmonton conference in 1986, stated that Quebec should be the paramount constitutional issue and that other issues, as important as they are, should be dealt with following the resolution of Quebec's concerns.

Given the important and pressing nature of those other constitutional issues such as Senate reform, fisheries, and of course property rights, this decision by the premiers reflected a truly national vision. It was in that spirit that First Ministers succeeded in reaching an agreement with Quebec through the Meech Lake Accord. In recognition of the other constitutional issues, the Accord includes the requirement for an annual conference of First Ministers to examine these matters.

I believe that for the House to proceed with the motion before us at this time would be inconsistent with the Premiers' declaration and the agreed upon process. We must recognize that for this amendment to be adopted consent of a number of provinces will be required, and we should not act in a manner that would make obtaining that support more difficult.

Accordingly I am proposing an amendment to the motion that will send a strong signal of support by the House of Commons for the principle of entrenched property rights but will leave formal adoption until the First Ministers have dealt with the issue. I believe that a demonstration of support for the principle by the House of Commons would provide a strong impetus to those discussions while respecting the process agreed upon by First Ministers.

I would also remind Hon. Members that there are ongoing federal-provincial discussions with respect to this issue. That work will continue and, I hope, will build a consensus for First Ministers to act. Therefore, I move, seconded by the Hon. Member for Kent (Mr. Hardey):

> That Motion M-8 be amended by deleting all of the words after "amended", and substituting the following:
>
> "In order to recognize the right to enjoyment of property, and the right not to be deprived thereof, except in accordance with the principles of fundamental justice, after an assessment of the continuing federal-provincial work on entrenchment of property rights and a future discussion by First Ministers at the Constitutional Conference."

I would like to inform Hon. Members that this amendment is available in both official languages.

Mr. Deputy Speaker: I will take the amendment under advisement for a few moments. In the meantime, the Chair has received notice of a question of privilege.

• (1410)

[*Translation*]

PRIVILEGE

ALLEGED REFUSAL TO ALLOW MULTICULTURALISM COMMITTEE TO HEAR WITNESSES

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister responsible for Multiculturalism): Mr. Speaker, I welcome this opportunity to rise in the House, because yesterday, my colleague from Thunder Bay—Nipigon (Mr. Epp) raised a question of privilege. I would like to put the record straight, since I am directly involved in this Committee, the Legislative Committee on Bill C-93. My colleague said that:

> . . . I had occasion just over a month ago, on March 22, to raise a question of privilege relating to a denial of the Government, through the House leadership refusing to present a motion authorizing the Standing Committee on Multiculturalism to visit the regions of Canada to hear from persons in the ethnocultural groups and multicultural organizations in response to the report of the committee.

Thursday morning, that is yesterday, Mr. Speaker, a very similar matter arose in the Legislative Committee which is dealing with the Multiculturalism Bill. I will not read Citation 16 of Beauchesne's again, but only emphasize that Members of Parliament who have responsibilities to deal with matters of public policy need to be aware of what the Canadian people think about these matters. Mr. Speaker, that is exactly why I personally suggested inviting five groups to appear before the Committee.

Naturally, since it did not come from him, my colleague was startled, he even left the meeting. Perhaps that is why he did not hear all the facts, those recorded on page 14937 of the *House of Commons Debates* for April 28, 1988, Mr. Speaker. It is totally false. What he says is not true!

He says, "Submissions from five of these six organizations will be denied." Mr. Speaker, I say that is totally false. I said that five of the six would be heard. That is not quite the same thing. I do not know why the NDP Members feel so persecuted now, but five of the six will be heard, because the sixth told us that they probably could not attend since they are from Vancouver. I had even suggested that the committee pay the expenses for these organizations coming from Toronto, Winnipeg, Ottawa, Regina and even Fredericton and Vancouver. I believe that this properly represents Canada's duality, but these groups wanted to be heard and I have no problem with doing so.

My colleague who left the meeting before the end . . . I even amended my motion, Mr. Speaker, because five groups in two hours is really a bit rushed. But my amendment was very clear. In my amendment, I agreed that each group be given an hour, which is much more than the committees give, that is an hour for someone to read a brief and there is no more time for questions.

I say that the Speaker was still very fair and I agree with him when he says that it is a decision for the Committee, and not the House, to make. But the Committee was clear and it is too bad that I have to restate the facts because we will not hear five group in two hours, but five groups in five hours.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, it is unfortunate that the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) who rose yesterday afternoon on this question of privilege could not be in the House today. I am somewhat curious about your decision to allow this question of privilege to be entertained during Private Members' Business hour.

I should like to deal briefly with the issues raised by the Hon. Member for Duvernay (Mr. Della Noce). He argues for the fact that a small number of ethno cultural groups will be allowed to appear before the Legislative Committee dealing with Bill C-93. My friend the Hon. Member for Thunder Bay—Nipigon claimed yesterday in the House that his privileges as a Member had been denied by the Government majority which refused to allow an adequate number of sittings for community groups to express their views on this important legislation.

As my hon. friend emphasized, the Canadian Ethnocultural Council was the only non-governmental organization which has been heard so far. There are groups by the dozens which wanted to make representations, review the bill and suggest improvements, which will all be excluded. And to start with the Government refused the Legislative Committee permission to travel in order to hear the views Canadians would like to express on the Bill. Now, the Government has imposed a time limit whereby only five groups will have a chance to testify for a one hour period each.

Here is something totally inadequate, Mr. Speaker, and this is why the Hon. Member rose on a question of privilege, and I hope, Mr. Speaker, that you will sustain every Member's right to a full and adequate consideration of a Bill as important as Bill C-93, instead of an inadequate consideration such as that put forward by Members of the Conservative Government.

Mr. Deputy Speaker: I think it is neither necessary nor useful to hear other Members on this question.

The question was raised yesterday by the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) and it appears on page 14937 of the Official Record of the *Debates*.

I thank the Hon. Members for Duvernay (Mr. Della Noce) and Ottawa—Centre (Mr. Cassidy) for their representations today, but I do think that all Hon. Members will understand that the Speaker's decision stands.

So we continue the debate with the Hon. Member for Kent (Mr. Hardey).

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

CONSTITUTION ACT, 1982

SUGGESTED AMENDMENT TO INCLUDE PROPERTY RIGHTS

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

> That, in the opinion of this House, the *Constitution Act, 1982*, should be amended in order to include property rights and, that the Governor General issue a Proclamation under the Great Seal of Canada to amend section 7 of the Canadian Charter of Rights and Freedoms so that it reads as follows:
>
> "7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."
>
> and this House urges that the Legislative Assemblies of all provinces and the Senate pass similar resolutions.

Mr. Elliott Hardey (Kent): Mr. Speaker, I am pleased to rise in my place and support the motion placed by my colleague, the Hon. Member for Kitchener (Mr. Reimer), calling for the inclusion of property rights in the Canadian Charter of Rights and Freedoms.

Yes, Mr. Speaker, many groups and individual Canadians have lobbied for the entrenchment of property rights in the Canadian Charter, and many provincial bodies and Governments have also expressed to the federal Government their commitment to this goal.

Because the inclusion of property rights involves a constitutional amendment, we should not become discouraged over the complexities involved, but rather keep in mind that the overwhelming majority of Canadians favoured the inclusion of property rights in the Charter at the time of the initial debate. There are many precedents for property rights to be entrenched in the Charter, even going back as far back as 1215 when the Magna Carta referred to it. Many of us in the House have ancestors who came to this country because it was a land of opportunity, and with their own sweat and labour they conquered the wilderness and made Canada what it is today.

A few weeks ago in my riding I discussed this issue with my friend, Mr. Herb Parker, a member of the Political Action Committee of the Chatham-Kent Real Estate Board. He pointed out several local concerns. We generally concluded that it seems to boil down to an over-abundance of laws which restrict or remove property rights placed upon citizens in Ontario by the provincial Government, and many people are unaware of the restrictions.

Most of these laws are necessary and acceptable individually, and they are in place for many good reasons. But when one puts them all together and counts them up, it becomes a little scary. There are 223 public statutes, 61 private statutes, and 86 regulatory passages which allow entry on to your land and mine, Mr. Speaker, without warning.

As individuals we live in a co-operative society. In order to enhance that society and to protect our health, livelihood, well-

being, and lifestyles, certain individual rights may be removed or restricted. My friend, Herb Parker, has no argument with that, nor do I. However he argues that the sheer number of such laws, particularly the vast grey area of laws, which on the surface sound good and have excellent intentions, in all practical ways create excessive confusion and the possibility of jeopardizing basic rights.

Entrenchment is not a threat to provincial rights. It will not prevent necessary expropriations for government projects. It will not upset good and orderly government. However, it will stand as a visible and powerful symbol that Canada still represents freedom and will provide individuals with a fair and just hearing before the courts in the case of property right disputes.

I was not a Member of the House when the original Charter was drawn up. I have spent some time reading the speeches made by those who were here at that time. I must say that when I was finished researching this issue I was fairly confused. Reading the lines, and the between the lines, I saw that members of all Parties appeared to support the idea of property rights. However, after endless debate on the subject, we have reached the point at which we are today—going through the exercise again.

• (1420)

A few weeks ago, while sitting in this House, I heard the Member for York Centre (Mr. Kaplan) reflecting on the trade-off of issues to get the Charter in place. Yes, the original resolution was debated in this House almost endlessly. In fact, by the time it was all over, debate in the House and in committee had taken well over 150 days. The give and take process between the Government and the Opposition resulted in this very important subject being left out. According to the Hon. Member for York Centre, it was actually traded out in order to get NDP support in 1982. That is a very unfortunate situation.

The right to life, liberty, security of the person and enjoyment of property is fundamental in a democracy such as Canada. I would like to quote the President of the Canadian Chamber of Commerce on the subject. He said, in a letter to the Prime Minister (Mr. Mulroney), "Property rights are the most fundamental of individual rights. It is unfortunate that they were not included in the Charter of Rights and Freedoms as a protected right. The Canadian Chamber of Commerce urges the Parliament of Canada and the Legislative Assemblies of all provinces to amend Section 7 of the Canadian Charter of Rights and Freedoms so that it reads: 'Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice'". The President went on to say that the chamber was encouraged by the Prime Minister's undertaking on April 15, 1987 to include this subject in round two of the constitutional discussions with the provinces.

The Canadian Chamber of Commerce is not the only organization to support a property rights amendment. This was further indicated by the Canadian Real Estate Association in October of that same year when its President referred to the Gallup poll commissioned by the Association which indicated that 84 per cent of home owners and 74 per cent of renters support a property rights amendment.

The President of the Canadian Real Estate Association said, "The results are a powerful message to Members of Parliament and provincial politicians that Canadians take their property rights seriously and want them in the Constitution". The poll was released on the first day of National Private Property Week sponsored annually by the Association to remind Canadians of the rights and obligations of property ownership.

The right to enjoy property is the only one of the fundamental freedoms that was left out of Section 7 of the Charter of Rights when it was proclaimed in 1982. In the spring of 1983 my Party, which was then the Official Opposition, introduced in Parliament a resolution to entrench property rights that was defeated because of the amendment procedures of the Charter of Rights and Freedoms.

During the last election campaign my Party again took the position that it supported the entrenchment of property rights in the Charter with due protection for the rights of women under family law regimes. I distinctly recall that subject coming up over and over again in my own campaign.

Canadians, most of whom are property owners, are in favour of property rights. This has been borne out countless times through surveys and polls. People are unable at the present time to challenge alleged infringements against their property rights in the courts on the basis of the Charter. The obvious solution now is an amendment to the Charter as my hon. friend has proposed. The required provincial consent should not pose an insurmountable problem, and some of the provinces have already acted in that regard.

Mr. Fred McCain (Carleton—Charlotte): Mr. Speaker, this motion and its amendment, if I am allowed to address the amendment before you have approved it, is an absolutely essential requirement for society. Perhaps prior to the creation of a Constitution some years ago it was not as important as it is today, but in that Constitution we deprived this House and virtually all legislative bodies of the right to create laws within the guidelines of the power of government which was, of course, delineated by the Act of 1867 that created Canada in the first place. At that particular time it was hoped that in future law would be interpreted by the courts of the land as it had been interpreted, that there would be precedent which would prevail in the judgment, and that specific laws and interpretations, once made, would be respected.

We now find that when a case goes to the Supreme Court, if a defendant or a prosecutor presents to that court a precedent or a particular law which is relevant to the case but may not be

identical to the case, the court is inclined to question the legal representation by saying: "What has precedent to do with it; what has this or that to do with it?" As far as Canada is concerned, we have seen the legislative capability of the Supreme Court, particularly as it was expressed with respect to its decision on abortion.

We have resided in this land since the earliest settlers arrived here with the concept that we did in fact own land; that if we had bought and paid for it, it was our possession as much as the clothes on our backs were presumed to be our possession. However, under this Constitution, as I see it, we are now in the position where nothing is finite which is not in the Constitution itself and everything is subject to interpretation.

That was obvious to some of us when the Constitution was presented in the first place. However, it was impossible to get amendments, either to add the right to own land or to give a finite capability to the legislative bodies which exist in our dominion.

While there may have been some reservations about the ownership of land, we have reached a time when the philosophical types of decision we have seen in the Supreme Court of Canada and other courts demand that there be no opportunity for philosophical, sociological, or any other type of decision with respect to the ownership of land. That must be finite in the Constitution. We should not overlook that.

There are literally hundreds of municipal, provincial, and federal rights of passage, rights of access, et cetera, which are applied to land ownership and which do in fact override some of our rights. They are intended to override some of our rights of ownership because our ownership may not be in the best interest of the public domain. Nevertheless, there is the demand that, if the public requires the land or the building which we own, the owner be compensated for infringement, lack of possession, or demolition of the property.

I know that one of the reasons people came to this land initially was that where they had resided at an earlier date, whether in Europe or another place, they did not have clear ownership of land, they did not have private possession. They may have been serfs, share-croppers, or in some other capacity, but they did not own land. That was one of the very objectives of people leaving their homes, relatives, and friends to come to a foreign land, even a wilderness, to settle.

• (1430)

One must ask why we have not established the sacred right to property prior to this time. This question should not be left to the philosophical decision of a judge, but it should be absolutely established in law.

I do not believe this would interfere with the administration of government, whether at the municipal, provincial, or federal level. However, the exclusion of such rights can interfere with the security of the individual.

This question may not have been as significant when the Constitution was being introduced to the House in its broad terms. At that time the property rights proposal was subject to interpretation because it did not spell out its purposes. Now that we have seen the philosophical capability of a judge to make an interpretation which the judge believes is in the best interest of society, the time has come to provide for property rights.

I have always believed that property rights should be a fundamental aspect of our Constitution. To my knowledge, those provincial jurisdictions that oppose land ownership have never explained how this would interfere with the operation of government. When one considers the background of many Canadians, it is beyond my comprehension why anyone would argue against the insertion of land ownership in our Constitution.

I believe this motion directs the Government to take the necessary steps to bring that about, and I compliment the Hon. Member for Kitchener (Mr. Reimer) for introducing it.

One of the fundamental reasons why our forefathers came to this country was that they could either get a grant of land or purchase land. They were provided with an opportunity which they or their descendants would ever have in their new homeland.

I recall a conversation I had with an immigrant to this country. After an extended trip to his homeland, he talked of the difficulties he had in returning there and spoke of the difficulties facing his relatives. I asked him how he felt upon returning to Canada. He said that he felt just like the astronaut who, upon returning to earth, said he could kiss the ground. This immigrant came from a land where he could not own property. When he returned to Canada he wanted to kiss the ground because of the privileges we enjoy in this country. These principles of property rights should be enshrined in our Constitution.

Mr. Deputy Speaker: Before recognizing the Hon. Member for Nepean—Carleton (Mr. Tupper), the Chair will rule on the amendment which was proposed a few minutes ago.

After careful consideration the Chair must rule the amendment out of order on the grounds that the amendment sets forth a proposition dealing with a matter that is foreign to the proposition involving the main motion. Therefore it is not relevant and cannot be moved.

Debate continues with the Hon. Member for Nepean—Carleton.

Mr. McCain: Mr. Speaker, I rise on a point of order. Is there any room for discussion or opinion of Members of the House?

Mr. Deputy Speaker: I doubt very much whether the Chair would change its mind. However, the Chair would entertain a comment from the Member.

Mr. Hawkes: Mr. Speaker, I rise on a point of order. I think there is a small problem with the motion. I believe it is being redrafted and may be re-introduced by another Member. However, I think we should let the debate continue while it is being worked on.

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, I want to echo the sentiments expressed by many other colleagues respecting the motion by the Hon. Member for Kitchener (Mr. Reimer). He brings forward a motion that is fundamentally important not only for Canadians but for people throughout the world.

I want to highlight the importance of land ownership and property rights by citing two graphic examples. The House will recall the classic film *Gone with the Wind*, a story about the civil war in the United States. I will never forget the closing scene when Scarlet returned to see that her house had been destroyed in the war. She told one of the men who worked on the farm that she was devastated because everything had been taken from her. He bent down, picked up some soil, and said to her: "This will endure forever". The message was that she still had the land.

It is the right of people to keep their land that we want to entrench in the Constitution. The right to ownership of land should belong to everyone, whether an individual or an organization, so that one cannot simply be bulldozed off the property when a transfer of land happens to occur. Someone should not be loosely expropriated from property that has belonged to a family for decades.

Another movie which appeared recently on television depicts the importance of ownership of land. This movie was entitled *Stranger on my Land*. It was about a man who returned from Vietnam where he remembered expropriating people from their lands and villages because they had been destroyed. The moment which depicted the importance of the right to property occurred in the scene in which an old South Vietnamese man was crying. He said: "I have nowhere else to go". When this soldier returned to the United States, the same thing happened to him with his land and his farm. The military wanted to take over his land in the western United States for use as a testing ground. He opposed it and was taken to court where he had to fight for his land. We do not want that to happen in our country.

• (1440)

I can think of things that have happened even in the National Capital Region. My family roots go back to Kingsmere. We all remember Mackenzie King who fantasized about running this country. The NCC expropriated land which had been in my family for generations and it expropriated land from farmers, although it gave a fair price. However land is something we cannot possible allow ourselves to lose.

In Third World countries people are shifted from points A to B without their permission. We cannot let that happen here. Why the importance of entrenching property rights in our Constitution was not realized at the time of the changes to our Constitution I do not know. I was not in the House at the time and I have not read the *Debates*.

The basic fundamental philosophy of human beings is their land. Without guaranteed access to the land, farmers feel insecure, cottage dwellers feel insecure. This is something which has now become essential, and I hope we all agree on this. Because of my sincere belief in the fact that we must have guaranteed access to property, I am pleased to move:

> That Motion M-8 be amended by deleting all of the words after "amended", and substituting the following:
>
> "In order to recognize the right to enjoyment of property, and the right not to be deprived thereof, except in accordance with the principles of fundamental justice, and in keeping with the tradition of the usual federal-provincial consultative process".

Mr. Deputy Speaker: The amendment is as follows. It is moved by Mr. Turner (Ottawa—Carleton), seconded by Mr. Towers, that Motion M-8 be amended by deleting all of the words after "amended", and substituting the following: "In order to recognize the right to enjoyment of property, and the right of not to be deprived thereof, except in accordance with the principles of fundamental justice, and in keeping with the tradition of the usual federal-provincial consultative process".

The Chair finds the motion to be in order. Debate is on the amendment.

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I really find it passing strange that at the fifth hour of debate on the motion of the Hon. Member for Kitchener (Mr. Reimer) we should find the Conservative Party changing its mind, the Hon. Member for Cariboo—Chilcotin (Mr. Greenaway) proposing an amendment which was declared out of order and another amendment being proposed by the Hon. Member for Ottawa—Carleton (Mr. Turner) which is almost meaningless.

Mrs. Sparrow: No, it is not.

Ms. Jewett: It amends the Constitution Act in order to do certain things without saying how it should be amended. It only says that it is to be amended in order to give some protection to the right to enjoy property and that the federal Government and the provinces will work it out in some fashion. That is all it says.

The original motion by the Hon. Member for Kitchener was very explicit on how this House should amend the Constitution Act, 1982, namely, by adding within Section 7 of the Charter the words "enjoyment of property". I find it very strange that the Conservative Party should now be welshing on that very specific proposal.

I can only conclude that the Conservative Party has been listening to the arguments put forward by the New Democratic Party during the course of the previous four hours of debate on this matter and has concluded that the motion originally proposed by the Hon. Member for Kitchener—and the

amendment that was proposed in earlier Parliaments, is very inadvisable; that it could indeed lead to very perverse results and might circumscribe the rights of all citizens, including other property owners. It might also make difficult the enjoyment of all freedoms guaranteed in the Charter. The matter needs a good deal more discussion and debate and, ideally, the matter needs to be dropped.

Those who advocate amending the Charter of Rights and Freedoms to guarantee the right to enjoy property are, in my view, being either mischievious or naive. When they make this proposal they make it sound as though it was the most simple of adjustments, a statement of the obvious that would be opposed only by someone who wants to deprive people of what is rightfully theirs. That is the subtle implication. Yet, as many associations have pointed out including the Canadian Civil Liberties Association, entrenching property rights or the rights to the enjoyment of property can have very perverse results.

The Hon. Member for Ottawa—Carleton is under the impression that property means land and land only. That is ridiculous. Property in this modern day and age means a great deal more than land, the most important of which is intellectual property. That in itself indicates that property rights are a far less clear-cut concept than other rights already entrenched in the Constitution.

For example, when we speak of the right not to be imprisoned without due process of law or the right to freedom of expression, we know at least in a general sense what is intended. But, what actually is the right to enjoy property? That right needs to be so hedged with restrictions in order to protect the rights of others, and of society as a whole that it is far, far from absolute.

• (1450)

What then would it mean to enshrine in our Constitution as a fundamental and more or less absolute right the enjoyment of property? If it meant only that the right to enjoy property existed to the extent that society through its laws chooses not to limit it—and that in effect is the situation today—then the constitutional guarantee would be virtually meaningless. If it meant more than that, then the still insufficiently explored consequence could be a dismantling of some or even all of the laws that exist to protect us all.

That is why we have suspected for some time that what the promoters of the property amendment really want is a legal opportunity to challenge a vast body of legislation which exists today and which subjects property ownership to a wider community interest, including that of other property owners.

Urban property speculators, for instance, are thirsting to use a property rights clause to short circuit zoning by-laws and community organizations, those organizations having the gall to prevent landowners from doing whatever they please with their property. They do not want to see the freedom—putting freedom in quotes—to build a fast food stand in a quiet neighbourhood abridged. They do not want to have any limitations on their intention, perhaps, to turn the back 40 into a highly profitable dump for PCBs. If property rights are constitutionally entrenched, how long would it take for a lawyer to draft a brief denouncing rent controls as unconscionable and illegal government meddling?

In its current form the enjoyment of property—and what was a proposed amendment and which now has been somehow taken off the table by the Conservatives—could easily be used to throw into question zoning by-laws, restrictions on land use, rent controls, environmental laws, restrictions on foreign ownership, the right of Governments to expropriate property in the public interest, and who knows what else. It is understandable why most provincial Governments, many of them Conservative—and it is the provinces which have a large voice in property and civil rights under Section 92 of the Constitution—have hitherto said, including the former Premier of Alberta, that the placing of the enjoyment of property in the Constitution should be avoided and must be opposed. That is of course what this Party intends to do.

Mr. John Reimer (Kitchener): Mr. Speaker, in wrapping up the debate, I point out that this is the fifth hour that has been provided under the rules in Private Members' Hour on a votable motion. I want to say that we have had a good debate. Some 31 people have spoken on the motion. Some 21 have spoken in favour of it, while 10 have spoken against it.

I want to say that the spirit of the amendment and the amendment to the amendment that was put today is simply that the spirit of the motion continue. We want to entrench property rights but this will change the procedure. It will now go through the First Ministers as opposed to going directly to the Senate and the provinces.

That is being done because of a commitment made during the Meech Lake process at which all the Premiers and the Prime Minister (Mr. Mulroney) agreed together that what they would do is try to complete the Meech Lake process first and then deal with such matters as Senate reform, property rights, and changes to the Constitution. That is what we have done.

Ms. Jewett: Why did you not do it long ago?

Mr. Reimer: That is what we have attempted to do today. We have concluded this debate. I call upon my colleagues in the House to vote in favour of the amended motion.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: The question is on the amendment standing in the name of the Hon. Member for Ottawa—Carleton (Mr. Turner). Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Property Rights

Mr. Deputy Speaker: Pursuant to Standing Order 13(5), the recorded division stands deferred until 6 p.m. on Monday, May 2, 1988.

It being 3 p.m., this House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 2.58 p.m.

HOUSE OF COMMONS

Monday, May 2, 1988

The House met at 11 a.m.

Prayers

HOUSE OF COMMONS

MEMBERSHIP OF BOARD OF INTERNAL ECONOMY

Mr. Speaker: I have the honour to inform the House that the Hon. Member for the electoral district of Ontario (Mr. Fennell) has been appointed as a member of the Board of Internal Economy to replace the Hon. Member for the electoral district of Mission—Port Moody (Mr. St. Germain) for the purposes and under the provisions of Chapter 39 of the Statutes of Canada, 1985, entitled "an Act to amend the House of Commons Act."

Some Hon. Members: Hear, hear!

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's response to seventeen petitions numbered as follows: 332-4178, 332-4179. 332-4214, 332-4215, 332-4233, 332-4234, 332-4302 to 332-4310, inclusive; 332-4332 and 332-4338.

* * *

[*English*]

COMMITTEES OF THE HOUSE

FINANCE AND ECONOMIC AFFAIRS—EIGHTEENTH REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present, in both official languages, the eighteenth report of the Standing Committee on Finance and Economic Affairs reporting Bill C-117, an Act to amend the Excise Tax Act and the Excise Act, without amendment.

The matter was handled in the judicious manner which the Finance Committee handles these Bills, both expeditiously and without any problem.

PRIVATE MEMBERS' BUSINESS—THIRTEENTH REPORT OF STANDING COMMITTEE

Mr. Bill Kempling (Burlington): Mr. Speaker, I have the honour to present the thirteenth report of the Standing Committee on Private Members' Business, in both official languages.

The thirteenth report deals with the selection of votable items pertaining to the eleventh draw which took place on April 12, 1988.

May I note that pursuant to Standing Order 36(1)(b) this thirteenth report is deemed adopted when laid upon the table.

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

* * *

CRIMINAL CODE

MEASURE TO AMEND

Mr. Rob Nicholson (Niagara Falls) moved for leave to introduce Bill C-290, an Act to amend the Criminal Code (exposure to Human Immunodeficiency Virus).

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

Some Hon. Members: Agreed.

Mr. Nicholson (Niagara Falls): Mr. Speaker, I am very pleased to rise today to introduce a Private Members' Bill in the House entitled "an Act to amend the Criminal Code (exposure to Human Immunodeficiency Virus)". The Bill is intended to protect individuals from the irresponsible actions of carriers of the AIDS virus.

In light of this highly infectious disease reaching epidemic proportions in several centres around the world, I think we should do everything possible in our power within the Criminal Code and by using whatever means are at our disposal to stop the spread of this disease.

The Bill would make it a criminal offence for all those who have been diagnosed as carrying the HIV antibody to do anything that would expose a person to the AIDS virus. I hope when this matter is brought forward that it will receive the support of all Members of the House.

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

* * *

• (1110)

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my honour to present a petition on behalf of a number of constituents, pursuant to Standing Order 106.

These constituents are of the strong feeling that the trade deal between Canada and the United States would have a fundamental impact on our country's economic, cultural, and political independence, and they are of the opinion that the trade deal will result in a loss of jobs in many sectors of the economy as well as in various regions of the country.

The petitioners are requesting that the Parliament of Canada obtain a clear mandate from the Canadian people through a national debate on the alternatives available to Canada other than the trade deal, and that this debate result in a national general election prior to the signing of any agreement.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, as a matter of fact, the petition I have from the good residents of Nelson, British Columbia, says the same thing.

I have a suggestion for the Government on behalf of these people. The Government will table its trade legislation in early May. I suggest that the Government tables the legislation and then calls a general election right away, before July 13, so that these people of Nelson can succeed in their petition to the House that the Prime Minister (Mr. Mulroney) call an election on the trade deal before the deal is in fact signed.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 267, 300, 305, and 306.

[*Text*]

FUNDING BY TELEFILM CANADA

Question No. 267—**Mr. Caldwell:**

1. Within the last four years has the (*a*) CBC (*b*) CTV (*c*) Global Television Network received funding from Telefilm and, if so (*i*) on what dates (*ii*) in what amounts?

2. Over the last four years, has there been an increase in the funding of Telefilm?

Hon. Flora MacDonald (Minister of Communications): I have been informed by Telefilm Canada as follows:

Broadcasters, such as the CBC, CTV and Global Television Network, do not receive direct funding from Telefilm Canada. Instead, Telefilm invests in projects proposed by independent producers from the private sector. For a project to be eligible for support, assurance must be given that the production will be broadcast. This is usually demonstrated through the producer's sale to broadcasters of the broadcast rights for a production. Consequently, broadcasters benefit only indirectly from Telefilm's investments by choosing to air productions that may have received support from Telefilm.

Broadcasters may be part of the financial structure for productions in which Telefilm invests and may be identified as investors in the contracts which Telefilm signs with independent producers. As well, they can be third parties to contracts which Telefilm has signed with independent producers. Broadcasters do not, however, sign contracts directly with Telefilm.

2. Yes, there has been an increase in the funding of Telefilm over the last four years. Telefilm's total appropriations in each year were:

1983-84	$ 38,764,000
1984-85	$ 60,848,000
1985-86	$ 85,340,000
1986-87	$ 106,860,000
1987-88	$ 121,960,000

PROPOSED AIRPORT AT MASSET, B.C.

Question No. 300—**Mr. Caccia:**

1. Is it required that the government approve, licence or in any other way regulate the proposed airport near the Village of Masset, on the Queen Charlotte Islands in British Columbia and, if so, to what extent?

2. Have any government funds been contributed, or promised, to this airport proposal and, if so (*a*) in what amounts (*b*) at what times (*c*) for what purposes?

Hon. Benoit Bouchard (Minister of Transport): 1. Government approval is not required for the development of the proposed airport.

If the development does take place, airport certification would be required prior to its use for regular commercial air service. In that case, the airport is regulated to the extent that it requires regular inspections to ensure compliance with appropriate safety standards.

2. No. Transport Canada's involvement with the Masset proposal has been with respect to providing technical advice related to aerodrome certification standards, zoning and navigational requirements, to the community, the Province of British Columbia and other interested parties.

On July 27, 1987, the province of British Columbia through the Air Transport Assistance Program administered by the British Columbia Ministry of Transportation and Highways, awarded $300,000 to the Village of Masset towards the development of a new 1200m airstrip.

REGULATIONS GOVERNING CHILD SAFETY

Question No. 305—**Mrs. Collins:**

1. Does the Department of Consumer and Corporate Affairs have regulations governing child safety and, if so (*a*) what are they (*b*) have they been updated or otherwise changed since 1984?

2. Is the Department considering further action with respect to child safety and, if so, what is it?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Yes.

1 (a) Cribs and Cradles Regulations Hazardous Products (Hazardous Substances) Regulations Hazardous Products (Liquid Coating Materials) Regulations Hazardous Products (Pacifiers) Regulations Hazardous Products (Toys) Regulations Playpens Regulations Science Education Sets Regulations Carriages and Strollers Regulations Hazardous Products (Infant Feeding Bottle Nipples) Regulations Hazardous Products (Children's Sleepwear) Regulations Hazardous Products (Child Restraint Systems) Regulations

1 (b) Cribs and Cradles Regulations: amended September 11, 1986 Hazardous Products (Infant Feeding Bottle Nipples) Regulations: amended May 23, 1985.

2. The Department's intentions with regard to future child safety proposals are listed in the Federal Regulatory Plan. These include new regulations on baby gates and baby walkers as well as amendments to the child resistant packaging requirements and the cribs and cradles regulations.

UNRWA—FOOD DELIVERIES TO PALESTINIAN REFUGEE CAMPS

Question No. 306—**Mr. Peterson:**

Has the Government any evidence that the State of Israel is using food as a weapon to control the riots in the West Bank and Gaza Strip and, if so, what is it?

Right Hon. Joe Clark (Secretary of State for External Affairs): UNWRA officials confirmed to the Canadian Embassy, Tel Aviv, in January that the IDF has selectively blocked UNRWA food deliveries to Gazan refugee camps under curfew, causing serious food shortages but no starvation. Cited as example were events of January 19 whereby UNRWA was able to distribute food supplies to only four of eight camps. At a press briefing January 20 in New York, an official UN spokesperson said that food access to camps "continued to be intermittent", resulting in a "serious but not critical" situation. The Embassy also reported on the IDF's policy of extensive curfews on refugee camps which also restricted supply of food to the refugee population. Such curfews, amounting to a virtual economic and military blockade, allowed only an hour per day for delivery of food and medicines. During the period December 9 to March 16, Jalabia and Bureij refugee camps experienced 24-hour curfews for a total of 16 and 15 days respectively.

Since January, UNRWA has stood firm behind reports provided to the Embassy in January. The Embassy has learned that UNRWA continues to face difficulty in maintaining feeding programs, although there has been no general food shortage.

[*English*]

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

* * *

QUESTION PASSED AS ORDER FOR RETURN

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Question No. 261 could be made an Order for Return, the return would be tabled immediately.

Mr. Speaker: Is it the pleasure of the House that Question No. 261 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

SPENDING BY GOVERNMENT IN RIDING OF BURNABY

Question No. 261—**Mr. Robinson:**

Since September 4, 1984, have any federal departments or agencies spent money in the riding of Burnaby and, if so, by (*a*) which departments (*b*) which agencies and, in each case (*i*) in what amounts (*ii*) under which categories and program was the money spent?

Return tabled.

[*English*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO ENACT

The House resumed from Tuesday, April 26, consideration of the motion of Mr. McMillan that Bill C-74, an Act respecting the protection of the environment and of human life and health, be read the third time and passed.

Mr. Speaker: When Bill C-74 was last before the House, the Hon. Member for Broadview—Greenwood (Ms. McDonald) had completed her speech. The question and comment period following the Hon. Member's speech is now available to Hon. Members.

Mr. Riis: Mr. Speaker, the other day I listened to my hon. colleague's speech on this legislation. I want to ask the Hon. Member how she feels about the approach taken in this Bill and whether the approach the Government is suggesting is the appropriate one. She is knowledgeable in this area, and I think it is important that we are aware of just how the Government approaches an issue or challenge in a particular piece of legislation. Perhaps she would want to comment on that.

Ms. McDonald: Mr. Speaker, I want to point out a number of ways in which the approach to the Bill is seriously flawed. We went into great detail with some amendments and in some respects a better Bill came back, but the Government has been doing the wrong thing.

I would like to quote some remarks made by Professor Ross Hume Hall who in fact will be involved in the administration of this Bill. He says very strongly that the whole approach taken by the Liberals in the past under the old Environmental Contaminants Act and this Bill does not do the job that needs to be done. He said:

> The 1987 act should be scrapped in favour of a radically different approach to the control of chemical pollution, an approach which can be stated in two words: *don't pollute*. Ask the question, "how do chemicals get into the environment?," and then set up legal procedures to block the sources of pollution. No one action prevents pollution. It requires actions on sewage, waste dumps, disposal of household garbage, improved incineration, recycling, and prohibition of products that can't be disposed of without contamination.
>
> Such a comprehensive approach takes time and effort to work out. But in the end, we will have an industrial society in which chemicals continue to play an important role, but which will be used and disposed of without polluting the environment.

To do that, we would have to go back to square one. I do not want to be too critical of the Conservative Government because the faults in this Bill were in the old Liberal legislation. This legislation deals with environmental contaminants and chemical pollutants one at a time, without looking at them in interaction and without looking at their cumulative effects. It goes on the basis of lab tests and hopes for the best. That is a very cumbersome procedure. We know that it took five chemicals 10 years to get on the list under the old process and that the new process will not speed things up. The desire to do something about this is not there.

Professor Hall tells us not simply to blame the weak Department of the Environment, although he blames the weak Department of the Environment in many respects. He said:

> A parade of 11 ministers of environment, either disinterested or politically feeble, has passed through the department since 1972. Successive federal governments (Liberal and Conservative) have encouraged weak management, preferring the Department of the Environment to be like a declawed and neutered tomcat, showy, but unaggressive and docile.

We still see the same thing in this Bill. Let me give an example of the approach used by the Bill and what is wrong with that approach.

The toxicology that Health and Welfare uses to test food additives and drugs is laboratory toxicology. It consists of relatively short-term tests on animals and it fails to predict toxic effects, particularly effects in humans. Professor Hall refers to a National Research Council of Canada report on the toxicity of dioxins, a serious environmental contaminant. This provides an illustration of the impossibility of predicting human effects.

A scientist working with dioxins accumulated traces of the substance over a period of time. He began to experience nightmares at night and an inability to concentrate during the day. He suffered from headaches, memory loss, and impotence. The constellation of toxic effects devastated this man. This happened to a human being. The tests, however, are done on rats and guinea-pigs. Have you ever asked a rat if he has a headache, Mr. Speaker? Obviously we do not know what happens to these lab animals.

No laboratory experiments on animals can predict the toxic effects on humans of long-term exposure, to small amounts of chemicals. We only happen to know of these effects of dioxin in humans because of accidental exposure which is neither systematic nor a desirable method of gaining toxicological information.

I welcome the opportunity to expand a bit on what is wrong with the approach, which is that the Bill goes after things one at a time and will not make a significant impact in reducing contaminants in the environment.

The process is cumbersome and we really ought to be doing what Professor Hall suggests we should be doing, which is reducing substantially contaminants entering the environment and having a whole strategy to do that, including a strategy for how we dispose of our garbage and consumer products. We must begin to do that if we really want to be serious about cleaning up the environment.

• (1120)

Mr. Murphy: Mr. Speaker, the Member made some reference to criticism of the previous Liberal legislation with regard to the environment. The Liberals criticized this legislation, saying that it was inadequate and that they would have done better. Since they quoted the same expert in their

presentation, could the Member explain to us what this expert said with regard to previous Liberal efforts in the matter of environmental legislation?

Ms. McDonald: Mr. Speaker, I am pleased to answer that. This world renowned expert said that the past performance of the Liberal Government was not very good either, that we have the same flaws in this very cumbersome approach as we had in the old Bill. His blame was directed to the present Government.

He used the analogy of a bridge that falls down. Would anyone hire the same architect and the same engineers and tell them to come up with the same design to rebuild the bridge? Clearly we would not do that. Anyone would be irresponsible to do that. The model in the previous legislation is simply not adequate but the model was followed again in this legislation.

Therefore, there has been a failure to learn on the part of the present Government. Let us not go back to a rosy past when the enforcement procedures were very much better, because that is simply not true. We have a very weak and cumbersome approach which accepts that we will have an enormous amount of pollution. However, we are going to name only some criminals and there will be some contaminants that we will not allow. A special process will be set up to identify them and they will be put on a list. This process will take a very long time as it did when it was set up by the previous Government.

Professor Hall gives an interesting example of PCBs. The toxicity of the substance was well established in 1976 and manufacturing of the substance actually stopped. One would have thought it would be simple to write a regulation under the old legislation given that that was the case. However, it was not simple. The process was cumbersome. The President of the Iron Ore Company of Canada was one Brian Mulroney, and the Iron Ore Company of Canada and other industries raised objections to a regulation of PCBs. It is scandalous to think that objections were raised by none other than the present Prime Minister of Canada (Mr. Mulroney) to getting rid of one of the most dangerous contaminants known, the toxicity of which had been well established.

As a New Democratic critic of the environment I want to be very clear that the deficiencies belong to both Governments; they belong to the process. If we really want a safe environment and really want to change our ways, we will have to develop a strategy which will include many elements right from packaging to consumer practices, municipal incineration, and recycling. It is time that we got down to developing real strategies which will actually improve the environment rather than only picking away, item by item, substance by substance, review committee by review committee, to provide this very modest amount of protection against only the most serious contaminants.

Mr. Speaker: The Hon. Member for Windsor West (Mr. Gray).

Mr. Gray (Windsor West): I would like to speak on debate, Mr. Speaker.

Mr. Speaker: I will certainly keep that in mind, but I think the debate now turns to the government side. The Hon. Parliamentary Secretary. I will come back to the Hon. Member for Windsor West.

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we had an interesting day on Friday and it looks like we are starting a new week on the same tone. Today we have called Bill C-74, the environmental protection Bill, which may live in the historical annals of this Chamber. Certainly in my nine years of experience I have never seen a Bill which was so thoroughly scrutinized in committee with helpful contributions from all sides of the House. There were indeed amendments made—

Mr. Speaker: Order. The Hon. Member for Ottawa—Vanier (Mr. Gauthier) rises on a point of order.

Mr. Gauthier: Mr. Speaker, if I understood the procedure correctly, the Hon. Member for Windsor West (Mr. Gray) was rising on debate. You recognized him and then you went to the government side under, I thought, questions and comments. If we are not on questions and comments and we are on debate, then I take it the Hon. Member for Windsor West should have had the floor.

Mr. Speaker: Well, I may have unintentionally created a difficulty here, and I ask Hon. Members to bear with me for a moment. As I understood it, the Hon. Member for Windsor West rose and the Chair recognized the Hon. Member, of course. I then asked whether he was rising on questions or comments and he said that he was rising on debate. I was not in the chair when the Bill was last debated, but I understood according to the method being followed that it was the turn of the government side to debate and, as a consequence, I recognized the Hon. Parliamentary Secretary.

If I have made an error I want to be completely fair. However, I understood that the Hon. Member for Windsor West was rising on debate. I may have missed somebody, but I did not see anyone rising for further questions and comments. Perhaps the Hon. Member for Ottawa—Vanier could respond. If I am in error I want to be instructed.

Mr. Gauthier: Mr. Speaker, I do not think you are in error. Indeed, we just finished the first round in this debate. However, the Parliamentary Secretary is notorious for putting dilatory motions before the House. I would not suspect that he would be unable to move that the question be now put, which would stifle this debate and prevent people from speaking on it. I just wanted to ensure that he is not going to use one of his well-known methods of cutting off debate.

Mr. Speaker: The Hon. Member for Ottawa—Vanier, of course, has well-known methods of pre-empting these dreadful

procedural strikes of one side or the other. Perhaps the Hon. Member for Ottawa—Vanier knows something that the Chair, of course, is not supposed to know. However, I cannot anticipate what the Hon. Parliamentary Secretary may or may not do, but the Hon. Parliamentary Secretary has the floor in debate.

Mr. Hawkes: Mr. Speaker, the Hon. Member for Ottawa-Vanier (Mr. Gauthier) has more than my nine years of experience in the House and a kind of intuition does come to the fore with wise Members over a considerable period of time.

As a representative of the Government I want to make it absolutely clear to the House that we appreciate the help and advice which have come from members of all three Parties who care about our environment. That help was well delivered in committee. Witnesses were also helpful. As I said before, I doubt very much that in the history of the Canadian Parliament there has ever been a Bill which adopted so many amendments. The quantity of amendments adopted on this Bill is really quite outstanding. In addition, I think that, there was a larger than normal number of amendments at report stage.

I thought that members of all three Parties would take pride in that accomplishment and be able to stand in the House at third reading and express their pride and satisfaction. If they believe that a few changes are still required in future, at another time and in another way, certainly the House would like to hear about that. However, it is particularly disturbing to look back on last week when time was, I believe, wasted in this House in what has become a very consistent attempt to filibuster the House in terms of its capacity—

Mr. Speaker: The Hon. Member for Davenport (Mr. Caccia) on a point of order.

Mr. Caccia: Mr. Speaker, it seems to me that the Hon. Member is commenting on the debate of last week when he says that time was wasted. I do not know that it is appropriate to cast a measure of judgment on debate as being useful or not useful or desirable or not.

• (1130)

We had a thorough debate last week, with one round of speakers. We are now beginning a second round on this particular Bill and I question whether the Parliamentary Secretary is using the appropriate approach to this debate by casting doubt on the quality of the debate last week.

Mr. Speaker: Before I hear the Hon. Member for Churchill (Mr. Murphy) I may be able to assist in pointing out that procedurally I do not think the Chair is really in a position to admonish any Member for casting some doubt on the quality of debate, whether it came from one side or the other of the House.

I understand perfectly well that the Hon. Member for Davenport is concerned about any suggestion that debate on a Bill of this serious import is "a waste of time", because that is exactly what the Hon. Member is complaining that the Hon. Parliamentary Secretary implied. I certainly understand the point the Hon. Member for Davenport is making, but I think the appropriate place to make that point would be later in the debate and in reply to the Hon. Parliamentary Secretary. That may assist the Hon. Member for Churchill, who may not need to rise now.

Mr. Murphy: Mr. Speaker—

Mr. Speaker: The Hon. Member for Churchill is indeed rising. Of course I recognize him.

Mr. Murphy: Mr. Speaker, I have a very short intervention. I believe the Liberal Member who just spoke had a valid point. Either the Parliamentary Secretary was referring to the quality of the debate at third reading, when there was only one speaker per party, or he was not speaking about the Bill itself, was using some parliamentary excuse to talk about other issues that were before the House in the past and was pointing out the Government's problem, that it claims to have major legislation to be debated, including the trade issue that it has not even introduced yet. That is his problem.

Mr. Speaker: I know the Hon. Member for Churchill has assisted the House in his intervention, but of course that does not change the position of the Speaker's comments a few minutes ago.

I am sure there will be other opportunities, if other Hon. Members disagree or dispute the substance or otherwise of the Hon. Parliamentary Secretary's address. However the floor is with the Hon. Parliamentary Secretary.

Mr. Hawkes: Mr. Speaker, certainly there is the temptation to comment on the quality of debate from time to time, but I do not believe I mentioned the quality of the debate. It is interesting to note the sensitivity about quality that seems to arise from the Opposition.

Mr. Speaker: The Hon. Parliamentary Secretary is as aware as the rest of us at the moment about the sensitivity, so perhaps he could choose words that would bring some other reaction, in the interest of order in the Chamber.

Mr. Hawkes: The Government is concerned that Bill C-74 becomes the law of the land as quickly as possible. It is the health of Canadians which is best served by these changes in the statute law. The sooner these changes become law, the sooner our environment is in better shape and the sooner our children can look forward to a better environmental future.

That is what the debate is about. Does Bill C-74, which changes the law to provide a greater protection to the environment, represent a step forward for this country? Government Members are unanimously convinced that it does. Government Members are disturbed because we believe we have made solid legislative proposals to help Atlantic Canada, to help western diversification, to help victims of crime. We believe Bill C-74 will provide help for the environment.

What has been happening in this Chamber is that there have been amendments at second reading stage and great blocks of amendments at report stage, all of which represent a kind of hidden tactic of which many Canadians are not aware, designed to consume time in the Chamber.

After last week, the Government was optimistic that perhaps this week Members would return to the Chamber in a mood that would signal we were prepared to move forward with this very important type of legislation. However, when we get to questions and comments we see that the only questions come from NDP caucus members of the critic for the New Democratic Party.

We are unable to determine whether they will attempt another delay with a motion that will create a second round of speakers. One must wonder whether we will be here tonight after spending another entire day on one of the best pieces of vetted legislation this Chamber has ever seen.

We on this side of the House have to believe that subtly and quietly time will be consumed so that by the end of the day again we will not have passed this very important piece of legislation. We will not be able to move on to legislation to help Atlantic Canada or the diversification for Western Canada.

In an attempt to be consistent and to signal as clearly as we can that we think it is time for changes in statute law to protect the health of Canadians through greater environmental protection, I move:

That the question be now put.

Mr. Speaker: I suppose it would be inappropriate to remark that the Hon. Member for Ottawa—Vanier certainly evidenced his usual prescience a few minutes ago.

Mr. Gauthier: Mr. Speaker—

Mr. Speaker: Debate, or a point of order?

Mr. Gauthier: Just clarification, Mr. Speaker. Can we ask questions and comments about the Member's great speech? Does the motion take away our right to question the Member?

Mr. Speaker: Again, the Hon. Member is absolutely correct. Questions and comments.

Mr. Riis: Mr. Speaker, I have a question for the Hon. Parliamentary Secretary. We all appreciate that supposedly the most efficient way to do business is as it is found in totalitarian regimes, where Governments do not have to worry about Parliaments and do not have to be concerned about open and thoughtful debates.

It is a little odd that within the first few hours of this week the Government has sent the signal to the Opposition that it plans to use whatever measures are at its disposal to curtail debate and muzzle the House of Commons. It will limit the ability of the Opposition or government Members to participate in debate.

I take this as the Government serving notice that it plans to use its majority in the House of Commons to curtail discussion of the environment.

The days when we have talked about the environment, whether about global environment conditions or local crises, have been very few and far between. As a matter of fact, I cannot recall any days, with the exception of the Opposition Parties using their opposition days to carry on that kind of debate. I find it inappropriate that the Government would now limit debate, that it would muzzle parliamentarians by moving, in a sense, a form of closure. If the Government is hoping to get co-operation to make the House of Commons work effectively and efficiently, this is not the way to do it.

• (1140)

I regret that the Government once again fails to appreciate the traditions of a parliamentary democracy. But what can one expect from a political Party that saw fit to storm the Speaker's chair not many months ago and bring the House of Commons to its knees day after day after day? I remember the spectacle. I can say as a parliamentarian that it was certainly the darkest day of my life when I realized that Members of Parliament of the Progressive Conservative Party believed that Parliament ought not to continue, that it should be brought to a close. We saw the spectacle day after day of bell ringing, and we saw a political Party participate in the ultimate abuse of the parliamentary system and traditions—and some of them now are laughing. They must think that this muzzling of debate is very humorous. But it is only Monday morning, and it is only the first indication of that sad tradition being adopted by the Government's parliamentary leadership.

Mr. Hawkes: Mr. Speaker, as usual, I listened with great care to my friend across the way. He raised rather repeatedly a matter of great principle affecting the fundamental nature of this country, namely, a constitutional proposal back in 1980, which did indeed cause this Party, then in opposition, to use all the procedural aspects available to us to filibuster and cause change. It was a matter of fundamental principle.

I think a careful reading of our precedents and the patterns of this House would indicate that the rules exist with some looseness so that, on matters of great principle, a minority of the House can use the rules to bring these matters to the attention of Canadians and to cause perhaps change to take place. That is our tradition, and that is why it was done.

I suggest that the Member may be speaking from the heart, but he should perhaps reconsider in his head what constitutes abuse. Working within the rules and using the rules to advantage on matters of great principle, I suggest is not abuse. However, to use those same rules and those same opportunities to filibuster legislation, related, for example, to relief for victims of crime to set up an opportunities agency in Atlantic Canada, to help Atlantic Canadians to get jobs, to do the same in western Canada to help western Canadians get jobs, and to

clean up the environment, that is where the true abuse lies. That is abuse of the rules of this Chamber.

The Hon. Member raises the issue of closure. The calendar provides for closure on Monday at one o'clock with a recommencement at two o'clock. The calendar on Monday provides for closure at five o'clock. There is an automatic closure. By eating up the time of this House in questions and comments and repetitive speeches which stop us from getting to important matters the Opposition, and in particular the New Democratic Party on most occasions is using two closures a day. How long can they continue introducing motions for six-month hoists and recycling their speakers on the same issue? Because of the nature of the parliamentary calendar there is closure twice a day, and I suggest the Opposition since Easter—starting before, but clearly since Easter—has been using those two closure opportunities every day to grind this place to a halt so that the things Canadians need cannot come about.

On this Bill there is absolutely no abuse by the Government. No thoughtful person in this country would believe that this Bill has not had all the vetting, scrutiny, and free speech it so rightfully deserves because the environment is so important. But there comes a time, when months have passed, when witnesses have been heard, when amendments have been made, where we should bring this item to a close. We should put the law in place so that we and our children will have a better environment. It is not the time for further talk. It is the time for action.

Mr. Gray (Windsor West): Mr. Speaker, I want to ask the Hon. Member a question. Is he now saying on behalf of the Government that it wants to strike out from our rules the provision available to any Member of this House, the right to ask anyone speaking on debate questions or to make comments? Is that what he is saying? Is he now saying that the Government wants to eliminate the third reading stage debate in this House? Surely, that is what he is talking about. There have only been three speeches made at third reading so far. How can he say they are repetitive? How can he say they are excessive? How can he say they are unnecessary?

The cat is out of the bag. The Member is saying on behalf of the Government, because he is the Parliamentary Secretary to the Government House Leader, that as far as the Government is concerned parliamentary reform is a sham. The Government wants to get rid of questions and comments. It wants to get rid of third reading entirely. It wants people to speak in this House only if the Government says so. That is the Government's version of democracy. The Government tells us the rules are all right when, somehow or other, Members can get away with going up to the Speaker's chair, shaking their fist and threatening physical violence because they do not like the ruling of the Speaker. That is all right for the Tories. What they do not like is honest and reasonable debate. There they are in their true colours. History has proven that any time a tyrant wants to close off the democratic process, that tyrant always says: "I am doing it for the best of motives", but that does not change anything. There is something very wrong with what the Member is saying. He is saying in effect: "Do it our way or do it not at all". That is Tory democracy.

Mr. Speaker: I will hear the Parliamentary Secretary and then recognize the Hon. Member for Ottawa Vanier.

Mr. Hawkes: Mr. Speaker, I will make an offer right now. It is interesting that the House Leader on the other side rose in defence of democracy. Friday the House Leader of the New Democratic Party rose in defence of democracy. This House is willing to sit to the end of today, until midnight, until two o'clock in the morning, so that every member of the Opposition Parties who wants to speak on this environmental Bill can do so.

We can continue to meet this evening on the western diversification Bill, the aid to victims of crime Bill, and the Atlantic opportunities legislation until three in the morning. If those Members really believe in democracy, let them stand and agree to continue to meet this day, by unanimous consent, as long as necessary to move those four important pieces of legislation along. If democracy is what those Members want, the Government is willing. If free speech is what they want, the Government is willing. But, Mr. Speaker, if you look at their behaviour to the balance of this day, you will find they will use the two closure opportunities available to them, at one o'clock and five o'clock, so that no action takes place. That is not democracy. They are trying to stop the Government from getting important pieces of legislation through this Chamber by using the Standing Orders and the closure opportunities. It is not democracy.

Mr. Gray (Windsor West): You abuse the Standing Orders.

Mr. Hawkes: Stand up and make an offer. We can meet the rest of the day until midnight.

Mr. Gauthier: Mr. Speaker, I want to make a short comment and then ask a question of the Hon. Member.

• (1150)

Mr. Speaker: I remind the Hon. Member for Ottawa—Vanier that there is but one or two minutes left in the time allotted for questions and comments.

Mr. Gauthier: Mr. Speaker, so much for rules and so much for reform. I want to ask the Hon. Member a question on this Bill.

Does he remember that I raised in this House a question in May, 1987 concerning the federal Government's habit of polluting the Ottawa River. There was a media report which stated that the Bank of Canada, the National Research Council, the Department of Transport, and Supply and Services Canada had been accused of breaking the law by dumping toxic refuse and toxic products into the Ottawa River. I asked the Department and the Government at that

time what they were going to do about preventing our own federal polluters from doing what they were doing to our waters and to our air. The answer was: "Oh, we will look into it".

The committee dealt with that matter. The Government came up with a solution. It was to leave it to the Minister to obtain concurrence from any other federal Minister before he acts on any of those pollutants.

What does the Parliamentary Secretary have to say to that type of leaving the fox in charge of the chicken-coop attitude? How does he reconcile this very serious problem of federal polluters polluting our waters and our air and not doing anything about it? Can the Hon. Member answer that question?

Mr. Hawkes: Mr. Speaker, very briefly, I do not know that the question relates to my comments.

Mr. Gauthier: It relates to the Bill.

Mr. Hawkes: My comments were that the passage of this Bill will indeed provide a safer and healthier environment for our children.

Mr. Rossi: Answer the question!

Mr. Gauthier: You don't know what you are talking about.

Mr. Hawkes: What the Member opposite is doing at third reading stage when substantive amendments are no longer possible is bringing up another red herring for the purpose of eating up time and delaying the Chamber. We have been through report stage. We have been through the committee stage. The Hon. Member is one of the most skilled practitioners of the rules of the House. He knows the stage that we are at. The debate should be concentrated on whether or not we approve this amended Bill. This Party says: "Yes, let us approve it. Let us get it passed on to the Senate"—

Mr. Gauthier: We say: "Stop pollution".

Mr. Hawkes: Let us start with a fresh piece of paper and go after further problems and further amendments. However, the amending process on this Bill is over. On other Bills before the Chamber, we want to get them through the House and into committee where they can be examined and amended. The continuing eating up of the time of this Chamber, inappropriately, when it is important to act, is the problem.

Mr. Waddell: Mr. Speaker, on a question or comment, I might say as a preliminary comment that the election battle has begun. I can see the strategy now. The Opposition is allegedly tying up the House so that the Government cannot get its legislation through, and it will dissolve the House and call an election.

Some Hon. Members: Oh, oh!

Mr. Speaker: I have tried to be as benevolent as I know Hon. Members would wish the Speaker to be, but the time for questions and comments has more than expired. Resuming debate with the Hon. Member for Windsor West (Mr. Gray).

Hon. Herb Gray (Windsor West): Mr. Speaker, Bill C-74 respecting the Canadian Environmental Protection Act is a measure that does take some limited, tentative but potentially useful steps in the direction of further improvement of the protection of our environment. I say this in spite of the obvious shortcomings and imperfections in the Bill. Let us recognize that in the time since the Conservative Government was elected it has taken all too many backward steps which provide reason, good reason, for very legitimate skepticism concerning its resolve in following through on whatever positive aspects Bill C-74 may have.

Since September, 1984 the Conservative Government, by way of just one example of what I am talking about, has drastically cut back funding for the Canadian Wildlife Service, which has limited the Service's capacity to conduct research into toxic chemical effects on wildlife. This is a research activity that provides important preliminary scientific clues to indicate what effect chemicals discharged into our air, water, and land have on the health of Canadians.

In November, 1984 the Conservative Government eliminated the funding previously pledged by the previous Liberal Government for the toxicology research centres proposed by the Universities of Guelph and Toronto. If these centres had gone ahead, if they were now in place, they would not only be carrying out important research but they would be providing answers to concerns we have about toxic chemicals. This cut was only one part of the $48 million in cuts in spending that the Conservative Government has made in past years from the total government budget for the environment.

The Minister of the Environment (Mr. McMillan) silenced his Environment Canada research officers when they tried to tell the truth to Canadians about the dangerous levels of toxic chemical contamination in general and in particular about the levels of contamination in the St. Clair River. In November, 1985 the Minister of the Environment turned down a request by the Great Lakes Institute of the University of Windsor for a grant of $100,000, which would have enabled the Institute to have continued its urgently needed and outstanding work on the issue of the toxic blob in the St. Clair River. By removing this mandate the Government lessened—in fact it undermined—the Institute's capacity to provide research leadership in solving the problems of toxic chemical pollution like that of the toxic blob in the St. Clair River.

I was able to find out and tell the House and the public that it appeared that the federal Department of the Environment sat for a year on a chemical sample obtained by the Great Lakes Institute from the St. Clair River which would have brought out the problem of the St. Clair River blob about a

year earlier than in fact was the case. So much for commitment and concern when it comes to real action to deal with problems of the environment.

Let us remember also that the Government withheld the Storm Warnings Report on the build-up and circulation of toxic chemicals through our air, soil, and water, the very same toxins that emerge in our food supply.

Under the best of circumstances it would be hard to prevent our environmental law and the associated enforcement rules and regulations that control and reduce harmful toxic substances in our air, water, and soil, from lagging behind the increasingly rapid development in technology and the ongoing introduction of new chemical substances. But it is still to be proven whether Bill C-74 can be at all effective in regulating toxic substances and whether, as the Government originally stated, it can serve as a foundation for more comprehensive protection of our environment.

We already know that Bill C-74 itself will not contribute to enforcing the repair of previous environmental damage in the St. Clair, Detroit, St. Lawrence, and Niagara rivers, to name but a few examples.

Back in October, 1986 I called for the creation of a super fund as part of a joint federal-provincial effort to deal with the problems of the high cost of the clean-up of toxic chemicals. Even though the Government indicated some openness to this idea, nothing at all has happened. The legislation before us today does nothing to enable the creation of such a fund. Among other things, a super fund would help pay for the clean-up of chemical wastes which have been dumped in burial sites across the country.

Bill C-74 will not provide a straightforward set of rules to assist in the regulation of chemical breakdown products such as dioxins. It will not regulate pesticides, herbicides, and the food and drug additives which are currently covered under other statutes. This Bill does not even specify the chemicals to be controlled after it becomes law.

Also, Bill C-74 was supposed to be a consolidation of the many existing federal environmental laws but it only includes the Clean Air Act, the Ocean Dumping Control Act, and Part III of the Clean Water Act. In addition, there is a well recognized and widely agreed upon need for these laws to be updated and strengthened, but Bill C-74 does not deal with this need in any way, shape, or form.

• (1200)

Bill C-74 will have no impact on the reduction of acid rain from Canadian sources or otherwise. We saw last week how the Prime Minister (Mr. Mulroney) continues to boast about his special relationship with President Reagan of the United States, and the value of this relationship. He signed a trade deal with the United States that will surrender vitally important elements of control by Canadians over their own social, economic, and cultural affairs. However, the most recent of his four annual summit meetings has again failed totally to move the United States Government toward even a plan for reducing its sulphur dioxide emissions, a key cause of the very serious problem of acid rain. In fact, last week we learned that the United States is pressing agencies of the United Nations for relaxation of previously negotiated international limits on emissions that cause acid rain.

In its original form, Bill C-74 did not stop the export of toxic substances that are banned in Canada. These exports are now prohibited by the Bill, because the Hon. Member for Davenport (Mr. Caccia), the Liberal critic for the environment, worked long and hard on behalf of the Liberal caucus to bring about amendments. However, this legislation does not follow through upon the Minister's promise of April, 1986 to establish an environmental bill of rights.

Upon his introduction of Bill C-74 on June 26 of last year, the Minister of the Environment took great pains to point out and emphasize the severity of penalties to be applied against those convicted of crimes against the environment. Executives of companies that pollute the environment will face jail sentences and fines of up to $1 million per day.

We in the Official Opposition agree strongly with the imposition of the appropriate penalties, but we are concerned that the Conservative Government will neither provide the resources required to detect violations that cause environmental damage, nor exert the leadership required to prosecute and secure imposition of the new, higher penalties.

The Government has committed the paltry sum of $37 million to be allocated among three government agencies over five years to finance the work of assessing substances already in existence, and new chemicals before they are marketed. That is not all. This same $37 million will have to finance enforcement of the legislation in the field over that same five years. Surely this is absurd.

There are approximately 60,000 chemicals already circulating in our environment, and we can expect the future introduction of 1,000 or so per year. According to the information provided by highly regarded experts in the pollution control field, the single chemical approach to compliance research carried on by the designated government agencies will take 38,000 person-years to develop regulations on just 1,000 of the 60,000 chemicals currently in existence. How can the agencies involved even begin to examine the 1,000 new chemicals brought into use each year?

These projections have been published by Dr. Ross Hume Hall of McMaster University, a former member of the Canadian Environmental Advisory Council. He bases his findings on the most recent record of the Government's own Contaminants Control Branch. This branch is staffed by only 19 people; it has produced control regulations at the rate of one chemical for every two years. In my view, Canadians have absolutely no reason to believe that the compliance and enforcement provisions contained in Bill C-74 will either reduce the rate of introduction of new pollutants or redress, in

any significant way, the damage already done. Canadians are concerned that the Government will continue its record of failure to devote the expertise and financial resources required to begin solving the real problems of pollution.

What does this mean to ordinary Canadians? For some two years I have been trying without success to get the Conservative Government to contribute funds to help the provincial and municipal Governments to upgrade outdated sewage treatment systems located in the Windsor area, and similar cases in other parts of the country. Fortunately, the Peterson Government of the Province of Ontario has stepped in to begin the work. However, the inaction of the federal Government means that this will take a lot longer, and it will likely cost the municipal taxpayers much more than if the federal Conservative Government was in fact doing its fair share.

In the City of Windsor problems have to be solved that have been caused by the inadequate facilities at the Little River sewage treatment plant. Problems have to be solved that are caused by the existence of more than 4,000 septic tanks on the west side of Windsor and Sandwich West Township which overflow and discharge into the Detroit River through Turkey Creek. There must be new joint programs created by the federal and provincial Governments to respond to these and similar infrastructure needs across the country.

I have made repeated representations to the Minister of the Environment, the Minister of Finance (Mr. Wilson), and the Secretary of State for External Affairs (Mr. Clark) who has responsibility for Canada's involvement in international waterways.

In spite of these representations, the Government has failed to commit itself to doing what should be its full part to solve these types of problems. It refuses to accept its role in putting up the money to maintain, renew, or upgrade facilities that, in turn, provide our clean water. Its refusal contributes to a deteriorating situation that jeopardizes the health and well-being of Canadians. Yet, even though the Government argues that it should not do this because it is not a federal matter, there are well established precedents for the federal Government assuming its share of financial responsibility. Examples include the former federal Government's municipal loan fund as well as its urban transportation assistance program, another area which some have argued is not under federal jurisdiction when it comes to municipal roadways and provincial highways. There is a federal role in infrastructure for our cities, towns, and municipalities. It is something which involves the health and safety of Canadians and it involves the well-being of the entire economy.

In Windsor and Essex County the people are very concerned about the huge garbage incinerator being built by the City of Detroit, without the necessary pollution control equipment to prevent the discharge of dangerous toxic chemicals into our air. They ask the questions: "Is the federal Government really doing enough to help bring about the installation of this pollution control equipment? Is it making full use of the Great Lakes Water Quality Agreement and the Boundary Waters Treaty, which also covers the airborne pollution of our boundary waters to help deal with this situation?"

I have urged both the Ontario provincial and the federal Government to take every action possible both under existing international agreements, like the ones I have mentioned, as well as the laws of the State of Michigan and of the United States to help bring about a meaningful solution to this problem. In my view the Conservative Government, in spite of the honeyed words of the Minister of the Environment, is not being sufficiently active to press the Canadian case in preventing the Detroit incinerator from being built and operated without the necessary air pollution control equipment. In effect, the Ontario Government has been left on its own to defend the Canadian environmental interests by taking the issue to the courts of the State of Michigan.

Through my own direct inquiries of the Office of the Governor of Michigan, I discovered that there were no less than six possible incinerator projects that might go ahead in the Michigan area near the international boundary, projects that the State of Michigan was aware of but Environment Canada and External Affairs did not seem to know anything about them. As a result I called for an early warning system to be set up to allow Canadian authorities, both federal and provincial, to be aware of such projects that could affect Canadians at a very early stage. This step would permit sufficient time for studies to be carried out and representations to be made in order to prevent these projects from going ahead, unless they had all the necessary pollution control equipment to ensure the protection of the health and safety of Canadians.

The federal Department of the Environment first stated that existing forms of consultation were sufficient. However, after I pressed the matter and pointed out the significance of this list of projects that I discovered, not too long ago the Minister of the Environment finally agreed with me to set up such a system in co-operation with the United States federal and state authorities and the Province of Ontario.

• (1210)

These are not the only important environmental issues concerning the people of Windsor and Essex County which require immediate and urgent action at the international level. The Fermi II nuclear generating plant owned by Detroit Edison and located in Munroe, Michigan is just a short distance from the international border and the 300,000 people living in the Windsor—Essex County area. They are not satisfied that there is absolutely no risk to their health and safety if that plant continues to be allowed to operate at full power.

The Secretary of State for External Affairs has rejected my request that the Canadian Government seek the agreement of the United States Government for a reference to the International Joint Commission to permit permanent and ongoing

monitoring of the safety of the Fermi II nuclear power plant and similar power plants on both sides of the border. This reference would be carried out by the International Joint Commission, but agreement by both the Canadian and American Governments is required for it to be done. I have asked the Minister to review his decision, to re-open it, and to take a fresh look because the International Joint Commission has a track record of looking into these kinds of questions. However, it cannot carry out the job that it could do without agreement of the Canadian and American Governments.

In the meantime I have contacted the Director General of the International Atomic Energy Agency to request that it constitute an Operational Safety Review Team to examine the Fermi II reactor in order to assure, if possible, the people of Windsor and Essex County that all the necessary safety requirements applying to Fermi II are being fully met.

What I have been talking about shows that the current Conservative Government is not doing nearly enough to preserve and protect our environment. This piece of legislation we are currently discussing, Bill C-74, is only one small and limited step—I admit a step in the right direction—which will be of value only if the Conservative Government can be relied upon to summon the will power to devote the necessary resources toward the effective enforcement of its provisions.

The Government's record on environmental matters since it took office does not give us good reason to be optimistic. The people of Canada have demonstrated that they consider protection of the environment both in Canada and around the world to be a number one priority for their Governments, federal and provincial. They want in particular this federal Government to do more than it has done already.

While Bill C-74 deserves some support, we have to recognize it for the limited step it is and to reiterate that to be meaningful there must be a greater commitment than has been shown in the past by the Conservative Government to enforce this Bill, to carry out its responsibility within Canada and in the world, and to help Canadians as members of the great family of the world to a clean and healthy environment. Without it, our world and its future are at risk. Canadians are calling for action and we in turn call upon this Government for action, action it has unfortunately not shown up to now.

Mr. Caccia: Mr. Speaker, the Hon. Member for Windsor West (Mr. Gray) has demonstrated in his intervention today how concerned he is about the quality of the environment for citizens in Windsor and that region. He has also outlined a number of initiatives that he has taken which are very impressive, both in the field of water quality and air quality, as well as in ensuring that plans for the construction of incinerators on the other side of the border will not impair or affect the health of the population in his area.

The Member has also made a reference to an operational safety review team that he has requested from the Atomic Energy Agency, which is a very creative and imaginative idea that would help considerably in laying the foundation for a better approach in the construction of future plans in that area.

I would encourage the Hon. Member for Windsor West, because of the limited time he had in making his presentation, to expand on any of these initiatives so that the citizens in his area will have the full flavour and understanding of what he has attempted to do. Evidently his efforts are not being listened to carefully by federal authorities and the federal Government here in Ottawa. As he already pointed out there are gaps between the rhetoric being expounded by the Minister of the Environment (Mr. McMillan) and in moving to meet the real needs in certain areas.

Would the Hon. Member for Windsor West give us a deeper insight into the situation as he assesses it in his area?

Mr. Gray (Windsor West): Mr. Speaker, the Hon. Member for Davenport has raised some important points. I will attempt to deal with them briefly. Over all what we need to see on the part of this Conservative Government is a greater willingness as the voice of Canada in dealing with other countries, particularly the United States to speak up and be more vigorous in defence of Canadian interests.

If there is a special relationship between the Prime Minister and Ronald Reagan, then why is it not made use of in some constructive way? We have already had it demonstrated that this special relationship is worse than useless when it comes to acid rain. Why has the Prime Minister not used the special relationship to get the American Government to press the City of Detroit not to go ahead with the Detroit garbage incinerator without the necessary pollution control equipment? Why has the Prime Minister not used the special relationship to ask the American Government to take more seriously than has been the case until now the concerns of the people in the Windsor area about the Fermi II nuclear generating plant?

One thing I did not mention in my speech is that I and other Members of Parliament for the area, involving all three political Parties, made a formal appeal to the full nuclear regulatory commission of the United States when the regional office of that commission, based in Chicago, granted a few months ago authority to Detroit Edison to operate the Fermi II plant at full power in spite of the record of technical and personnel problems and the concerns expressed in the assessment reports of the nuclear regulatory commission's own staff. We made this appeal to the full commission. The commission has accepted our appeal and is studying it.

I asked the Secretary of State for External Affairs to join with us in formally supporting our appeal, but we have had no agreement so far. I have asked the Secretary of State for External Affairs to support my formal request to the Director General of the International Atomic Energy Agency for the setting up of a special operational safety team to review Fermi II, but I have had no response to this request so far. I would think the Secretary of State for External Affairs should

support this request, because it is to an agency of the United Nations and Canada is a member of the agency and supports its work. I look forward, hopefully in this case, to a favourable response.

What is missing here is a sense of purpose, commitment, and action to go along with the very nice language that we hear all the time from the federal Minister of the Environment. Certainly it would be hard to surpass him for rhetoric when it comes to the matter of protection of the environment. When one peels off the various covering layers on that rhetoric or if one waits awhile to see what happens after the rhetoric, one finds very little there. That is all too bad, because even though we do not support this Government, even though we think it is a bad Government that should be replaced, it is in power and it does have an opportunity to act. It is not doing its job in this matter of the environment, as it is not doing its job in so many other areas of importance to Canadians.

• (1220)

Mr. Hawkes: Mr. Speaker, the House Leader for the Liberal Party has spoken at third reading and not before. If it is not the intention of the Liberal Party of Canada to contribute to the filibuster on the protection of the environment, I wonder if I could at least have a commitment from the House Leader of the Liberal Party. If speaking out on behalf of constituents is what the Liberal Party would like, would he indicate to the House that he is prepared to sit through the luncheon adjournment so that freedom of speech can prevail and so that Hon. Members do have a chance to speak on behalf of their Parties?

Mr. Gray (Windsor West): Mr. Speaker, there is a new definition of filibuster here. For the Government, filibuster begins after three speeches, one of which is the Government's own speech. The Hon. Member is reflecting on the quality, value, and necessity of the Government's own spokesman on this Bill. If that is a filibuster, why did he not prevent a Conservative from speaking on third reading? I hope the record will show what the Hon. Member who is speaking on behalf of the Government thinks about the value, quality, and content of the speech made by the spokesman for the Conservative Party when third reading stage began.

The rules of this House, supported with great fanfare by the Hon. Member's Government, provide for breaks at the noon hour and in the evening. If the Hon. Member did not like that, why did he and his Party support those rules? Why have they been going around the country boasting about how these rules which include these breaks are models of parliamentary reform? The Government had the majority to prevent the stipulation of times for adjournment, but it included that stipulation because it recognized that breaks to enable people to get in touch with their offices, and, yes, to have lunch or supper from time to time, contribute to a better quality of consideration of issues in the House of Commons.

The Government controls what measures are brought before the House when it pertains to government business. If the Government has something more important than this Bill that it wants to deal with, it can substitute without any notice whatsoever any other measure it wants and which it considers more important.

I hope the Hon. Member does not think that he is fooling anyone with the suggestion that some reasonable debate on third reading, which is provided for in the rules and has been part of British and Canadian parliamentary procedure for hundreds of years and which has remained in the rules after parliamentary reform, is in any way an abuse or a filibuster.

Instead, if the Hon. Member thinks there is something more important than this Bill—and that is what he seems to be saying because the point of what he said was that the speech given by the Conservative Member in support of the Bill was useless—and if he says that further debate on this Bill should not go on, I challenge him to call another measure that he considers to be more important. If he does not do that, he will be exposed as the sham that he, his Party, and his Government really are.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is a pleasure to be able to speak about some of the same concerns about which the Hon. Member for Windsor West (Mr. Gray) has spoken. I hope that as part of this debate our colleague, the Conservative Member for Essex—Kent (Mr. Caldwell), who has assisted on a number of important environmental initiatives which have crossed Parties because of the serious problems which exist in the Windsor area, will also feel that it is important to speak on these issues and will make clear his commitment on these concerns.

In discussing this Bill as it has come back from committee, I think we must bear in mind the expectations of Canadians. It is quite clear that their expectations for the environment and the future of our planet are very high. These expectations have been expressed, for example, by the Brundtland Commission report on the environment and development which concluded in April, 1987 that national Governments should establish clear environmental goals and enforce environmental laws, regulations, incentives, and standards on industrial enterprises, and that this should normally be done at the national level with local Governments being empowered to exceed but not to lower national norms.

The Bill before us certainly contains some steps in the right direction, but in studying it one must conclude that it is essentially weak legislation which does not establish that strong national environmental leadership for which Canadians are crying out. For instance, the legislation has not included consideration of some of the most destructive substances that are in use today. Pesticides, for instance, are not regulated, nor are emissions from motor vehicles. I say that as someone from an automotive city. That is something we should be taking leadership on at the national level.

The Bill does not provide standards of environmental quality. It does not redress the principle that has contributed to our current high levels of pollution, the principle that a substance must be proved harmful before it can be regulated. We need a regulatory tool that requires that substances be proven harmless before they can be used.

The Bill certainly does not incorporate an environmental bill of rights, a bill of rights which would give Canadians a sense of commitment to a healthy environment on the part of the national Government. Canadians have asked the Government for the right to take any polluter to court, for the right to environmental qualilty, and for the right to participate in decision-making with respect to the environment. However, that has not been provided by this Bill.

In fact, this Bill does not advance us beyond the 1970s in terms of environmental legislation. The approach is still a substance by substance one, one that aims to manage toxic chemicals instead of seeking to reduce them. In short, environmental goals are not set out and environmental leadership is not being taken.

Many of us have fought on a series of environmental issues for the last four years of this Government. We have fought a hard-fought battle to try to force the Government to recognize the concerns of Canadians about the environment. The weakness of the legislation and the fact that it takes such small steps forward is not a surprise.

• (1230)

I think, for instance, of the fights which we have had to undertake within our communities of Essex County and Windsor which have continually come up against the brick wall of the Government's unwillingness to respond and act when citizens have demanded action by petition, have requested action of the Minister of the Environment (Mr. McMillan), and have solicited the Secretary of State for External Affairs (Mr. Clark) to show some backbone in dealing with the United States. Again and again a brick wall has been met.

We can talk about the blob which was discovered in the St. Clair River which contained a concentration of dioxin such as had never been experienced in our Great Lakes system before. That information would not have come out from the provincial Conservative Government, had it not been for a brave individual who came into my office and talked about the realities which had been discovered and covered up by that provincial Government.

The Government at that stage, with a new Minister of the Environment leading the charge, said: "Let's act, let's get something to happen". In fact, action took place. However, three years later I have learned in discussions with people from Dow Chemicals that there is still coming up from the bottom of the St. Clair River the same toxic material which was there when this originally came to our attention in 1984 and 1985.

The problem has not been solved. There was a great public relations burst by the Minister and $12 million was spent by Dow Chemical, but we did not get a solution to the problem. That is the environmental record of the Government—high public relations and low public performance.

We can talk about mundane things. Members of Parliament from the Windsor area have brought before the Minister of the Environment again and again serious problems which leave thousands of houses in the southern part of Windsor and in parts of Sandwich West with septic tanks and, consequently, leakage into rivers and drainage ditches throughout the community.

What has happened? Has the Government moved? Has it said that it will respond to an urgent problem brought before it? Not a chance. Instead there has been a complete lack of action despite the pressure from myself, my colleague, the Hon. Member for Windsor—Walkerville (Mr. McCurdy), and the Member for Windsor West. After looking at the performance of the Government, it has still been necessary to conclude that the Government does not care about that problem.

We can talk about the incinerator, the great Detroit incinerator, which like St. George against the dragon the Minister of the Environment was going to slay. He was going to enforce serious environmental controls on it for the future. It is almost a year and a half ago that the Minister of the Environment went to Windsor and said "We have solved the problem of the Detroit incinerator and do not have to worry about it for the future".

Well, the reality is that the Detroit incinerator continues to go up. There has been no commitment by either the Michigan Government or the City of Detroit to put the latest technology into that incinerator to prevent air coming across the river into Canada which will massively increase the pollution problems in my community.

The Premier of Ontario, that other great white hope, met with the Governor of Michigan, Mr. Blanchard. The Premier said that we were supposed to have an agreement with Michigan with respect to pollution problems. Absolutely not. There was no commitment whatsoever with respect to this very serious problem.

When this problem was first brought before the Minister, he said that it was no problem, that the Government would set up an action group of Members of Parliament from the Windsor area plus representatives from the Ministry itself, and that we would get action. Well, that so-called action group has not met once since the Minister set it up. So much for the real performance of the Government as opposed to its rhetoric. Its public performance in the face of serious problems has been disastrous.

We can say the same thing with respect to the Detroit city airport and its expansion, another environmental problem which will hit much of the City of Windsor and could bring dangerous consequences to people throughout the community.

Once again there was no commitment to move, no commitment even to communicate with the United States and convey the concerns of those who live in the community which is to be affected.

Perhaps the most telling, the most damaging, the most obvious dereliction of duty on the part of the Government with respect to the environment in our part of Essex County and Windsor has been with respect to Fermi II. It is over a year since I started raising this question. I put questions to the Government and wrote to both the Minister of the Environment and the Secretary of State for External Affairs indicating the serious problems existing with this reactor which is less than 10 kilometres from Canada. It is very close to population centres in Canada. That nuclear reactor has serious maintenance problems because of its age, even though it has just begun to generate power at 100 per cent capacity. It has serious monitoring problems, as well as serious basic design problems.

• (1240)

When one looks at the record of how it got its license to operate, it is absolutely clear that the wool was pulled over the eyes of the Nuclear Regulatory Commission in the United States. It effectively held back information from that agency which members of the agency subsequently said would have prevented Fermi II from getting its licence. Despite that, the Government is not prepared to take action and tell the American Government that the people of Essex County and those affected by this nuclear reactor have asked for a joint review into what they believe are serious safety problems. The Government has not been prepared to refer the problem to the International Joint Commission.

We met with the International Joint Commission which told us that if it received a reference, it would have tremendous power to probe the problems that exist with this reactor. Yet, it is evident from letters from the Secretary of State for External Affairs and the Minister of the Environment that they have consistently told us that they believe the Nuclear Regulatory Commission is the one that should do the job and that Canada has no responsibility for this serious health concern to Canadians.

I must express my disappointment not only at the performance of the federal Government with respect to Fermi II, but also at the performance of the Ontario Government which has been approached but is unwilling to add its voice to the need for a joint review of the safety problems with respect to this nuclear reactor.

That is just a small list of what we have had to face as Members of Parliament from the Windsor and Essex County area in trying to kick the Government into action on the environmental problems affecting our people. While this Bill continues the tradition of great rhetoric, it does not give us any promise of serious, consistent action in the future. We cannot trust a Government which has been so grossly incompetent in the past, as I believe this list of problems clearly shows.

Mr. de Jong: Mr. Speaker, I was particularly interested in my colleague's concerns about the environmental questions affecting his City of Windsor. Has he noted any difference between the actions of the present Government and the former Government?

I recall in 1983 being part of a group with New Democrats from the provincial Legislature of Ontario touring the Windsor and Niagara area. We looked at the Love Canal situation and found a continuing ignorance of the environment, particularly of the effects that toxic substances could have on present and future generations.

Local citizens and environmental groups told us of their frustration because the laws helped polluters and hindered those who were interested in fighting pollution.

I agree with my colleague. This legislation is a lot of sound and fury signifying nothing. Is there any difference between the actions of this Government and the previous Government?

Mr. Langdon: Mr. Speaker, I was not a Member of Parliament during the period of the previous Government. There is a strong desire among those who control the industrial power within our society to deal with the pollution problems in the easiest and least costly way. That desire leads to emissions of serious pollutants into the air. It has lead to emissions of pollutants into the Great Lakes that have resulted in the conclusion that the Great Lakes between Canada and the United States are the most polluted, environmentally toxic area in the world.

On the other side, there are very well intentioned Ministers of the Environment who are not strong enough to have the political leverage over the power centres within their Parties that are so influenced by those large-scale industrial groups. I believe there has always been such a battle. The consequence is that very often Ministers of the Environment, both Conservative and Liberal in the past, had to work very hard to influence their cabinet colleagues.

I recall interviewing Canada's first Minister of the Environment, a Liberal Minister, when he was appointed in 1969-70. He made the point that he had to push very hard to get his cabinet colleagues to move. I suspect that the same is true with the present Minister of the Environment.

I am certain that he truly believed it when he went to Windsor and said the problem with the Detroit incinerator was solved. However, it has not turned out to be the case because people in his Party have been far more concerned with getting a trade deal with the United States than fighting for environmental concerns within this cross border situation.

• (1250)

I think we have a structural problem which can only be confronted if we have first mobilized very strongly public

opinion to get a serious and comprehensive change of commitment, so that the environment becomes the number one concern, not an afterthought, not something that brings us a Bill four years after the Government comes to power. What we see in front of us is something which afflicts both Liberal and Conservative Governments. It is something which, frankly, New Democrats would face as well in government. We would need a very strong commitment, not just from our own Party but from people and groups right across this country, in order to bring about a very strong and effective environmental policy. I believe it can be done, but it is going to be a hard fight.

Mr. Blenkarn: Mr. Speaker, I would like to ask my hon. friend a short question. We have an important Bill here. I was wondering if the New Democratic Party was going to support it.

Mr. Langdon: Mr. Speaker, I made it clear in my speech that we are always in favour of small steps forward. Unfortunately, small steps forward are not satisfactory to the people of this country. It is not enough to take dainty little steps into the future as this Government is doing. We must—and I am convinced after the next election that it will be done—put in place a pattern of commitment, of boldness, and of serious intent which will give us significant change, a significant move forward under a New Democratic Government, and which will give us a much better commitment to the environment.

The Acting Speaker (Mr. McKinnon): The Hon. Member for Davenport on a very short question or comment.

Mr. Caccia: Mr. Speaker, I would briefly like to ask the Hon. Member for Essex Windsor (Mr. Langdon) a question. I know it is difficult for the Member to recognize good initiatives when they take place, when they are taken by a Government whose stripe is not his own, but would he not agree, however, that Ontario has today the toughest environmental laws it has ever had in its history?

The Acting Speaker (Mr. McKinnon): The Hon. Member for Essex Windsor on a brief answer, please.

Mr. Langdon: Yes, I very much agree that the previous Conservative Government which was in power for so long did so little that the important steps which were undertaken during the minority Government, with New Democratic Party support, were very crucial to our province and to our future. Unfortunately, since there has been a majority Government elected in Ontario we have seen a slowing down of these initiatives. I think of the Fermi II situation. It is absolutely unforgivable that the Ontario Government has not added its voice as powerfully as it possibly could to those of us from Essex County who are calling for a joint review of safety with respect to this dangerous nuclear reactor being so close to our boundaries.

The Acting Speaker (Mr. McKinnon): That concludes the questions and comments. Resuming debate.

[*Translation*]

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, I welcome this opportunity, although there are only four minutes left until the House takes recess, to speak to Bill C-74, allegedly an Act respecting the protection of the environment and of human life and health.

I would have liked to take a more positive stand, if the Bill before the House today had been as strong a piece of legislation as was claimed earlier by the Hon. Member for Oxford (Mr. Halliday).

When the Bill was tabled in the House on first reading, the impression was that this Bill had some strong points and that it was an important step towards improving the quality of our environment.

However, after everything that has happened so far and all the so-called consultation, we now have before us a Bill that has very little to show for all this frenzied activity. There are so many fundamental problems connected with the quality of the environment, the environment in which we live, that I think some comments are very much in order on what this Bill contains and, especially, on what it does not contain, in its present form.

When the Minister of the Environment agrees to ask his colleagues for advice on legislation or regulations concerning the environment, I think he is making a big mistake, because there are emergencies when the Minister of the Environment must act without necessarily consulting each of his colleagues to find out what position he should take.

If we consider certain toxic products that are being trucked or shipped across Quebec and across Canada and if we look at the accidents that have happened in recent years, I have serious doubts about the quality of the regulations we had at the time and still have here in Canada.

Mr. Speaker, I hope I will have a few minutes more this afternoon to talk about the position taken, for instance, by the Government of Quebec on environmental problems and the kind of action that should be taken very shortly so that the Government of Canada and the governments of the various provinces can introduce environmental legislation that is strong enough to protect the quality of life and the quality of the environment in this country.

Mr. Speaker, you are signaling that I should stop . . .

[*English*]

The Acting Speaker (Mr. McKinnon): It being one o'clock p.m., I do leave the chair until two o'clock p.m. later this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—ONTARIO MINISTER'S COMMENTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Ontario Environment Minister Jim Bradley quite rightly commented on Saturday that the much heralded Prime Minister's (Mr. Mulroney) special relationship with President Reagan has proven worthless in resolving the acid rain issue. As Mr. Bradley stated, they have come to the end of the line and have nothing to show in the way of acid rain reductions—not one drop.

If Chairman Gorbachev can convince President Reagan to scrap missiles aimed at America's chief enemy, why can the Prime Minister not get the President to stop bombarding America's closest friend with acid rain? Acid rain costs Canada hundreds of millions of dollars a year. Canadian efforts to clean up acid rain are hampered by U.S. inaction.

Mr. Bradley told high school students that half the acid rain deposited in Ontario originates in the United States. No matter what we do, we cannot solve the acid rain problem by ourselves.

Mr. Bradley made his point effectively. When the U.S. administration will understand is another matter.

* * *

HISTORIC EVENTS

MONTREAL CEREMONY COMMEMORATING BATTLE OF THE ATLANTIC

Mr. Claude Lanthier (LaSalle): Mr. Speaker, yesterday afternoon at the Victoria Wharf Clock Tower in the Port of Montreal an important event took place under the auspices of the Canadian Legion Branch 212 of LaSalle.

This highly emotional ceremony was held to commemorate our marine heroes of the Battle of the Atlantic during the last World War. Numerous wreaths were laid at the foot of the monument facing the St. Lawrence River which leads to the sea, by Presidents of different Montreal legion branches, among which was President George Stundon of my own LaSalle branch.

The ceremonial parade was led by our legion members and army cadets. But the highly poignant instant of the commemorative event was when an 88-year old mother of a son lost at sea was invited by the officer in charge to lay flowers in memory of all sons, cousins, uncles, and fathers who gave their lives to safeguard the democratic liberties of our free world.

Lest we forget. *Je me souviens.*

S. O. 21

AGRICULTURE

DROUGHT THREAT IN WESTERN CANADA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is important that the Government, and especially the Minister of Agriculture (Mr. Wise), recognize the serious drought threat presently existing in much of western Canada. For example, in the Kamloops area this year's spring run off is 50 per cent below normal. The Thompson River is flowing at 64 per cent of its normal rate. Streams and water-holes are dry or near dry. The Environment and Parks Ministry's hydrology section is predicting drought conditions throughout central British Columbia.

Last year was Kamloops' second driest year on record with only 160 millimetres of precipitation, and the hottest year ever recorded in history.

While cattlemen face the most dire difficulties, other problems are created by drought as well. Fires and drought, unfortunately, go hand in hand. The commercial, native, and sports fisheries are placed at risk. Water fowl habitat is destroyed. Many community reservoirs are near dry. Irrigation districts are forced to cut back on water supply.

• (1405)

On the Prairies many grain farmers are wondering if they should spring seed, since in some regions the soil lacks sufficient moisture for seeds to germinate.

In light of these conditions and the possible drought crisis, the Government should be developing contingency plans which would be implemented quickly if the tragic necessity does arise.

* * *

PORNOGRAPHY

BILL C-54—CALL FOR REFERRAL TO COMMITTEE

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, there has been much public debate about Bill C-54 which amends the Criminal Code relating to pornographic or erotic material. This Bill would serve to prohibit pornography, particularly where children are being depicted in sexual acts, or in cases showing violent pornography and degrading sexual acts against any person.

It is unfortunate that both opposition Parties and some people in the arts community are saying that the Bill is directed at art forms; some librarians have stated that they will have to segregate some books. I believe that these groups have exaggerated a few of the points the Bill, making it seem puritanical. This is just not so. If amendments are needed to clarify the wording it is up to us to let the legislative committee do its work.

I call upon the Government and the opposition Parties to let this Bill go through second reading and go to committee in order that this vital piece of legislation can be passed before we break for the summer.

* * *

CHILD CARE

EDMONTON—PROPOSED FACILITY IN GOVERNMENT BUILDING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it seems strange that if you are a government employee living in Ottawa or a government employee living in Edmonton, you have different rights. There are more rights for those in Ottawa, and less rights for those in Edmonton. I refer specifically to the issue of child care.

As you are no doubt aware, Mr. Speaker, today we expect the opening of a work site day care in Tunney's Pasture for employees serving the Ottawa area, and at the same time a similar child care operation which was proposed for the opening of Canada Place in Edmonton, scheduled to open in Edmonton next month, has been put on hold.

The child care situation in Edmonton is in limbo because the federal Treasury Board and the Department of Public Works have not got together to put forward the necessary funding. I guess that parents at federal government workplaces in Edmonton must be asking, "What is it that makes federal employees in Ottawa more important than federal employees in Edmonton?"

I would like to say that if the federal Government is serious about encouraging workplace child care, it should put its money where its mouth is and set an example not only in Ottawa but in every area across the country.

* * *

CANADIAN ARMED FORCES

AFGHANISTAN—PERSONNEL'S PARTICIPATION IN OBSERVER FORCE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is a tribute to the professionalism and experience of our Armed Forces that once again Canada has been asked by the United Nations to serve in a peace-keeping operation.

This time five Canadian officers are being sent to Afghanistan to monitor, in co-operation with military personnel from other neutral countries, the withdrawal of Soviet troops pursuant to the UN negotiated Geneva agreement.

We wish Lieutenant-Colonel Leslie and his team all possible success with the difficult and possibly dangerous monitoring task to which they have been assigned.

VIA RAIL

OUTDATED ROLLING STOCK

Mr. Rod Murphy (Churchill): Mr. Speaker, this weekend the President of VIA Rail, Denis De Belleval, said that our rolling stock is the "worst in the world".

It is not exactly a new thing to find out that VIA's transportation system is in shock. People are used to travelling from Thompson to Churchill wearing parkas inside the coaches. That is not only the case in northern Manitoba, but also on the main line. People, including myself, who have taken trains from Winnipeg to Thunder Bay, to Sudbury and on to Ottawa, have woken up each morning frozen because of the antiquated system.

We also have a train system on which tourists who are travelling in this country find that they cannot get accommodation. People who live in small communities in my riding without road access cannot get on a train because there is not adequate equipment.

Prior to the 1984 election the Conservatives promised that there would be new rolling stock in place. That is another broken promise, a promise which results, as the president of VIA Rail says, in us having the worst in the world. What a record. What a broken promise.

* * *

• (1410)

NATIONAL FOREST WEEK

DESIGNATION OF GRAND FALLS NFLD., AS FORESTRY CAPITAL OF CANADA

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Mr. Speaker, this week in Canada communities all across the country will be celebrating National Forest Week.

Grand Falls, Newfoundland, is especially honoured this year because it has been named forestry capital of Canada. This designation acknowledges the importance that Grand Falls places on forestry, and helps to focus the attention of all Newfoundlanders on the vital role forestry plays in our economy and our lives. National Forestry Week extends that awareness to include all Canadians.

The forest sector is a cornerstone of the Newfoundland economy, generating direct and indirect employment for 12,300 people. The federal Government is aware of the importance of forestry to this province and is investing $33.6 million in the $48 million Canada-Newfoundland Forest Resource Development Agreement. This week we should all take the opportunity to learn about our most important natural resource, our forests.

NUCLEAR ENERGY

UNITED STATES—FERMI II NUCLEAR REACTOR

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, just 10 kilometres from my constituency the threat of the Fermi II nuclear reactor to Canadians is real. Over 7,500 people have signed petitions against it and all four Members of Parliament from the area have appealed against its operation. Now the Ontario Government has joined us.

I have here a letter from Joan Smith, Ontario Attorney General, to the federal Minister of Energy, Mines and Resources (Mr. Masse) calling for an investigation of these safety concerns. It is unfortunate that the Ontario Government would not go one step further and call for a joint Canadian-U.S. review of Fermi by an independent expert team, but this letter does push the federal Government to move on this issue. So far, the Secretary of State for External Affairs (Mr. Clark) and the Minister of the Environment (Mr. McMillan) have been afraid to do so.

Mr. Clark (Yellowhead): False.

Mr. Langdon: Again and again, they have refused. They must move now for the sake of the hundreds of thousands of Canadians at risk due to the poor maintenance, monitoring and design record of this reactor.

* * *

EXTERNAL AFFAIRS

ETHIOPIA—POLITICAL COMPONENT OF FOOD CRISIS

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, Canada's ambassador to Ethiopia has finally recognized that country's food crisis has a political component. Drought is not its only cause. It never has been, Mr. Speaker. It has always been partly due to the Marxist militaristic oppressive regime of that country. The dictatorial Derg has been determined to turn Ethiopia into a massive collective farm even if that reduces food production. It has spent 46 per cent of its resources on weapons while its people have gone hungry. It is now preventing food supplies from reaching two million people in the rebel held North.

Canada has condemned the use of food supplies as an instrument of political policy. It is time and more than time that we condemned this action in Ethiopia.

S. O. 21

CANADA PENSION PLAN

ELIGIBILITY DISABILITY BENEFITS

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I rise today to urge that changes to the Canada Pension Plan disability criteria be made.

The requirement that an applicant be disabled to the point that he or she can do no other type of work now or in the future is too onerous. The fact is that many applicants who, for the purposes of private insurance and provincial programs, are disabled are being told that they are ineligible for benefits under the Canada Pension Plan because they are not disabled. This is very perplexing to these Canadians. To be told by government doctors that they are ineligible is to leave these Canadians with a feeling of injustice.

It is time that the test be changed and the long delays eliminated.

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CANADA MORTAGE AND HOUSING CORPORATION

APPROVAL OF CO-OPERATIVE HOUSING IN METRO TORONTO

Mr. Alan Redway (York East): Mr. Speaker, as you realize, there is a severe affordable housing crisis in the greater Metropolitan Toronto area. One of the best ways to create affordable housing is to build co-op housing.

Because of that it is particularly distressing to learn that while the affordable housing crisis in Metro has grown progressively more severe the amount of co-op housing approved for Metro by CMHC has steadily declined from 1,182 units in 1981 to 682 units in 1984, to only 126 units in 1987.

What is going on at CMHC? Are they all asleep to reality at CMHC?

* * *

• (1415)

NATIONAL FOREST WEEK

CALL FOR ESTABLISHMENT OF MINISTRY OF FORESTRY

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, as Canadians well know, this is National Forest Week. During National Forest Week we are reminded that the forest sector of the Canadian economy employs 750,000 Canadians. It is the mainstay for over 348 single-industry towns. Indeed, it is a backdrop for tourism and the outdoor recreation industry in Canada.

This might be a good time to remind the Government that it has promised on a number of occasions to bring in a full

Forestry Ministry. A full Ministry of Forestry ought to be announced this week, National Forest Week. I would encourage the Government to take that initiative and to give forestry the due it deserves.

* * *

INCOME TAX

TAXATION OF RENTAL BENEFITS

Mr. Gordon Taylor (Bow River): Mr. Speaker, some RCMP personnel and some civil servants live in government owned houses in Banff and Lake Louise. Because of the age of the houses, a "kind" Government ordered a 10 per cent to 15 per cent reduction in the rent. A few months later, actually in early 1988, the renters were advised that income tax would be levied on the amount that the rent had been reduced and, furthermore, that it would be retroactive to January, 1987.

I always thought that income tax was levied on income received, not on money saved through a reduction in rent. But not any more. A bureaucrat in Revenue Canada has informed me that the rent reduction is a tax benefit and the Mounties and the park officials will have to pay income tax on it.

Judging from this, we will soon be paying income tax on the savings we make by buying at a sale, and even on the nickel that is deducted by a kind candy maker. Heaven help us!

* * *

PROVINCIAL AFFAIRS

ONTARIO—BUDGET PROVISIONS

Mr. John Oostrom (Willowdale): Mr. Speaker, a few weeks ago, Premier Peterson initiated the largest, most cynical tax grab in Ontario's enduring memory. In order to offset some bad publicity, Peterson said that the tax increase was to pay for the rise in cost of health care. However, the opposite is true.

The financial outlook for public hospitals, of which 50 per cent are operating in the red, is bleak, and they will receive nothing. Hospital funding remains at last year's figure of 6.9 per cent, of which 4.4 per cent represents across-the-board increases for inflation. Hospitals have been forced to impose a virtual freeze on programs and services and on appointments of badly needed medical specialists to staff.

With our aging population, and serious medical problems such as AIDS looming on the horizon, our public hospitals must have the capability to meet the needs of the community. It is obvious that the Peterson Budget was only an excuse to gouge the taxpayer while jeopardizing the future health of the population.

ORAL QUESTIONS

[*Translation*]

FINANCE

INCOME TAX INCREASES—ELECTION PROMISES—MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. As everybody knows, today is the deadline for filing personal income tax returns.

Could the Minister of Finance explain to the House why personal income tax, not corporate taxes but the taxes of average Canadians, totals $26.7 billion more this year than in 1984 when his Government came to power?

During the last election campaign the Conservatives, and with them the Minister, promised they would not increase taxes.

Will the Minister of Finance explain to the House and to Canadians why he violated this election promise by taking $26.7 billion out of the pockets of average Canadian families?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think it is very important to understand that 24 per cent of the increase in revenue of the Government of Canada is due to the increase in our economic growth rate.

It is true that we have increased taxes as a result of budgetary decisions, but 24 per cent of the increase is a result of economic growth and the Government's policies, which have led to higher employment. We have 1,200,000 more jobs in Canada and an economy whose growth rate is the best among the G-7 countries.

• (1420)

[*English*]

TAX REFORM—EFFECT ON FAMILIES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister finally recognized that he has increased taxes between the 1984 return and the 1987 return which Canadians are forced to file, and by $26.7 billion.

Mr. Wilson (Etobicoke Centre): You're wrong. You correct that. That's absolutely wrong.

Mr. Turner (Vancouver Quadra): Wait a minute.

Mr. Wilson (Etobicoke Centre): That is wrong.

Mr. Speaker: While there may be some disagreement, I would ask the Hon. Minister to—

Mr. Wilson (Etobicoke Centre): Quit distorting things like that.

Mr. Speaker: I would ask the Hon. Minister to wait until he responds, and if there is a disagreement the Hon. Minister can

certainly comment upon it. I would ask the Right Hon. Leader of the Opposition to put his question.

Mr. Turner (Vancouver Quadra): Mr. Speaker, let me be precise so that the Minister can relax. I can understand why he is a little raw today when people are paying their taxes right across the country.

He has admitted to raising taxes. He has not admitted the figure that I cited. However, I will recite again that the increase between the 1984 tax return and the 1987 tax return for individual income tax is $26.7 billion.

Let us not even talk about the 77 per cent increase in sales taxes under this Government. Let us talk about what happens to the income tax of the ordinary Canadian family after four Budgets of this Minister, after all the surtaxes, after the deindexation, and after the so-called tax reform.

Will the Minister explain why, even after tax reform, a Canadian family with an income of $25,000 a year will be paying $390 more in income tax than it paid in 1984, and why a family with an income of $40,000 a year will be paying $840 a year more in income tax than in 1984, while a family with an income of $120,000 a year will be paying $3,570 less than in 1984? Is that the Minister's idea of tax fairness?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would have a bit more respect for the Leader of the Opposition if he did not completely distort what I said in an answer just a minute before he made the comment which he did. He knows perfectly well that his statement that $26 billion is a result of tax increases is a total distortion. He would have more respect from the people of Canada, and possibly the people in his caucus, if he would recognize that that sort of distortion should not be used in the House of Commons in the way in which he just has used it.

If his memory is that short, allow me to repeat for him that more than 80 per cent of the increase in the revenues of the Government of Canada over that period of time is because of growth in the economy and the increase in the number of jobs that have been created. One million two hundred thousand jobs have been created. More people are paying tax. The revenues have gone up because people are working.

Another reason the revenues of the Government of Canada have gone up is that we have the best growth record of the G-7 nations.

Yes, we have increased taxes. I have never made any secret of that.

Mr. Gauthier: You promised you wouldn't

Mr. Wilson (Etobicoke Centre): Allow me to make just one more comment, Mr. Speaker. I know you are getting anxious to get up.

Yes, we have raised taxes, but that is simply because of the huge—and I repeat, huge—fiscal problem that we inherited in 1984.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the figures I am reciting are derived from the statistics of the Minister's own Department reinforced by independent agencies such as the Institute of Public Policy. I would be glad to furnish him with support for every number I have raised here in the House.

TAXES PAID BY INCOME GROUPS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, it is no wonder that Canadians are upset about paying their taxes today and over the weekend. They have every right to be mad. Ninety-nine per cent of Canadians are paying more in total taxes—I am talking about income tax, sales and excise taxes, and so on—than they were paying in 1984 when the Government came into power after it had said that it would not raise taxes.

• (1425)

Only one per cent of Canadians are paying less in tax. That one per cent of Canadians consists of those whose income is more than $117,000 a year. Those happen to be the facts.

Will the Minister explain why someone making $17,000 a year is paying more in taxes, while the person making $117,000 a year is paying less in taxes since he came to power?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, with the way the Right Hon. Leader of the Opposition, a former Finance Minister, is playing with figures today, I will not comment on any numbers that he gave. He said that $26 billion is totally because of tax increases. Is that what the Hon. Member is saying?

Mr. Turner (Vancouver Quadra): They are paying more in taxes by $26.8 billion.

Mr. Wilson (Etobicoke Centre): Is the Hon. Member saying that is totally because of tax increases?

Mr. Turner (Vancouver Quadra): I am saying that was the result of his four Budgets—

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): There you have it, Mr. Speaker. That is the distortion. The Right Hon. Leader of the Opposition is playing to the television cameras, distorting the numbers out of all reason. He wonders why I do not answer his questions. It is because he is asking questions in a way that has been quite distorted. He knows perfectly well that the reason why people are paying more taxes—

Mr. Turner (Vancouver Quadra): Because you increased them.

Mr. Wilson (Etobicoke Centre): —is because their income is up. Their income is up because we have a healthy economy. Do not give me all these distortions.

* * *

AGRICULTURE

THREAT OF DROUGHT IN WESTERN CANADA

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. Western Canadian farmers are facing the worst drought in a century, with the lowest rainfalls and precipitation since 1889. Topsoil is blowing in many areas of the Prairies and dug-outs are dry, even with the spring run-off which was practically nil.

What action will the Government take to assist these farmers who are facing the worst drought in one hundred years?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that question was posed to me by one of the members of caucus last week. I indicated in response to his question that indeed the potential for a drought in Western Canada is very high. In fact we are advised by PFRA officials who are in the field that moisture levels are perhaps at a forty-year low. It is potentially very serious.

As one producer indicated just a few days ago, we have not lost a crop in April yet. We must be hopeful that mother nature will look favourably upon us, but the Hon. Member should take some satisfaction in the fact that since the latter part of February and first part of March there has been a federal-provincial and producer task force looking at a number of options. It will continue to do its work. Hopefully we will get moisture. In fact I am advised by my Parliamentary Secretary that most parts of Manitoba received considerable rainfall last night.

REQUEST FOR FEDERAL ASSISTANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, when will the Government give some kind of commitment to western farmers that it will provide assistance in this national emergency? The Government of Alberta has already committed some $20 million. When will the Government, which has already cut the PFRA budget drastically in the last number of years, give a total and complete commitment to the prairie provinces? He knows that the disaster is beyond Alberta and affects much of Saskatchewan as well.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, if anyone wants to take the time to examine the record of how this Government has responded positively in previous situations, that person should take some comfort with respect to our willingness to accept our responsibility in the future.

Let me inform the Hon. Member that when the Prime Minister appeared before the Outlook Conference in the first part of December, he gave a commitment of some $75 million in the area of soil and water conservation, to be matched by the provinces. So if the situation does occur that we do have an emergency situation—and I hope it does not—I am quite certain that it would be possible for us to utilize some of that $75 million which we committed in the area of soil and water conservation as early as last December.

* * *

• (1430)

SOCIAL AFFAIRS

CHILDREN IN POVERTY—AGENDA FOR FIRST MINISTERS' MEETING

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns the tragedy of child poverty. More than one million children under the age of 16, nearly 18 per cent of all of Canada's children, are growing up in poverty. This is a national disgrace. Recalling the Prime Minister's promise of social justice and equality when he took over government, will the Government now, through the Cabinet, launch a major attack on child poverty? Will the Deputy Prime Minister ask the Prime Minister to ensure this topic is on top of the agenda of the next First Ministers' meeting?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I think it is clear that this has been a problem in Canada. It is one we are all sympathetic to and we want to find some further solutions. This Government has done a lot towards reducing child poverty. First, the child tax credit and the refundable sales tax credit have been very helpful to families in Canada who are poor. It has helped put more money into the pockets particularly of single parents in lower-income brackets.

FAMILY BENEFITS—REQUEST THAT MINISTER INCREASE TAX CREDITS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my supplementary question is directed to the Minister of Finance. The fact remains that there are one million children living in poverty in Canada. Since the Minister of Finance has really added to poverty by deindexing family benefits—cuts in this area will mean that children are deprived of some $1.5 million by 1991—will he give poor kids a break by reindexing family benefits? And will he increase tax credits to cover the real cost of raising children, not give with one hand and take away with the other?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, first let me observe that the number of Canadians who are now living in poverty is down by about 525,000 in the time we have been in office. The number of children within that figure is

down 193,000. So, as my colleague said, there has been very good progress made. The numbers are still too high of those living in poverty, but in response to that we have made a number of changes.

We have introduced the refundable sales tax credit, increased the size of the child tax credit, provided for the acceleration of payment of the child tax credit and increased the spousal allowance to those who are aged 60 to 64 years living in poverty.

We have made a number of changes in tax reform to help those in low-income brackets. There will be 850,000 taken right off the tax rolls. We have made a number of changes in the child tax credit which will help those living on low incomes.

Ms. Mitchell: Well, Mr. Speaker, it appears the Government is now boasting that there are still one million children living in poverty in Canada. That is a shameful disgrace.

REQUEST FOR DEVELOPMENT OF NATIONAL ACTION STRATEGY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I want to return to the Minister responsible for the status of women. She knows that 61 per cent of the kids of single moms are poor. These are probably the poorest families in Canada. We need action now. We cannot wait.

Would the Minister assume the role of catalyst, along with the Minister of National Health and Welfare, to launch a major attack on child poverty? One thing they could do is call a national conference of provincial Ministers and groups concerned with poverty to develop a national action strategy to deal with this problem. Will she do this?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, this is the second time this afternoon we have dealt with some distortions in what has been said in this House. I started my previous answer by expressing some sympathy and concern about the poverty of children. To say we are boasting about what we have done is totally incorrect and I absolutely refuse to accept that preamble.

One of the ways to help women and single family parents is to ensure they have good jobs. I should say that in the job creation statistics, 659,000 women are working today who were not working before, and 77 per cent of those jobs are full time. Through the Canadian Jobs Strategy we have a component for non-traditional job training that is helping women, particularly single parents.

We are the first Government that has come out with a child care strategy. Of course we are sympathetic, and concerned, and interested. We are dealing with these things every day through our general policies and through specific policies.

PORNOGRAPHY

BILL C-54—GOVERNMENT POLICY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Justice. It concerns the status of Bill C-54, the amendments to the Criminal Code, which would control pornography, a goal with which we agree. But the Bill goes far beyond that to limit free speech, to constrain culture, and to prevent virtually any expression of sexuality. The Bill is condemned by everyone except the right wing of the government caucus.

Recently the Minister said the Bill had a low priority. I want to ask him about that because concerns are still being expressed. Would he confirm that the Bill is a disaster, that it has been withdrawn and that it will not be re-presented in its present form?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Liberal caucus over the weekend is in worse shape than we had all suspected when that is the type of question the Hon. Member puts forward. That is a third distortion now with respect to the premise of a question. I am disappointed in him.

I hope the Liberal Party is now in support of what I think is a legitimate legislative approach to control depictions of sexual abuse of children and the degradation of women. I hope the Liberal Party has not changed its position on this issue.

At no time did I say the legislation has a low priority. This is very balanced and very much needed legislation which I think addresses a serious problem in terms of an obscenity law. The present provisions of the Criminal Code are unacceptable.

The Fraser Commission has looked at this matter in great detail. That was a commission the Hon. Member's Government, of which he was a part, put together. That commission has made some very sensible recommendations which we have accepted.

The Hon. Member talks about the Bill doing certain things, comments which I utterly and absolutely reject. I wish the Hon. Member would get his facts straight before he stands up in this House.

EFFECT OF PROPOSED LEGISLATION ON LIBRARIES

Hon. Bob Kaplan (York Centre): Mr. Speaker, everyone can agree with the goals the Minister just described as being the purpose of the legislation, but it is not just the Official Opposition which is criticizing the Bill. Would he confirm that the librarians of his own City of Saskatoon came forward to indicate that, if this Bill goes forward in its present form, not only will the goals he talked about in his answer be covered, but the Bill will go much further? I ask him to confirm that libraries like those in his own city will have to divide into sections and prevent young people from examining what is undoubtedly great literature by anyone's definition? Why does the Minister not wake up and fix up this Bill?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, one of the prerequisites of being a librarian is the capacity to read. I think if the Hon. Member takes the time to read the legislation he will understand that we have in fact very substantially removed the provisions with respect to the written word. We are now talking about visual depictions. I am telling the librarians that right now, and I tell the Hon. Member that he should not bring forward misrepresentations of the legislation.

Mr. Turner (Vancouver Quadra): When is the last time you walked into that library?

Mr. Hnatyshyn: The librarians in Saskatoon are my dearest friends. We come together on all occasions.

* * *

• (1440)

ENVIRONMENTAL AFFAIRS

NITROGEN OXIDE EMISSIONS—DISCUSSIONS IN GENEVA

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is for the Secretary of State for External Affairs. It concerns his statement in the House last Friday in answer to a question, wanting credit for a so-called win with regard to NOx emissions. If he got the American Government to agree to a reduction in NOx emissions we would call it a win, and we would give him credit for it.

I hope that today he will be specific about what is in this win. Are there real reductions to which the American Government has agreed? Or does he consider a win to be merely the fact that the Americans have agreed to keep on talking?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the change in Geneva is very substantive. There were two proposals seriously considered by 34 countries during negotiations.

The first would have seen any previous year, not just 1987, as the baseline on which the Americans, among other countries, could calculate the extent to which they met their obligations under the treaty. The Americans, could have chosen 1978, which was their highest year of production of nitrogen oxides, which in turn would have meant that it would have been that much easier for them to meet their obligations. We have eliminated the clause "any previous year".

The second proposal concerned a provision that would have enabled the Americans and other countries, too, to credit reductions in previous years against any future reductions they would be required to make under the protocol. We have removed that provision as well.

It is a double win for Canada.

POSITION OF UNITED STATES

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, if indeed the Americans are agreeing to that, then that would be a very significant step.

Will the Minister confirm that this protocol will go ahead without American agreement and that these really crucial matters are still left to bilateral talks? Will he confirm specifically whether or not have the Americans have agreed to get rid of the "any year" provision? Have the Americans agreed to at least a freeze? Are the Americans prepared to go ahead with stated objectives for reductions in NOx emissions?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the short answer is that all the prospective signatory countries have returned to their respective jurisdictions to consult their Governments with a view to coming back to the table on July 1, 1988, a few months hence, to tell the other partners the extent to which they can go along with the protocol as drafted.

We will not know, presumably until then, or some time before the first of July, what the final position of the United States might be. I am hopeful.

However, as the Prime Minister indicated in connection with Canada-U.S. negotiations in Washington, short of pointing a cannon at Washington, what more can we do? We have put our case forcefully to the Americans, and to the world community. I think we have performed a service to the country in doing so.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MEMBERS OF ALBERTA LEGISLATIVE ASSEMBLY

Mr. Speaker: I wish to draw to the Members' attention the presence in the gallery of Marie Laing and Christie Mjolsness, Members of the Alberta Legislative Assembly.

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MEMBER OF BRITISH COLUMBIA LEGISLATURE

Mr. Speaker: I wish also to draw to Members' attention the presence in the gallery of Mr. Dan Peterson, Member of the Provincial Legislature of British Columbia

Some Hon. Members: Hear, hear!

PRESENCE IN GALLERY OF MEMBER OF BRITISH PARLIAMENT

Mr. Speaker: I wish also to draw to Members' attention the presence in the gallery of Gwyneth Dunwoody, Member of the British Parliament.

Some Hon. Members: Hear, hear!

* * *

YOUTH

METRO TORONTO YOUTH JOB CORE PROGRAM

Mr. Alan Redway (York East): Mr. Speaker, my question is for the Minister of State for Youth. As the Minister is well aware the Metro Toronto Youth Job Core Program is a program which trains hard-core unemployed young people, who cannot get or cannot find jobs because of their own personal or work habits, to become productive citizens. He is also aware that the funding for the program is in jeopardy because of the fact that there is such a low rate of unemployment in Metropolitan Toronto.

Will the Minister undertake to review the funding criteria for that program to ensure that these young people do not turn out to be permanent welfare recipients?

Hon. Jean J. Charest (Minister of State (Youth) and Minister of State (Fitness and Amateur Sport)): Mr. Speaker, the program and the project to which my hon. colleague refers are funded under the severely unemployed disadvantaged option of the job development program of the Canadian Jobs Strategy which does not provide or guarantee ongoing funding. I will be happy to look into the matter on my hon. colleague's encouragement and report back to him.

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CANADIAN BROADCASTING CORPORATION

LACK OF TELEVISION SERVICE IN NEW BRUNSWICK

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is for the Minister of Communications. It concerns the lack of a full English language service in New Brunswick, the only province in Canada without a CBC owned and operated television service.

Last month officials told the Premier of New Brunswick that the corporation could not find the $10 million to $20 million needed to give New Brunswick this full service. Yet, two weeks later, $220 million was found for equipment for a new broadcast centre.

How can the Minister explain to the Premier and the people of New Brunswick that, on the one hand, they can find up to $380 million for a new broadcast centre and, on the other hand, they cannot find $10 million to $20 million to give a full CBC service to New Brunswickers? Is that not another example of how the Government treats New Brunswickers? Are we going to be second-class citizens all the time under the present Government? What is happening to the Government?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, not for one moment do I accept that New Brunswickers should be considered second-class citizens. Not for one minute would I consider that anyone from the Maritimes should be considered a second-class citizen or, indeed, anyone from anywhere else in Canada.

As the Hon. Member has said, New Brunswick is the only province in Canada in which there is not an owned and operated CBC outlet for English language television. I very sincerely regret that.

I would also like to say to the Hon. Member that in the last few weeks hearings have taken place before the CRTC on the question of the future of the CBC in New Brunswick. Of course, I await the outcome of those hearings.

I would like to see a full CBC station operating in New Brunswick, but that decision has to be taken by the CBC.

[*Translation*]

PRODUCTION OF PROGRAMS IN NEW BRUNSWICK—MINISTER'S POSITION

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, if the Minister were really serious about this, if she really wanted the people of New Brunswick to get the same treatment as other Canadians, wouldn't she be prepared to instruct CBC authorities immediately to invest money in improving services and set up production facilities so that programs can be produced in New Brunswick?

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, one week members of the Liberal Party are telling me I should not be interfering with the CBC. The next week they are telling me that I should be going in and telling it what to do.

We believe that there should be an arm's length relationship between the Government, and the agencies that operate in the cultural sphere. I intend to honour that commitment.

* * *

SCIENCE AND TECHNOLOGY

VANCOUVER—PROPOSED CONSTRUCTION OF PARTICLE ACCELERATOR

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is for the Deputy Prime Minister. He will know that yesterday the Minister of State for Science and Technology announced that the Government was not prepared to make a commitment to participate in the construction of the kaon project at the University of British Columbia. The Deputy Prime Minister will also know that this project is absolutely critical in terms of upgrading the existing TRIUMF project to make it a world-class science facility.

Will the Deputy Prime Minister now indicate that if this project is considered to be feasible as a result of the design study under way, and in the Canadian interest, the Government will make a commitment to fund this first-class scientific project?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, again we have another distortion. That is not what the Minister of State for Science and Technology said at all.

What I think he did say is that there were discussions going on with provincial government officials as to the probability of funding, engineering and feasibility studies. I think that the Minister demonstrated a very positive approach on behalf of the federal Government in that regard.

REQUEST FOR FINANCIAL COMMITMENT

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, we have seen that the Government has made a commitment to participate in the space agency, and to fund Canada's participation in the U.S. space station to the tune of $1.2 billion. The point is that virtually all this scientific research will take place in eastern Canada. We are simply saying that we want some in western Canada.

• (1450)

Will the Deputy Prime Minister make a commitment, because the Minister of State did not make a financial commitment, that if this project is in the best interests of the people of Canada, and the design study proves to be true, western Canadians will be treated fairly when it comes to scientific research money?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I want to advise the Hon. Member that I participated in a meeting with other Ministers from the provincial Government where this particular matter was discussed, and discussions are continuing. I think that the comments made by the Minister of Science and Technology yesterday clearly reflect the positive attitude that we are taking in this regard.

* * *

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

IMPORTANCE OF AWARDING CONTRACTS TO CN SHOPS IN MONTREAL

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Employment and Immigration, the same Minister who was conspicuously absent in Montreal last Friday when it was announced that another committee to examine Montreal's economic renewal had been set up. The Minister delegated another Minister, who delegated another Member, who arrived without knowing what to say. I would like to ask the Minister: Why not, instead of just setting up a committee, why not take concrete action now, considering the urgency of the situation, by, for instance, giving CN shops the assurance they will get the contract for renovating VIA Rail rolling stock? Why look for somebody else to do the work instead of the people who have the equipment and skills to do a good job?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I am going to have to ask the Hon. Member to repeat the question.

VIA RAIL ROLLING STOCK—REQUEST THAT REPAIR WORK BE DONE IN MONTREAL

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I think the Minister was right to shun the Montreal meeting.

I do not know if the Government believes that it will be able to buy time by creating yet another committee to look at the economic development of Montreal, instead of making specific moves right now to create jobs and to help save jobs in the southwest part of Montreal.

May I ask the Minister again, if she is listening, why would the Government not order VIA Rail to send the refurbishing of its rolling stock to be done in the Point St. Charles CN Shops, instead of looking around to try to find someone else to do the job?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the answers we are looking for in southwest Montreal, as in eastern Montreal, are far more significant than the kind of project the Hon. Member is talking about. We want to have possible solutions identified on a long-term structural basis, after we are able to analyse the economic potential of the region. It is this type of action that will be most sensitive, as it was in Montreal east.

I should also say that employment in Montreal rose by 114,000 between 1984 and 1987, and this compares with a loss of jobs under the former Government.

* * *

HUNTING AND TRAPPING

THREAT POSED BY PROPOSED BRITISH LEGISLATION

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The livelihood of thousands of Canadian families could be devastated by proposed British legislation which would force retailers to label furs indicating that they may have been trapped.

The trapping industry cannot fight the anti-fur lobby alone, and now the situation is urgent. This legislation could be brought up in the British Parliament within weeks.

Will the Minister take the case of Canadian trappers and the Canadian fur industry directly to British parliamentarians, and provide them with information about the real facts on this issue?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have already begun to do that. I certainly share the concern of the Hon. Member for the Yukon, and indeed of Canadians generally with regard to the effect upon the livelihood particularly of northerners, but also of people who are engaged in trapping as their only means of making a livelihood across the country.

The High Commissioner was in again last week to speak to authorities in Great Britain. We are in touch with members of the British Cabinet. We are not yet making the progress that we want to make. It is very important that all of us in the House who understand the importance of this industry to the livelihood of some of the poorest Canadians, should join together to try to impress that fact upon British parliamentarians.

REQUEST THAT PRIME MINISTER INTERVENE

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my supplementary question is the following. This issue is important. There are approximately 105,000 jobs in Canada at stake. About 60 per cent of those who trap are aboriginal people who have been good husbands of the land for many years and who understand the environmental issues and humane trapping methods.

I appreciate that the Minister has said that the Government is doing something directly with British parliamentarians. Will the Minister undertake to advocate with the Prime Minister that he raise this issue when he meets with the British Prime Minister later this month?

Right Hon. Joe Clark (Secretary of State for External Affairs): I will do that, Mr. Speaker. I also will, naturally, raise the matter both directly and personally with the British Foreign Secretary when I meet him within the next month. I have been in touch with him already but have not had the chance to discuss the matter with him directly. I intend to do that.

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CHILD CARE

EDMONTON—PROPOSED FACILITY IN CANADA PLACE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the President of the Treasury Board. I would rather have had an Alberta Member asking this question, but unfortunately none of them seem to be interested in this issue.

Some Hon. Members: Oh, oh!

Ms. Copps: Since there are Members of the Legislature here today from Alberta, I have a specific question for the President of the Treasury Board. Given that at Tunney's Pasture this week there will be a child care centre opening for federal government employees in Ottawa, can the President of the Treasury Board give us the assurance that the same service will be available to federal government employees in Edmonton at Canada Place?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, there is a proposal for a day care centre in the new government building in Edmonton. The particulars have not been finalized to date. The proposal was made long after the original design was completed. Hopefully, we will come to a conclusion about whether or not the space will be available, on what basis, and to whom, within a reasonable period of time.

TREATMENT OF FEDERAL EMPLOYEES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister will know that the facility is supposed to be opening within the next few weeks. There are parents in Edmonton who would like to know if there is some kind of second-class treatment for civil servants in Alberta as compared to Ottawa.

Some Hon. Members: Oh, oh!

Ms. Copps: I would like to ask the Minister, why is it that Treasury Board had no problem coming up with the money for the Tunney's Pasture facility in the nation's capital, and when it comes to Edmonton that 20-odd Tories are silent on the issue? Why are they not fighting for federal government employees in Edmonton to have the same rights as government employees here in the nation's capital?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I might note that this is the first Government ever that has considered potential day care places for children of public servants.

Ms. Copps: That's totally false.

Mr. McInnes: Perhaps the Hon. Member would allow us time to determine the feasibility, the availability, and to whom the spaces might be made available.

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CANADIAN ARMED FORCES

TREATMENT OF DIABETICS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, in the absence of the Minister of Defence my question is directed to the Associate Minister of Defence.

In 1981 Mr. Stephen Green, now of Victoria, British Columbia entered the Armed Forces. He set an excellent record, and has been accepted for officer training. Unfortunately, he has recently been diagnosed as having diabetes. The officer training program has been rescinded. He has received a notice of dismissal from his present job.

When diabetics are now policemen, firemen, and hard-rock miners, why are the Armed Forces so out of touch with medical realities? Why are they discriminating against these soldiers?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, I would be very pleased to answer the question and its specifics if the Member would like to give the details in a letter.

I can inform him that we do not discriminate against diabetics. As a matter of fact, some diabetics are kept in the Armed Forces. Those whose condition is of an extremely serious nature, and who would not be able to use insulin or have doctors nearby on certain postings, unfortunately we do not keep them there because it would be a danger to their own lives.

• (1500)

Mr. Waddell: Mr. Speaker, I thank the Minister, and I will give him names of other people, names which I cannot make public.

MINISTER'S POSITION

Mr. Ian Waddell (Vancouver—Kingsway): Is the Minister aware, as the Armed Forces does not seem to be, that there are modern methods of blood glucose monitoring, Mr. Speaker? Insulin is portable now. People can monitor themselves. Would the Minister not agree with me that modern medicine says there is no reason to take people away from their jobs or to kick them out of the Armed Forces because they suffer from diabetes?

Hon. Paul Dick (Associate Minister of National Defence): I entirely concur with the hon. gentleman, Mr. Speaker, that in most normal situations a diabetic should be able to carry on his or her functions in all workplaces. However, the Armed Forces workplace is not always in a normal situation. Only the most extreme of cases are released from the Armed Forces. The other ones we accommodate.

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NATIONAL DEFENCE

ACQUISITION OF NUCLEAR POWERED SUBMARINES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is also for the Acting Minister of Defence.

Anthony Cordesman, the author of a new book on NATO, joined a growing number of defence experts when he wrote recently that Canada's purchase of nuclear submarines was wrong, that it would jeopardize Canada's NATO commitments. He even questioned the strategic rationale of the submarines.

How many international experts criticizing this plan does the Government need before it cancels the whole cock-eyed proposal?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, the unique thing is that our Party has a plan—the Liberal Party does not—on how to defend Canada's north. We happen to believe in the sovereignty of Canada's north. We will make the decisions on how to protect it in Canada. We will not depend on American or other international experts.

COST OF SUBMARINES

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, this plan of purchasing submarines will do nothing to protect Canada's sovereignty in the north. Mr. Cordesman, who is a national security adviser in the U.S. Senate, said that this huge financial commitment of $12 billion would mortgage Canadian defence investment funds for a generation.

Can the Minister explain how he hopes to purchase these submarines, stay within budget, and maintain his other commitments to NATO?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, the Hon. Member is citing another American trying to advise Canadians. Perhaps he would prefer to get some actual facts in Canada. We have done our calculations based on our economic models, based on prices in Canada, not on prices in the United States. We do not expect to spend $600 for toilet seats and $2,000 for aerials. We hope to do this in a practical and in a rational way. We do not take our advice necessarily from Americans on our sovereignty and security; we take it from Canadians.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, I rise on a point of order. There have been discussions among the Parties. I was advised earlier today by the New Democratic Party that it has several more speakers for Bill C-74, an important piece of environmental legislation. We had hoped to send that Bill to the Senate along with the western diversification, the Atlantic Canada Opportunities Agency, and victims of crime Bills. Unfortunately the Opposition has several more speakers, which will prevent that from happening.

In an effort to complete legislation and to speed passage of legislation to the Senate, I have advised the other Parties that

we will now call Bill C-113, an Act to promote the development and diversification of the economy of western Canada. We hope that, unless there is further unusual delay, we will be able to complete this Bill by five o'clock this evening.

Mr. Riis: Mr. Speaker, I simply want to indicate to the Deputy House Leader that we appreciate the advance notice earlier today, that the Government intended to change the order of business and get on dealing with the western diversification Bill.

I agree with the Minister of State that the environmental protection legislation presently before the House is very important. While it is our intention to support that legislation as enthusiastically as we can, there are a number of points we feel ought to be made before the Bill leaves the House. Those will be done quickly, expeditiously, and in a very business-like way as soon as possible.

GOVERNMENT ORDERS

[*English*]

WESTERN ECONOMIC DIVERSIFICATION ACT

MEASURE TO ENACT

The House resumed from Friday, April 29, consideration of the motion of Mr. Mulroney that Bill C-113, an Act to promote the development and diversification of the economy of western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts, be read the third time and passed, and the motion of Mr. Hawkes:

That this question be now put.

Mr. Rod Murphy (Churchill): Mr. Speaker, I am pleased to have the opportunity to finish my remarks on the western diversification legislation. I should point out to those watching today that again we have a situation where the Government has changed the legislation before the House in a very haphazard manner.

One hour prior to this debate we were still debating Bill C-74, the environmental legislation. Now we are back to debating the western diversification Bill. It is obvious that the Government is running out of time in this legislative session. It knows its legislative program is in trouble. The Government has yet to start debate on free trade and to introduce legislation on Air Canada. The Government knows that legislatively its back is to the wall. As a result, we have the unusual situation where we deal with one piece of legislation in the morning and a different piece is dragged into the House for the afternoon. Every time there is a piece of legislation on the Order Paper, the Government attempts to extend the hours of the House. It moves to prevent legitimate amendments in the House.

This is a very difficult situation for those Members who are scheduled to speak and so engage in legitimate debate. There is absolutely no way we can believe the Government when it says what the Orders of the Day are or what the Business of the House will be for the next day.

The House has found it almost impossible to have a legislative timetable, because the Government has been unable to get its act together. It recognizes now, with two months left and the number of Opposition Days guaranteed by the rules of the House, that it will have a problem. The Government's way of dealing with that is not to sit down and negotiate with the opposition Parties in trying to come up with a timetable to see which pieces of legislation can be dealt with. The Government's approach is a bluster approach. The Government announces on Thursday what the Business of the House will be for the following week, yet a few hours later changes its mind. Even before Thursday is over there is a change with regard to Friday.

On Friday the Government announced that we would be dealing with the western diversification legislation and on Monday morning, an hour before the House sat, we found out that we were dealing with the environmental protection legislation. We went through the morning with that piece of legislation and made our plans for the afternoon. Just before Question Period started today we were told by the Minister of State (Mr. Lewis) that we would be back to debating the western diversification Bill.

These procedures tell us that the Government is out of control and that the Government is unable to plan a legislative timetable. It is hoping to catch the Opposition napping. The Government wants to ram through some pieces of legislation quickly in order to see if it can recapture some time. If it is following those tactics, the Government should realize that the probability of co-operation from the Opposition will diminish.

If our critics do not have notice and if members in Standing Committees are pulled out of those committees without notice, one cannot expect opposition Members to co-operate with the Government. The Government should realize that. It should stop playing this kind of poker game by dealing cards and, if it does not like the way the cards fall, taking them back and dealing them again. That is what is happening.

There are enough Members on the government side who sat in opposition when the Liberals tried the same tricks in the past to know that members of the Opposition do not like it. It makes it impossible to work and do the types of things that are necessary as a Member of Parliament and as a member on a committee, if the Government continues to change legislation the way it has.

I was particularly upset when the Parliamentary Secretary rose on Friday and moved the previous question on the issue of western diversification. This is an issue which affects all parts of the West and on which many Members of the House from western Canada have not had an opportunity to speak. It was forced through the House quickly at second reading stage.

When it went to committee, the Government refused to allow the committee to travel to western Canada, even though the committee studying a similar piece of legislation affecting Atlantic Canada was allowed to travel.

• (1510)

As I said on Friday in the few moments that I had to speak then, there are people in western Canada who would like to speak on this legislation. There are people who have various opinions on this legislation. They have ideas of their own on how the West should develop and what role the federal Government should be taking in supporting that development and diversification. Those people cannot all afford to come to Ottawa. By its very nature, the House of Commons will not pay for the transportation of all those groups to Ottawa.

This Bill is a regional Bill and it should have been taken to the region so that people from Edmonton, Calgary, Red Deer, Kamloops, Prince George, Vancouver, Victoria, and the smaller communities could make presentations. The same is true for the people of the Provinces of Saskatchewan and Manitoba. The people from those provinces would have liked to have spoken on western diversification, but they were denied the opportunity to do so.

When the Parliamentary Secretary, a Member from Calgary, rose to move the previous question and, by doing so, limited debate on this matter, I was appalled. First we were denied the opportunity to travel to the West, and now we have been denied the opportunity to express fully our concerns with regard to this legislation.

I am not the only one with these concerns. I could quote the remarks of all sorts of groups that have concerns with this legislation. I am not just talking about those groups that have traditionally supported the New Democratic Party or the CCF. I am not talking strictly of the co-operative movement, the labour movement, or some of the other groups that are famous for having left-wing, co-operative approaches to issues. I can also quote the remarks of other groups from western Canada that are concerned with the format, the concept, and the fact that decision making will not really take place in the West. These groups are concerned that there may not be a co-ordination of over-all government policy within the structure developed by the Government.

The Canadian Federation of Independent Business has suggested that this measure might be a political slush fund, and if it is not a political slush fund, that it might be a bureaucratic slush fund. The Federation has said that it is a narrow, highly centralized approach to diversification with a continued emphasis on megaprojects. The Federation calls it a confusing black box lacking clear criteria or policy direction and has said that it is on a collision course with a myriad of client groups who will inevitably see thousands of applications rejected and thousands of hopes dashed. That is what a group supported by small business is saying about the Western Diversification Fund.

The Federation goes on to make some remarks comparing this measure to the Western Development Fund, what I called the phantom fund of the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy). The previous Liberal Government promised $4 billion to the West and that was reduced to $2 billion and then disappeared altogether.

I realize that my time is up. I realize that that is a direct consequence of the Government's measure to restrict debate on this very important matter and that it points out the problem with the approach this Government has taken to western diversification. It is not only refusing to listen to the people of the West, but it is restricting the ability of western MPs to speak on this very important matter.

Mr. Hovdebo: Madam Speaker, in previous attempts at the diversification of the West or of other regions, the legislation has given Departments including DREE and DRIE responsibility for the co-ordination of the efforts of other major Departments such as Finance, Transport, and Health and Welfare. These Departments have co-ordinated efforts to develop programs which would substantially affect the region being diversified. I wonder if the Hon. Member could give us some indication of whether or not he sees something like that as being possible.

Mr. Murphy: Madam Speaker, I thank the Hon. Member for Prince Albert (Mr. Hovdebo) for his question. I believe that it is a very important question. It is something that concerns all of us.

The Macdonald Royal Commission on the economy discussed the co-ordination role of DREE, which was supposed to have acted as a co-ordinator with the other federal Departments. Its report indicated that a major federal concern was that DREE was not proving to be very effective in co-ordinating and integrating the activities of other line Departments, and that the line Departments felt relatively little need to pay much attention to regional concerns. As someone who was the DREE critic in those days and who has had an opportunity to see some multidepartmental approaches in northern Manitoba and other places, I recognize that the co-ordinating role will not happen if we simply set up a little agency in Atlantic Canada with a limited political clout and a different agency responsible to a different Minister in western Canada, again with limited political clout. There is no over-all thrust.

I must agree with the Canadian Federation of Independent Business which is very critical of the approach that is being taken. With the new Atlantic agency and the Western Diversification Fund, political motivation and back room deals will be the way decisions will be made. That is a problem. When we see thousands of applications coming from western Canada and only a few being accepted, and some being accepted during provincial election campaigns, we must be skeptical and wonder what the decision-making process is all about. I am very skeptical.

Specifically in answer to the question asked by the Hon. Member for Prince Albert, I believe that the only way there can be an effective co-ordinating role is if there is direct accountability to a Department like the one DREE used to be before the Liberals dismantled it. There must be a responsibility written into the legislation so that various programs will be funnelled through DREE, not just when someone thinks it is necessary or a good idea but as a requirement so that when development is taking place in western Canada, decisions are made in Ottawa, and that is just as important.

Decisions made in Ottawa affect the regions, and I am referring to decisions like the Air Canada-Airbus decision, the CF-18 decision, and a number of other decisions which seem to be made for certain political reasons with no regard for what is happening or for what negative effect it will have. We must see that some second thought is given, and that is what we are not seeing at this time.

• (1520)

I believe that the lack of any clear authority in this legislation means that the diversification agency will have no role over the line Departments and that they will continue, as happened under the Liberal Government, to ignore any role for regional development.

Mr. Riis: Madam Speaker, as my hon. colleague from Churchill has indicated, one of the very important roles which the Western Diversification Office ought to take on is to be an advocate for western Canada—western Canadian business, western Canadian industry, and western Canadians.

We all remember the CF-18 decision. All the experts said that Bristol Aerospace in Winnipeg should carry on the maintenance of those fighter jets, but the decision was made that the maintenance would go to Montreal. The Member also mentioned Air Canada's pending decision on the Airbus, which would again result in a significant decrease in the maintenance program in Manitoba.

I want to ask the Member about the kaon project. The Member is well aware that the kaon project is a supportive development for the TRIUMF project in British Columbia. British Columbians, particularly the scientists at the University of British Columbia, are very proud of the contribution which that has made to particle science, particularly particle physics. We now have a chance to make this into a world-class scientific project, a leading scientific project in the world. However, it requires a commitment from the federal Government.

Does the Hon. Member for Churchill (Mr. Murphy) consider this to be a legitimate role for the Western Diversification Office to play? Does he think it should be an advocate to ensure that westerners, western Canada, and specifically a western university, be the home of a world-class scientific project, the kaon project or the TRIUMF project? This would be in line with the decision of the federal Government to support the space agency and set aside $1.2 billion in scientific research for that agency which will be done, by and large, in eastern Canadian universities. Does the Hon. Member for Churchill consider this a legitimate role for the Western Diversification Office to play?

Mr. Murphy: Madam Speaker, that is a very interesting question. It points out the problem we have with the legislation and with the way the Government acts. This appears to be a very good project in western Canada which is not being favoured by the Minister responsible. We thought that the Western Diversification Office was co-ordinating development in western Canada. Rather, the Minister, acting by himself, is saying that the Government will probably not sponsor the project.

Were the people at the Western Diversification Office even consulted? We do not know whether they were or not. Was the Minister responsible for western diversification consulted on this decision? Again, we do not know whether or not he was consulted. Was a report made on the merits for western Canada of this project going forward? If so, what were the benefits to the West, and what were some of the negative aspects involved in this decision? Again, we do not know.

When we see important decisions relating to research and scientific and technological study and improvements being turned down in western Canada, we have to wonder whether the Western Diversification Office had any role whatsoever in the decision.

How do you develop co-ordination of various government programs in the West if major decisions are being made by one Minister acting alone, even though they have a fundamental effect on the development of western Canada? Although the money and the programs are needed, the Western Diversification Fund will not help the West unless there is an over-all co-ordinating role and if they continue to ignore what is happening in the communities and the suggestions of people in the regions.

Mr. Maurice Foster (Algoma): Madam Speaker, I am happy to have a chance to speak on Bill C-113 because it is a very important Bill in western Canada. We feel western Canada is facing the most difficult time in its history, not only because of the dramatic downturn in oil prices in 1986 which plunged the prices to a level at it is simply not feasible to operate many of the new projects which we would like to see developed in the tar sands and heavy oils, but because the cash flow generated puts a lot of small operators into a serious position.

Government Members are, of course, always very critical of previous government programs with regard to energy. However, it is clear that the Western Accord did not provide for the downturn which we saw in energy prices in 1986. The prices are still hovering at $16 to $17 per barrel. It is my understanding that the economic incentive provided under CEDIP for the past year is going to be phased out as well for oil and gas exploration. Of course, any program under the Western

Economic Diversification Program is all government assistance. Therefore, when programs like CEDIP are phased out we must ask whether this new program takes its place. Of course it does not. It is an entirely different kind of program for an entirely different number of activities.

In addition to CEDIP being phased out, we are seeing the earned depletion allowance being phased out which has provided $600 million or $700 million for mineral exploration and development in the past three or four years. Of course the new program under the Western Economic Diversification Office does not take its place. As a matter of fact it is much smaller. It involves some $60 million a year for each of the four western provinces.

A program which has been instrumental in developing new mines in northern Manitoba and other areas of the West is being phased out at the same time, and the net result is less incentive for exploration and development in the mineral and oil and gas industries, and this at a time when the economy of the West is generally down.

We must look at the program which has been put in place because, even though the legislation has not been passed, there is enabling legislation for departmental reorganization and establishment and grants are being given under the Western Economic Diversification Office. We must look at the programs and grants which have been established.

I had an opportunity to hear some of the witnesses before the committee. One of the most penetrating and decisive descriptions put to the committee was put forward by Dennis Young, the President of the Single-Industry Towns Association He put the argument forward that we should be working more toward developing small industries in individual communities. From the experience I have had in my district, I have been very impressed with programs like the business development centres under the Department of Employment and Immigration. While that program exists in some communities in the West, it does not apply to many areas. Programs under this legislation will not provide that kind of assistance.

• (1530)

Under the Business Development Centres Program, a small amount of money is provided as an incentive for the operation of the Economic Development Corporation. Funds amounting to $275,000 per year are provided at that level.

The funds that are provided for incentives in my area take the form of a loan at regular commercial rates of interest of 11 per cent or 12 per cent. It is amazing that in my constituency, businesses have been able to create some 30 or 40 jobs with capital funds of $275,000 per year. This is not done by large manufacturing concerns or through megaprojects, but with small community-based projects that are expanding businesses. This program provides funds strictly on a loan basis.

A number of witnesses made the argument that this type of program will deliver more effective economic development on a more sound basis than the present program. I hope that the Government will consider it because it is a valid criticism.

The Single Industry Towns Association points out that most of the grants go to the large cities. I assume that these grants will continue to go to large cities in the West, which perhaps are already more diversified and successful in attracting new business than the rural towns and villages throughout the Prairies which have difficulty in attracting new business.

The Government should consider this concern because it is a very valid criticism. This problem has been overcome in many communities with the use of the Business Development Centres Program under the Department of Employment and Immigration.

Unfortunately, only a limited number of these projects have been approved across the country, and the Western Diversification Program does not provide funding.

Prairie communities have been facing a downturn in the price of oil and natural gas since 1986. They are also suffering from extremely low grain prices. Bill C-113 is not adequate to cope with the dramatic events that are taking place at the international level. The U.S.-European Economic Community trade war is resulting in dramatically reduced property values on farms throughout the West.

I do not believe the economic fall out of this has been fully appreciated. While the report will not be out for another two months, we hear that the Farm Credit Corporation is facing the loss of $500 million to $1 billion. The full impact of this situation has not been investigated, nor has a program been established to deal with the problem.

The Agriculture Committee has been studying agriculture throughout Canada, but clearly the Prairies are facing the greatest challenge in the face of a reduction in the value of commodities, especially grains and oil seeds, and the consequent reduction of farm property values. As farmers lose their equity, their position of stability is being challenged.

Furthermore, many parts of the southern half of Alberta and Saskatchewan are facing a drought situation. Slews are dried up, for the first time in memory, and the dug-outs used to water cattle are dry. Dust storms are blowing away the top soil.

Today I asked the Minister when a program would be announced and what would be the Government's commitment. Alberta has already made a commitment of some $20 million for expanding dug-outs for water supply, for developing new wells and pumping systems. If the situation continues, the Government will have to make a commitment.

It is unfortunate that the Government cut back the budget of the Prairie Farm Rehabilitation Administration which has provided assistance for the development of water supplies and so on in the past. The budget has been cut to $64 million from some $150 million a few years ago.

Western Canada is facing a difficult time. We are concerned about whether this western diversification office is the proper mechanism to cope with the kind of economic diversification we really need, not only in western Canada, which depends on one or two major resource commodities, but in other parts of the country which face the same kind of difficulties.

The decline of the rural community as a result of lack of funding for useful programs has been exacerbated by the policy not to replace the postmasters who leave rural post offices. Some 5,000 rural post offices are under the gun, along with some 90,000 jobs as a result of that policy. Rural Canadians can only hope that their postmaster will not have to retire in the near future.

Rural communities also require infrastructure, including the replacement of streets, sewers and water works systems. This western diversification program will not provide that important infrastructure for these rural communities.

The Canadian Municipal Association put forward a program a couple of years ago. It stated that over five years it would need a $15 billion program to upgrade rural community infrastructure across the country. That program would have provided $1 billion from the federal Government, $1 billion from the provincial Government and a similar amount from the municipalities across Canada. Unfortunately, under the rural Economic Diversification Program, no funding will be provided for municipal infrastructure. That is unfortunate because various groups that came before the committee complained that not only are the grants going mostly to urban centres across the Prairies but there is very little help for the small towns and communities and no municipal infrastructure is provided under this program. So there are a number of problems that just do not seem to be resolved under this Western Economic Diversification Program.

• (1540)

We are also concerned about the program for railway rehabilitation for western Canada which is essential for the transportation of grain, especially in branch lines. It appears at the present time that this billion dollar program is going to be wound up next year with about $125 million left in the program which will not be made available to do that essential upgrading. Clearly this is a breach of the trust of western communities and the western grain industry. That commitment should be honoured by the Government.

When we talk about $1.2 billion over five years, it sounds like a lot of money, but when we break it down to four provinces per year, we are looking at some $60 million per year. We see the Government phasing out the CIDA program for exploration and development in oil and gas. We see the earned depletion allowance phased out for exploration and development in mining. We see $125 million in the Railway Rehabilitation Program which is not being spent. We see the cut-back in funding for postal services and we see the cut-backs in the community colleges which are essential for the training and upgrading of our young people. That cut-back involves 40 per cent during the last three or four years. We see a massive number of cut-backs which are not compensated for under this program of western diversification. So I think those are very important concerns which should be addressed.

It is not clear, for instance, with the phasing out of the IDRP program, if the funding provided there is balanced and is the same amount of money as in the Western Economic Diversification Program. Although the delivery mechanism is a little different, there are regional offices, which is an advantage. Is there any net increase in the money for regional development? It is not very clear just what the increase is under any of these programs. Those are some of the concerns I see.

I could go on to talk about the softwood lumber export tax which in British Columbia has been transferred from an export tax to a stumpage charge. For one company alone in Prince George, British Columbia, the stumpage charge went from $6.2 million to $19 million a year when that tax was transferred. That is the kind of problem many rural communities will face in the British Columbia area under the transfer to a new stumpage charge from the export tax charge. So I think there are a number of issues that need to be addressed and considered before this legislation is passed and put into effect.

Mr. Shields: Mr. Speaker, I listened with a great deal of interest to both the previous speaker and the Hon. Member for Algoma (Mr. Foster). I think some things have to be clarified. I would like to ask this question; how can the Hon. Member for Churchill (Mr. Murphy), for example, say with candour that the Government refused to allow the committee to travel when there was no request for the committee to travel? It is unfortunate we are hearing these kinds of things during debate on a very important Bill.

The Hon. Member also said the Government refused to hear witnesses, but the committee heard three witnesses put forward by the New Democratic Party. There was a question on delay in committee, and that is why it was brought back. I would like to ask the Hon. Member for Algoma, who indicated that it was a slush fund and that there were questions to be asked, how he can indicate this when there are basically 58 Progressive Conservative ridings in western Canada and it is going to be very difficult for programs to be approved under the Western Economic Diversification Program if they are not approved in some of the Conservative ridings? How does the Hon. Member square that?

Mr. Foster: With respect to the Government providing witnesses, there was a terrible battle to get any witnesses before the committee, even the Canadian Federation of Independent Business. It had prepared quite an important paper on the subject and we had a great battle to get it accepted as a witness. A number of witnesses were proposed by the New Democratic Party. Although the Member says three of them were allowed by the Government to attend the

committee hearings, practically none of the witnesses proposed by my colleague, the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy), were permitted to appear before the committee. For instance, Dr. Michael Percy, past Director of the Western Centre for Economic Research, University of Alberta, was not permitted to appear. Mr. Ed Guest, Executive Director of the Port of Churchill Development Board was not permitted to appear. Chief Rodney Spence, Nelson House Band, Nelson House, Manitoba, was not permitted to appear. There is a report coming out fairly soon which, I understand, has been prepared by Mr. Michael Decter, a consultant to the Economic Council of Canada, who was not permitted to appear.

I think it is totally understandable that the Hon. Member for the New Democratic Party said that committees never travelled because government Members would not permit it. There is no question about that. There was no agreement even to have any witnesses appear.

When the Hon. Member talks about concern for the funds being used as a slush fund, that is exactly what the Canadian Federation of Independent Business, in its submission to the Minister responsible for economic diversification, said on February 12. On the first page of the executive summary it states with respect to the program, that its enthusiasm has been tempered by growing concern that the western diversification initiative is degenerating into at least one of the following. It then lists the following items.

• (1550)

It states that it is degenerating into a political slush fund to support vulnerable constituencies, lure in big business, or bail out obsolete industries in the hope of gaining short-term political profile. It is not members of the Opposition who are expressing concern about this initiative, it is the Canadian Federation of Independent Business which is expressing the concern that the fund would be used as a slush fund.

Its second concern also refers to a slush fund. It states that it would be a bureaucratic slush fund available for other line Departments and Ministers to raid in lieu of other national programs that should have their fair share spent in the West.

There are two aspects to the slush fund about which the Federation is concerned. The first is that it is a political slush fund for PC candidates who are in trouble in their own ridings, or their big business friends who are in trouble with obsolete industries or industries which are failing. The second concern with regard to the slush fund approach is that it may become a bureaucratic slush fund. The concern that this will be a slush fund is well documented by the Canadian Federation of Independent Business.

Mr. Hnatyshyn: Liberals have had a lot of experience with slush funds, Maurice.

Mr. Foster: I think that the Minister of Justice (Mr. Hnatyshyn) is probably very nervous about this aspect, since I think some grants have gone to some Saskatoon areas. He is probably very concerned because in the Department of Justice there is no access to line department funds. He would see it as an opportunity for a political slush fund for his own constituency, not so much a bureaucratic slush fund as a political one. I suppose he could also see it as something of a bureaucratic slush fund because the Department of Justice does not build many court houses or have that type of thing. I understand how the Minister of Justice is very concerned about this matter.

The third approach taken by the Canadian Federation of Independent Business is that it be a narrow and highly centralized approach—

Mr. Shields: Mr. Speaker, I rise on a point of order. I am sure that the Hon. Member for Algoma (Mr. Foster) would not want to mislead the House or the Canadian people in his remarks today. Therefore he should point out that the paper from which he is reading from the independent businessmen was prepared long before the legislation was in place. Since the legislation has been in place they actually indicated to the Chairman of the committee that they did not want to appear.

The Acting Speaker (Mrs. Champagne): I am sure that the Hon. Member has brought up an interesting point in debate, but it is not a point of order. There is a minute and a half left in the Hon. Member's time.

Mr. Foster: Clearly, Madam Speaker, the government Members did their best to make sure that they would not appear. I can understand that. I believe I did read that into the committee record. They said: "Will representatives from the Canadian Federation of Independent Business appear?" They said: "Gee, we cannot get there tomorrow". Later on, after some debate, both in committee and in the House, they did appear, at our insistence. I thought that they made a worthwhile contribution to the committee study.

It took about one week to get them before the committee, but I thought that they made worth-while presentations. If there is anything wrong with the whole process, it is that this study was put out on February 12. If the legislation had been before the committee last fall, there could have been time for hearings. In that way we could have gone to the West and heard people make their presentations right in their own backyard as to how they want to see the legislation put before the House. We did not have that opportunity. What we are trying to do is to explore and explode all the problems of the legislation here at third reading.

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I have probably not been more upset than I am today as we are talking about this legislation when Members talk about the process that was used. I want to point out that I was a member of the legislative committee which studied this matter. When we studied the Bill clause by clause a request was made for a list of witnesses to come forward. There was a large list submitted by the Liberal

Member on the committee, and a somewhat watered-down list was received from the New Democratic Member.

Members indicated during the committee that these people had actually requested to appear before the committee. On checking that out we found that they did not request to appear before the committee, but that the request was being orchestrated by the Liberal member on the committee and by the New Democratic member on the committee strictly as a delaying tactic to keep the legislation in committee. In this way it would not be brought into the House and passed, and western diversification could not start to work in western Canada.

The Canadian Federation of Independent Business, for example, was telephoned by the Chairman of the committee who said: "Are you requesting to come before us?" They said that they were not. He then asked: "Do you want to appear before us?" They said: "We really do not want to appear before the committee. If you request us to do so, we will". The Hon. Member for Algoma (Mr. Foster) by his own words today in debate said that they appeared "at our insistence". That is exactly it. We can bring anyone to a legislative committee as a witness if we want to do it at our insistence. I do not think that that is fair. It is really another way that Members on the other side are trying to delay this Bill, as they have been trying to delay legislation in this House for the past month. They know that people in western Canada are waiting for the legislation. They say one thing out in western Canada and then when the legislation is to be put through which will help individuals, firms and employment in western Canada what do they do? They delay, delay, delay. It is very unfair that they do that. It is very unfair that they present these meaningless arguments that they have put forward to try to justify their position of delay. I will not accept that.

There is another question that came up in debate today. It is one that I resent most sincerely. Members opposite said that the committee was not allowed to travel. The committee did not make a request to travel.

Mr. Cassidy: Because your majority would not allow it to.

Mr. Shields: There was no request from the committee to travel across Canada. It was not even brought up before the committee, to my knowledge. I do not remember one person standing up to request that during that period.

Mr. Cassidy: You refused to hear witnesses. It was the Tories who refused to have the committee travel.

Mr. Shields: The Hon. Member now knows where it stands—

The Acting Speaker (Mrs. Champagne): I am sure that if the Hon. Member for Ottawa Centre (Mr. Cassidy) has something to say he may want to seek the floor later on this afternoon. The Hon. Member for Athabasca (Mr. Shields) has the floor. It is very difficult for the Chair to listen to two people at one time.

Mr. Shields: Madam Speaker, it upsets me when there was not a request made by either the Liberal Member or the New Democratic Party Member. There was not a request to travel. There was never a request to travel before the committee. The subject was never even discussed in committee. It was not a matter of who controlled the committee. It was never brought up in committee. The request was never made.

I am tired of these delaying tactics. Therefore, I would like to put before the House the following motion:

• (1600)

That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of third reading of Bill C-113, an Act to promote the development and diversification of the economy of western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts.

The Acting Speaker (Mrs. Champagne): The House has heard the terms of the motion moved by the Hon. Member for Athabasca. Will those Members who object to the motion please rise in their place.

And more than 15 Members having risen:

The Acting Speaker (Mrs. Champagne): Since 15 Members have risen, pursuant to Standing Order 9(4)(b), the motion is deemed to be withdrawn.

On a point of order, the Hon. Minister of Justice.

Mr. Hnatyshyn: As you know, Madam Speaker, my purpose here is to see that justice not only is done, but appears to be done.

I wish to ask whether the Hon. Member had an opportunity to continue his remarks or comments.

Mr. Rossi: No.

Mr. Hnatyshyn: Your voice is either getting much deeper, Madam Speaker, or someone is yelling in your place.

Mr. Rossi: You are talking to the Minister of injustice.

Mr. Hnatyshyn: The Member speaks from a seated position, but he is muffling his voice.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Churchill.

Mr. Murphy: Madam Speaker, obviously the Minister of Justice (Mr. Hnatyshyn) is asking for unanimous consent for the Member to continue his remarks. We would not give unanimous consent. The very purpose of the motion moved by the Hon. Member would prevent any western Canadian Member of Parliament who is not present today from ever having a chance to debate this issue.

Some Hon. Members: Shame!

Mr. Siddon: Madam Speaker, may I ask the Hon. Member for Athabasca (Mr. Shields) a question? I think that that is allowed under the Standing Orders.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Athabasca could not continue with his speech, but the period of question and comments following the speech can be proceeded with. The Hon. Minister of Fisheries and Oceans (Mr. Siddon) has asked for the floor. The Hon. Minister of Fisheries.

On a point of order, the Hon. Member for Ottawa—Vanier.

Mr. Gauthier: Madam Speaker, please tell me how one can ask questions of someone who did not make a speech of any substance of any kind? How can a Minister ask questions of a back-bench Member?

The Acting Speaker (Mrs. Champagne): Order. The Minister of Fisheries has the floor on a question or comment.

Mr. Siddon: I wanted to receive an indication from the Hon. Member for Athabasca (Mr. Shields), who has been very close to the delivery of the western diversification initiative these past several months, whether he has some examples to illustrate the manner in which this very important program is bringing benefit to the four western provinces.

It has been some time now since the office was opened in Edmonton, and there are now sub-offices in all four of the provinces. I think the House would be interested to learn the extent to which these initiatives are bringing benefit to the various sectors of the economy of western Canada, and in particular to achieve the objective, which is to diversify the economy of western Canada.

Mr. Shields: I am very happy to have an opportunity to answer the very intelligent question put forward.

One of the things that people in Canada should be made aware of, and particularly the people in western Canada, is that for the first time in the history of this country a full federal Department with a Deputy Minister will be headquartered, not in Ottawa, but in western Canada. The place chosen for the headquarters of this very important Western Economic Diversification Department is Edmonton, and there are sub-offices in every province in western Canada.

We talked about the delay in getting the program operational in western Canada. The delay is owing to the fact that we are waiting for the legislation. I hope that it has been noticed that when we attempted to limit debate to today, the NDP and the Liberals stood up *en masse*, rushing in from the back rooms, and rushing in breathlessly from their offices to defeat that motion in order that they can delay, in exactly the same way that they had been delaying it in committee by asking questions on trivial matters.

Mr. Cassidy: Who rang the bells for two weeks in the House? Which Party was that? What a short memory.

Mr. Shields: The Member opposite asked who rang the bells in this House for over two weeks. I am happy to say it was the Conservative Members of the Opposition because of the National Energy Program that was being rammed down our throats. It was an ominous energy Bill with the National Energy Program. The NDP and Liberal Members wanted to perpetrate it on western Canada and kill the economy of western Canada. They eventually succeeded in doing that. That is why the bells were rung, because we were trying to protect the interests of western Canada.

Today the NDP and Liberal Members are trying to destroy the interests of western Canada, because they are delaying and delaying. The people in western Canada will not stand for the type of shenanigans that the Liberals and the NDP Members are using today in delaying this western diversification Bill that means so much to western Canadians from all walks of life.

I hope that the people in western Canada will recognize the tomfoolery that is going on across the floor. I would ask the NDP and the Liberals why they are so against western Canada and constantly fighting against western Canada in this House, and then returning to their ridings in western Canada and saying that they are standing up for western Canada, because they truly are not.

Mr. Riis: I wish to make a comment and ask my friend, the Hon. Member for Athabasca (Mr. Shields), a question. He was supposed to explain the initiatives approved by the Government's Western Diversification Office that would diversify the economy of western Canada. I notice that he failed to do that in his response to my hon. friend, the Minister of Fisheries and Oceans (Mr. Siddon).

The Hon. Member will be aware of a recent proposal put forward by the Thompson Nicola Manufacturers Association. This association was formed two years ago to co-ordinate the efforts of the manufacturing sector in British Columbia. This association in British Columbia represents 500 different manufacturers. It wanted $40,000 from the Western Diversification Office to set up a whole new initiative that would result not only in new manufacturers starting, but in new product lines being expanded from existing manufacturers. The request for $40,000 was made to the office, but the request was denied. The Western Diversification Office stated that it was not going to approve the $40,000 request over a two year period. Would the Member for Athabasca (Mr. Shields) explain why that request was rejected? It is perplexing to the 500 manufacturers which the association represents.

• (1610)

While he is on his feet, will he explain also why he is so afraid of members of the New Democratic Party speaking on this legislation? It is legislation that represents a very important initiative in attempts to diversify the western economy. Members of the New Democratic Party have been attempting

to participate in the debate, but time after time the Government makes an effort to curtail and restrict Members' ability to participate in a thoughtful, positive discussion on the issue.

Will the Hon. Member for Athabasca (Mr. Shields) explain why it is that he wants to use a form of closure on this legislation to muzzle the Opposition's voice in Parliament, which would then in a sense go against the very spirit of a parliamentary democracy?

Mr. Shields: Madam Speaker, I am happy to answer my friend's question.

One of the main thrusts of the western diversification initiative is the Western Diversification Fund. The legislation presently before this House authorizes ways in which the Department can offer financial assistance for proposals and further diversification. It is that very fund which the Minister responsible for western diversification cannot approach at this time until this legislation is through the House. My hon. friend knows that. The Member gets up and pretends he does not know. The Hon. Member for Kamloops—Shuswap (Mr. Riis) knows full well the thrust that has been made so far and, because the Minister responsible for the western diversification does not have access to the western diversification fund, a number of proposals have been turned down. The flexibility was not there to allow the Minister to stream them off into other existing programs. My hon. friend knows that, Madam Speaker. Western diversification has been attempting to respond to small business. Seventy per cent of the projects that have been approved to date have been awarded to small businesses and are going through existing programs. These had to be moved off to DRIE and to sub-agreements made with the provinces and so on.

The other question raised was why we on this side of this House are trying to curtail debate. We are not trying to curtail debate at all, Madam Speaker. I am the first speaker on western diversification. We will allow the Opposition all the time it requires to debate the Bill. We know that with the Opposition's actions in committee every item, every word, every clause on the western diversification Bill was filibustered by the Liberal and the NDP Members. We outlasted them in committee. When the Liberal Member left, we were able to push the Bill through to bring it back to the House. We are seeing exactly the same actions today.

The Bill is straightforward. The opposition Members cannot tell us all the amendments they want to put through. This is strictly a delay tactic and the delay is hurting western Canadians. The same New Democrats go out to western Canada and say, "Boy, are we here to help you". Here they are being run from Oshawa. They are also tools of Bob White and Shirley Carr. They will do anything and say anything if they think it will gain them one seat anywhere in Canada, and I resent that.

The Acting Speaker (Mrs. Champagne): The time for questions and comments is now over. Resuming debate. The Hon. Member for Yorkton—Melville (Mr. Nystrom).

Mr. Lorne Nystrom (Yorkton—Melville): Madam Speaker, I want to say a few words in this debate, if my voice holds out. First, I want to respond to my friend from Athabasca. His last comments were not very worthy of a distinguished Member like him—

Mr. Shields: They are honest.

Mr. Nystrom: —when he talks about the NDP being run from Oshawa. He is using regionalism to try to divide the country. He has this fetish about Shirley Carr. I can say as a Canadian that I would rather be a friend of Shirley Carr than of Conrad Black, who is a good friend of my friend from Athabasca.

You can tell when a Member of Parliament is in trouble. The Hon. Member for Athabasca (Mr. Shields) is in serious trouble because he is going to be defeated by the NDP in the next campaign. I am sure you read *The Globe and Mail* special about this about 10 days ago, Madam Speaker. The paper wrote about the first Member of Parliament in Alberta of the Tory Party to be defeated. You can tell why the Member from Athabasca is very desperate when he speaks in the House. He is receiving a message from back home that the voters do not like the federal Conservative Party.

The Bill before the House today is a Bill ostensibly to diversify the economy in western Canada. We have been debating Bill C-113 for quite some time at second reading and at committee stage, and now we are back at third reading in the House. The whole debate about diversification in the West is a debate that has been going on for a very long time. As a western Canadian Member of Parliament since 1968 I can tell you that this has always been an issue. Those of us in western Canada feel that we have not received our fair deal from Confederation in the division of the resources of Canada and the ability of our country to have fair economic planning for all regions.

On Wednesday, Thursday, Friday and Saturday of last week I went to 12 to 14 different communities in my riding. I attended public meetings in villages and towns and meetings in farm houses in various parts of the constituency of Yorkton—Melville. There is still the feeling that the western part of Canada has not received a fair deal from Confederation. In many ways there is even more of a backlash now against the federal Government than there was a few years ago. A lot of western Canadians thought that the Conservative Party was a Party that had significant western roots and because of that many long time grievances of western Canadians would be solved, but that has not happened.

Mr. Hnatyshyn: What about Virginia?

Mr. Nystrom: I am sure the Minister of Justice (Mr. Hnatyshyn) from Saskatoon, when he goes there every two or three months, gets feedback that the people are not happy with the Conservative Party of Canada. People are not happy with the Prime Minister of Canada (Mr. Mulroney). The Minister

is nodding his head, I can hear him! He has also seen the poll results in his riding as I see them. The Minister of Justice is running scared not because of his qualities as a Member of Parliament. The Minister is a pretty nice, decent, likeable chap, but he is running scared because people are no longer confident in the Conservative Party of Canada and no longer confident in the leadership of the Prime Minister of this country. One reason has been the insensitivity in responding to the legitimate wishes and concerns of the people of western Canada.

Mr. St. Germain: What about the national energy policy that the Liberals and the NDP brought in?

Mr. Nystrom: When you get this kind of response from across the way you know that the problem is similar in British Columbia as well, otherwise we would not have the trumpeting of the Hon. Member for Mission—Port Moody (Mr. St. Germain).

Bill C-113 will not solve a lot of the problems of western Canada. The Bill will nowhere near respond to the problems that exist.

The establishment of the Western Diversification Office was first revealed to the public in August, 1987. This, you might recall, was done after the scandal at the Department of Regional Industrial Expansion where there was a cost overrun last year of $7 to $9 million. Do you remember that, Madam Speaker? There were two independent studies that confirmed a major cost overrun in DRIE because of incompetence and the misallocation of funds.

One thing the Government tried to do to respond to this cost overrun was to decentralize the whole process of regional development in Canada. It created the Atlantic Provinces Economic Opportunities Agency, an agency in northern Ontario and the Western Diversification Office in the hope of responding to the problem of regional development in Canada in order to detract from some of the negative press the Government has been receiving. I do not think there will be any real difference in the job that will be done by this agency and the job that was being done previously by various regional development or expansion offices in Canada. We have essentially the same funding, essentially the same people and essentially the same programs. Sure, the Department now has a different title, a title that is more politically attractive. Who can be against western diversification? Probably the only Hon. Member who is against it is the Hon. Member from Selkirk. It is really the same old programs, just in different clothing, for mainly electoral purposes for the Conservative Party across the way.

• (1620)

Over the last quarter of a century, despite all the talk, rhetoric and various programs and new initiatives in different parts of Canada, less than 3 per cent of the country's economic development dollars have been spent on regional development. That is a very, very small portion of the money that has been allocated for economic development in Canada since 1960 or 1965. I do not think that the federal Governments over the years have been very serious about the question of regional development.

We have been told by the Prime Minister (Mr. Mulroney) and by the Minister in charge of the Western Diversification Office that some $1.2 billion will be spent on regional development in western Canada, and $1.2 billion over five years works out to some $60 million per year per province. Sixty million dollars is still a fair amount of money, but $60 million per year per province is really not that much in light of what must be done. In particular, it is not that much money when we consider that some federal government programs and agreements under the previous regime will be in the process of expiring during the life of western diversification's funding over five years.

In reality, there will not be very much additional money being spent in western Canada. Sure, new money will be spent, but some of the old programs are expiring. The sunset has come for some of them. Sure, there will be new money, but looking at the balance sheet, there will not be much additional money coming to western Canada.

When the Prime Minister made the announcement back in August of last year, he said that this new money would be over and above all the existing programs. He said that this money is over and above the amounts presently flowing to western Canada under existing programs and arrangements and that these funds shall be disbursed over a five-year period in a manner that will equitably reflect the needs and the growth opportunities in our western provinces. In fact he said that on August 4, 1987.

There has been much debate over the question of the Prime Minister's claim that there will be new money with the allocation of $1.2 billion to the Western Diversification Office. Since the establishment of the Western Diversification Office involves the disbanding of the Department of Regional Industrial Expansion, which was responsible for certain regional development programs, it is difficult to trace the money to ascertain what is new money and what is old money. That is a very difficult question to answer.

Sure, there will be new money coming in because there will be new programs and new budget allocations, but the original Department of DRIE is now being sacked and a lot of the programs of DRIE are being dropped or rolled into the new western diversification programs. In this new versus old money controversy, the key phrase in the Prime Minister's statement is "the amounts presently flowing under existing programs and arrangements". Again, he said that the money would be over and above the amounts presently flowing to western Canada under existing programs and arrangements.

Some of the existing programs and arrangements will be expiring, and while this money will be in addition to those arrangements and programs, if the old regime had remained in place, some of those existing programs and arrangements

would have continued. Those programs and arrangements would have spent millions and millions of dollars in all four provinces of western Canada.

How much new money is there and how much old money is there? What are the existing programs? I will give an example of what I mean, because I can see that the Minister from British Columbia is raising his eyebrows and asking questions about the new money versus old money argument. He will probably ask me about this in about 10 or 15 minutes anyway.

What are the existing programs? Three of DRIE's major program delivery tools had or are about to face major changes because of the phasing out of DRIE and the evolution of these new agencies in the different regions. The IRDP program, for example, is to expire in June of this year. That program has about 60 days to go and then the funding for that program will expire. I assume that if we did not have a Western Diversification Office or the Atlantic Opportunities Agency, a program like IRDP would be expanded beyond June of this year to finish off 1988 and to go into 1989 or 1990.

In addition to that program, many of the sub-agreements with the provinces under the ERDA programs, economic and regional development agreements, are expiring in 1989 or 1990. The costs of these programs are shared on a fifty-fifty basis between the federal Government and the provincial Government. Like IRDP, the existing ERDA arrangements will soon expire, and that old money will soon disappear. Once again, if we did not have the Western Diversification Office, I assume that new ERDA agreements would be signed between the provinces and the federal Government. I assume that millions of dollars would be spent under those programs. I simply assume that this Government would continue those programs.

Third, the Western Transportation Industrial Development Program was rejigged to become the funding program of the Western Diversification Office. Some of the ERDA programs and sub-agreements are the responsibilities of the Departments of Agriculture, Science and Technology and Transport Canada. Other sub-agreements were formerly the responsibility of DRIE and are being transferred to the Western Diversification Office. It is noted that most of these subsidiary agreements are up for renegotiation during the first five-year term of western diversification. I noted that in my remarks a few moments ago.

If we look at the moneys that are being spent and the moneys that, in all likelihood, would have been spent, we will find that there is not much if any additional money coming into western Canada. Sure, there is new money because we have program *x* with $100 million being scrapped to spend $100 million on program *y*. Program *y* is a brand new program with new money, but it is not additional money for my constituents and the other 6.5 million or seven million people who live in various parts of western Canada.

There are a number of other things that could be said about new money versus old money, but I do not think I have too much time left to make my remarks. I would like to say some other things about the Bill that is before us.

As I said, I just came from a very extensive tour of my riding last week. I was in places like Dauphin, Kilaly, Sturgis, Stenan, Whitebeech, Yorkton, Melville, Preeceville, Norquay and a number of other communities. I went to about 12 or 15 communities in four days last week. My constituents kept asking time and time again why we in western Canada cannot get a fair deal from the federal Government.

I have already mentioned the problems with new money and the lack thereof coming into western Canada. We also have a problem with procurement of goods and services purchased by the federal Government. One or two cabinet Ministers are across the way, as are two Members from British Columbia, the junior Minister from Mission—Port Moody and the Minister of Fisheries (Mr. Siddon). Perhaps during the question and comment period they can explain why the federal Government is spending less and less of its money proportionately in procuring items from western Canada. I have figures, which I will table, from the regional distribution of Supply and Service contracts in dollar values for western provinces as a percentage of the national government purchases in Canada for the fiscal years 1984-85, 1985-86, and 1986-87.

• (1630)

During the first fiscal year for which the Government had responsibility for Government of Canada spending, 1984-85, some 13.9 per cent of purchases by the Department of Supply and Services were made from western Canadian firms, businesses, and industries. In 1985-86 it went down from 13.9 per cent to 12.8 per cent. In 1986-87 it went down again to 11.5 per cent. Therefore, in the first two years of Conservative Government we had a drop in the proportion of goods and services bought in western Canada from 13.9 per cent to 11.5 per cent. That is a substantial drop of 2.4 per cent.

Why is the Government buying proportionately less and less from western Canada? In this age of high technology and computers we supply more things than we did in the past. Why is the Government, with a large western representation and many prominent westerners in the Cabinet, purchasing fewer and fewer goods and services from western Canada on a proportionate basis? Twenty-eight to 30 per cent of the population of the country is in western Canada. Why is the Government not purchasing about 25 or 30 per cent of its good and services from western Canadian enterprises and firms instead of only 11.5 per cent? That is way less than half of what our proportionate share should be.

If the federal Government had been purchasing more and more rather than less and less from the West, there would be fewer people in Alberta, Saskatchewan, British Columbia and Manitoba unemployed. I would like to know what is behind the idea of purchasing fewer and fewer items and goods in western Canada. There are two Ministers from the West in the House

and perhaps in the next five or ten minutes we can get an answer to that.

It is very important that this new Western Diversification Office be efficient and effective when dealing with the public of Canada. I have here a letter from a constituent of one my Saskatchewan P.C. colleagues. I do not think I should read the person's name into the record but I will read part of the letter addressed to myself. He says:

> To begin with I do not think much of the Western Diversification Program.
>
> I will explain the enclosed material which are copies. When I first heard of this program I felt that finally a government program is available to help a small western business. I was not looking for a handout, only backing to help get a loan. At the end of Aug. 1987, I wrote western diversification explaining my situation. Towards the end of Sept. 1987, I received a letter from western diversification and an assigned project number 4000.8-G5.
>
> Feb. 15, 1988 having not heard from these people I wrote a letter asking for a status report. I again wrote the same letter on Mar. 1, 1988. On Mar. 7, 1988 I received a call from a lady in this office telling me my application had been rejected.
>
> I told her I expected as much as I had noted in the paper only large enterprises seemed to qualify. She said that was not true as there were a number of small businesses that would be named shortly. To date I have seen nothing. I asked to have a letter of rejection sent.
>
> After two weeks and still no letter I phoned again.

You are cutting me off, Madam Speaker. I realize that my time is up. This is someone from Saskatchewan who applied for backing for a loan for a small business. He received no response whatsoever month after month. When he did get a response it was a telephone call, after prodding, saying that his project had been rejected.

I do hope that when this program is established in western Canada it will be efficiently and well run so that the positive aspects of the program are available to all western Canadians equally regardless of where they may live.

Mr. Taylor: Madam Speaker, I would like to make a comment or two and then ask the Hon. Member for Yorkton—Melville (Mr. Nystrom) a question. As chairman of the committee I thought it was very unfortunate that the Hon. Member for Yorkton—Melville was unable to attend all the meetings. He was busy elsewhere. He certainly made a very valuable contribution to the meeting which he did attend. I want to thank him for his good sense and logic. In my view the debate in the committee was very sound.

I think the language of the Hon. Member for Algoma (Mr. Foster) was rather badly chosen when he said that certain witnesses "were not permitted to come". None of the witnesses which he mentioned asked to come. It was not a case of not being permitted, they never asked either myself or the clerk to appear.

The Hon. Member for Yorkton—Melville dealt with DRIE and the Western Economic Diversification Program. He wondered whether there would be any difference. I suggest that there will be a vast difference. For instance, only one area in the entire Province of Alberta qualified under the DRIE program. Consequently, the program was of little use to the Province of Alberta. The Whitecourt area was the only area in the entire Province of Alberta which qualified under DRIE.

I think that western diversification will be a different program. There are two major differences between DRIE and western diversification. Under western diversification the board may make loans and it may guarantee loans. That will make a world of difference as far as the Province of Alberta is concerned.

We are talking about diversification with regard to agriculture and oil and gas. One of the best examples is the shortfall of the Crow. If the shortfall of the Crow were paid to the producers in the Province of Alberta there would be diversification galore without any extra funds, yet we are giving very little consideration to the shortfall of the Crow.

The other example I have is also based on agriculture, that is, making fuel from ethane and methynol. We could use millions of bushels of wheat which would create a tremendous new industry and provide diversification. However, there must be money provided for that.

In the view of the Hon. Member would these two items not help a great deal to make the Western Economic Diversification Program more successful than the DRIE program has been so far?

Mr. Nystrom: Madam Speaker, I want to thank the Member for Bow River (Mr. Taylor) for his question and his comments. He pointed out my absence at the committee. I was there for one meeting. I was not there for the others because, as he probably knows, I was travelling with the Energy Committee with the Member for Calgary South (Mrs. Sparrow). We were studying the question of nuclear waste. The Member has been around politics for a long time and knows that you cannot split yourself into two or three. I am very sorry that I was not able to attend all the committee meetings but I certainly followed them very closely.

I agree with the Member for Bow River that there are some positive things in this program. I said that in the main it is basically the old program, as far as I am concerned. However, he did mention a couple of things which make it a bit more attractive to people across western Canada.

One of my concerns, which is perhaps a concern of the Hon. Member too, is that we do not want the program to be aimed in a major sense at big business. I am primarily interested in small business. I have here an editorial from the Saskatoon *Star Phoenix*, which is one of the big dailies in the Province of Saskatchewan. They are concerned about the fact that so far the money has been going out to big business.

The other concern which I have, which I did not have a chance to mention before, is that some of the money spent so far has not been spent on diversification. It has been spent for economic expansion. Of course, I am not opposed to economic expansion. I want to expand agriculture, the potash industry and so on for western Canada. However, as I asked the

Minister in the committee, if this is the Western Diversification Office, why is not more money being targeted for genuine diversification in western Canada?

• (1640)

I refer again to the editorial in the *Star-Phoenix* which states that: "However, with the first two high-profile announcements about specific funding under our diversification initiative involving $75 million in soil erosion and $5 million in potash marketing, taxpayers may well be wondering what diversification really does mean to the Government of Canada. The spending on these two programs is welcome". The editorial goes on to say: "Anything that enhances the farming sector and potash mining is good news for Saskatchewan people. But this is not moving the province or the West in general away from dependence on the familiar staple industries. So far, from what has been made public about projects approved under the initiative, it is just another economic aid package: welcome, certainly, but not the stuff of new directions in an unusually moribund western economy".

I suggest to my hon. friend from Alberta, as does this article, that we welcome economic expansion and economic development. However, this program is supposed to be one to diversify.

I wonder, as I am sure he wonders as a western Member of Parliament, how much of this money will be spent on items to diversify the economy of western Canada.

We are all interested in diversifying. We love agriculture, mining, potash, oil and gas and forestry in British Columbia, and want to do what we can in those areas, but we do not want to be held solely dependent on those resources.

It appears, not only to us but to independent observers, that so far the major part of this program is directed toward economic expansion rather than economic diversification. If so, it should be called the western diversification and expansion office. However, if it is meant for diversification, let it proceed in that way.

Mr. Siddon: Madam Speaker, I want to make a few comments in response to some of the points made by the Hon. Member for Yorkton—Melville (Mr. Nystrom) and to answer a particular question he put to us.

First, I am pleased to learn that the Hon. Member supports the establishment of this western diversification program. I only urge that he and his Party get on with allowing us to provide the program with the full legal weight and effect that is required in order to deliver these important initiatives in western Canada.

The Hon. Member made an issue of the percentages with respect to procurement by the various Departments of Government through the Department of Supply and Services. I will grant that in regard to specific percentages there is a trend with which we are not particularly pleased. However, to be fair, I think the Hon. Member should give the numbers in terms of dollars expended by each government Department through the Department of Supply and Services for the procurement of government supply. He may well see quite a different trend.

In fact, I think it is unfair only to deal with the statistics on a percentage basis with respect to procurement of the normal supply to Government of such things as pencils, paper clips and the routine supply that all Governments procure from time to time. He should not do so without considering the larger picture and comparing it with those percentage figures, not just the dollar amounts which have increased substantially in western Canada since this Government took office, but the unprecedented level of Federal Government support for industrial diversification in British Columbia and western Canada.

My own riding is a typical example of that expansion. There has been some $100 million worth of assistance to enterprise in the nature of industrial diversification in such sophisticated areas as the advanced aerospace industry. We opened a new automated precision machining plant in Delta, British Columbia a few days ago. That is a multimillion dollar investment. There are many examples, through various companies that are on the leading edge of technology and applied technology, of unprecedented things occurring in western Canada. I have calculated a total of more than $2 billion worth of initiatives by this Government in the Province of British Columbia alone. That is far in excess of anything previously committed by way of government initiatives in British Columbia.

For example, there is the $268 million North warning contract to Microtel. The western diversification initiative itself will bring tens of millions of dollars to British Columbia, and is already beginning to do so.

There is the $350 million ice-breaker decision, assistance with the modernization of the Cominco Plant for $68 million, the multimillion dollar assistance to the forest industry, with $300 million in a sub-agreement to assist with reforestation, and the $260 million that went by way of the softwood lumber agreement. There is something in the order of $2 billion worth of initiatives in British Columbia alone.

Similarly in Alberta, Saskatchewan and Manitoba, these initiatives are unprecedented in western Canada and are a result of strong representation from western Canada in Cabinet, in the caucus and in the Government.

It is scurrilous and absolutely reprehensible that the Hon. Member should play games with a few figures and totally defy the truth that this Government has been doing a great job in western Canada.

The Acting Speaker (Mrs. Champagne): The period for questions and comments has expired. Resuming debate.

Mr. Patrick Crofton (Esquimalt—Saanich): Madam Speaker, I am pleased to have an opportunity to speak to this

particular Bill. As a member from British Columbia I am most conscious of the importance of this western diversification initiative.

For a number of years British Columbia, like most western provinces, has suffered what can only be described as benign neglect. It has not been a case of Ottawa and central Canada deliberately initiating programs to the detriment of the West, but a case of "out of sight, out of mind". Without adequate representation in the Government of Canada, various initiatives that should have been supported were not.

This initiative is long overdue. It is no longer acceptable simply to suggest that we should spend more money to purchase more goods in western Canada.

When my constituents elected me in 1984, they expected two things of me. First, they expected fiscal responsibility by a Government that would spend smart. Their second expectation of me was to address regional disparity.

Clearly, they sometimes forget that these two expectations are in direct conflict. If the sole objective of the federal Government is to spend smart, then about 90 per cent of all the goods and services would be purchased in central Canada where most of these goods and services are produced. However, it is quite correct that such a policy would indeed deal extremely harshly with the far-reaching provinces of this country.

Therefore, this Government and other Governments have had to embark on the difficult task of attempting to spend wisely to get the best value for the dollar but nevertheless, to be conscious of the needs of all the provinces of this country. The difficulty is that a number of the items the federal Government purchases in the way of goods and services are not produced in western Canada. Steel is a case in point. The federal Government, through its various purchases, spends quite a lot of money purchasing steel. We have embarked on a naval ship construction program. To suggest that it is a purchase that could be made in western Canada is nonsense.

• (1650)

The Hon. Member for Yorkton—Melville (Mr. Nystrom), in citing the fact that some of the purchases have been reduced in western Canada in the last several years, is being very selective. In certain Departments it is a fact. CIDA is a case in point where the purchases by the federal Government and its expenditures rise and fall depending on the particular contract and where the contract is actually being carried out. The statistics are not in for this year, but I am confident that next year the statistics will show that particular expenditures in that Department will have gone up dramatically over the last several years. It is part of the normal cycle of expenditures which occur in some of the smaller Departments. But to say that this Government has neglected the needs of western Canada is misrepresenting the truth.

This particular initiative, the Western Economic Diversification Program, is an important step to establish control in western Canada. Hitherto, the assorted schemes to deal with problems in some of the smaller provinces from population or economic strength have been directed from Ottawa, and I am not suggesting there has been any malice aforethought, that the people here have not done their best within the terms of reference and perhaps their limited knowledge. This western diversification proposal establishes control for those programs in the western provinces. They will be staffed there. The research will be done there and the decisions will be taken there by westerners for westerners. A sum of money is being allocated to the Western Diversification Fund to achieve that purpose.

I know for a fact that in my constituency of Esquimalt—Saanich a number of businessmen have had some extremely exciting ideas with considerable economic prospects, but in the past, because of their lack of sophistication, perhaps, and the time and distance problem, they have not been able to go to Ottawa to sell their case. They have gone to Vancouver and made representation. The paperwork has been forwarded to Ottawa and decisions have been taken here, many miles away from the location where the original proposal originated.

It has been far too easy for Governments over a number of years to say: "Well, we are not entirely sure about that. We do not know that fellow", and consequently, delay has occurred. That particular individual who has come up with a better idea, perhaps ran out of financial resources or could not muster the support he needed to carry the day here in Ottawa. The western diversification proposal will reverse that trend. There will be staff, offices and competence in each of the four western provinces so that individuals can make their cases. Once they make the case that they can offer some genuine diversification, value added, perhaps, in some instances, but it does not necessarily fit some program hatched here in Ottawa, then those individuals at long last will have the opportunity to get the support they have so richly deserved for these many years.

My colleague, the Minister of Fisheries and Oceans (Mr. Siddon), in his remarks a few moments ago, drew attention to the many initiatives that have occurred in the last several years in western Canada, particularly in British Columbia. I am conscious of a number of the small businesses in my constituency which are on the list. They are waiting for this initiative to be passed, for it to become law, so that the money can be put in place and we can get on with it. The time for promises is over. There has been a tremendous amount of work already done to prepare the necessary paperwork to fund some of these initiatives. It is just not good enough to say: "We want to talk some more".

The present opposition Parties are still, amazingly enough, proud of the national energy policy they supported in the early 1980s, which brought ruin to many Canadian western businesses. That was a classic case of "Ottawa knows best". The people who purported to represent western Canada in

Government at that time, or in the New Democratic Party, certainly were not listening to their constituents. We are only just now recovering from the devastation of that program.

Some Hon. Members: What program?

Mr. Crofton: The national energy policy, supported by the New Democratic Party.

Mr. Waddell: On a point of order,—

The Acting Speaker (Mrs. Champagne): I recognize the Hon. Member for Vancouver—Kingsway (Mr. Waddell) on a point of order, and I can assure him I am not deaf.

Mr. Waddell: The Hon. Member is misleading the House when he says the New Democratic Party supported the National Energy Program. If he checks the record, he will find we did not. He should check the vote. I was here at the time. I was the energy critic and I can tell him that. I am not sure he was here, but he should read the vote.

Mr. Gauthier: Madam Speaker, I heard a very unparliamentary expression. Being a third party to this little fight between the Tories and the NDP, I still would like to see the rules of this House followed as closely as possible. Any language used in this House should be parliamentary, and I think the Hon. Member should withdraw the term he used.

Mr. Waddell: I think the Hon. Member for Ottawa—Vanier (Mr. Gauthier) has a point. I know we Tories fight—

Some Hon. Members: Oh, oh!

Mr. Waddell: We New Democrats fight Tories. Tories fight New Democrats and Liberals fight Liberals. I did not mean to say the Hon. Member intentionally mislead the House. Perhaps unintentionally he mislead the House. I will let him finish his speech, but he should know that we did not support the national energy policy.

The Acting Speaker (Mrs. Champagne): I thank the Hon. Member for Vancouver—Kingsway for doing the honourable thing, and I will give the floor back to the Hon. Member for Esquimalt—Saanich (Mr. Crofton) for the minute and a half that is left.

Mr. Crofton: Thank you, Madam Speaker. The Hon. Member for Vancouver—Kingsway (Mr. Waddell) did not seem to be entirely sure about his political stripe so I do not know whether he can be relied upon to remember how he voted some years back. I think the important thing is that members of the New Democratic Party, or the Liberal Party, have to say the same thing in two consecutive places. They cannot do all they can to delay the passage of important legislation in this House and then on weekends go to western constituencies and cast aspersions on the Government of the day because it is not doing enough for western Canada.

That is precisely what this piece of legislation is intended to do. The opposition Parties have to cut or fish bait. They cannot say different things in different places. Either they are in support of the initiatives to assist in the economic recovery of western Canada or they are not. If they are in favour, they should vote for this Bill. If they are not, they should carry on the way they are and delay and drag their feet. They have to make up their minds exactly what it is they want to do.

The Acting Speaker (Mrs. Champagne): It being five o'clock p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

• (1700)

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

Mr. Don Boudria (Glengarry—Prescott—Russell) moved that Bill C-278, an Act to amend the Criminal Code (peeping Toms), be read the second time and referred to a legislative committee.

He said: Madam Speaker, it is my pleasure and honour to introduce Bill C-278 for second reading debate in the House of Commons today.

First, I want to bring to your attention, Madam Speaker, that in spite of the fact that some people may find that this is a light-hearted issue clearly it is not. I want to bring to the attention of the House a serious crime that happens and which too often lies unreported. Even when it is reported, citizens are unable to have access to judicial authorities, to the police principally, for getting redress.

Section 173 of the Criminal Code states:

> Every one who, without lawful excuse, the proof of which lies upon him, loiters or prowls at night upon the property of another person near a dwelling house situated on that property is guilty of an offence punishable on summary conviction.

It states "at night", which is precisely the problem. If right now someone commits acts of voyeurism in the daytime it is practically impossible for the police to intervene. This is a serious issue. I wish to tell the House how it came to my attention.

On November 12, 1986, I received a letter from the Mayor of the Township of Cumberland in my riding. It states:

> I received a telephone call from (a constituent) with respect to problems she's having with workmen at her new house. Apparently, she came to her patio door last summer and opened the curtains and found a workman at the back door. She was very concerned that there was no warning that a workman would be there, and specifically requested the foreman from (the construction company) and the workmen not to do such a thing without prior arrangement or prior notification.

More recently, the same workmen appeared again to do some painting on the outside of the kitchen window and she alleged that he was there for fifteen minutes not doing anything but looking in the window. In her view, this is the classic "peeping Tom" charge and when she called the Police, the only charge that they were willing to lay was trespassing because the Criminal Code does not have a "peeping Tom" law for daytime situations.

It is her opinion that the Criminal Code should be amended so that this type of intrusion to people's privacy can be dealt with at any time of day.

I informed her that I have no direct responsibility for the Federal Criminal Code and gave her your phone number so that you may deal with it.

Kindest personal regards—

The letter is signed by Peter D. Clark, Mayor of the Township of Cumberland.

If anyone thinks that this is not a serious crime I want to remind the House that the Statistics Canada report said there are 12,000 such offences per year.

We know of course that charges can only be laid for offences that occur at night. That leads me to believe that the actual number is far greater. I would not be surprised if it were twice that because, of course, many opportunities to act that way would probably be greater in the daytime than they would be at night to start with.

There have been a number of studies done on the issue of criminal behaviour of people who are voyeurs. As a matter of fact, there is an article that was produced by the Nassau Community College in Garden City, New York, entitled: "A Pattern of Voyeurism Among Construction Workers". A further document which I bring to the attention of the House was published in Scandinavia entitled: "Deviants and Criminality: The case of voyeur in peepers' paradise". It was published by the University of Copenhagen, the Institute of Criminal Science.

What is alleged in a number of studies is that people who commit such acts eventually commit other more serious acts of voyeurism and, of course, other more serious sexual crimes as well. This Bill is not one which should be seen by any Member as being controversial. It is merely rectifying a section of the Criminal Code which is far outdated.

As to why the Criminal Code reads as it does now, I can only speculate that at some point, probably 100 years ago or whatever, someone became aware that individuals would prowl upon the property of another at night for the purpose of peeping through the windows. Of course, that offence would then have only been possible at night simply because that was the only time in which it was lighter inside than outside, it being pitch black outside. There was usually a lamp or a lantern or even electricity inside for those people who had it. Today, things are vastly different. Most people use light bulbs and other electrical devices to have light inside a dwelling house, whether it is the daytime or not. We all know that we turn on lights in the daytime, which is something that would not have happened then. We now have a situation in which of course it is just as light in the daytime inside a dwelling house as it would be at night. It is now possible for individuals to behave in that way.

The Bill I am proposing, as I said previously, is not one which should take up five hours of debate. I do not think that it should even take up one hour of debate. It is a Bill which corrects part of a law which is really outdated.

In my respectful opinion there is no reason why Parliament should not deal expeditiously with correcting what is a mistake in the law.

• (1710)

[*Translation*]

Mr. Speaker, I would like to add that when I announced I was going to present a Bill of this kind in the House of Commons, I received many telephone calls from Canadians, and especially Canadian women, who called me because they themselves had been victimized in this way and, when they went to the police, the authorities were unable to take any action to protect them.

I was also contacted by a number of police officers who even came to see me personally and told me they were delighted to hear that at last, the Parliament of Canada had become aware of this gap in our legislation, a historic gap, which could be remedied today.

Therefore, without further delay and without taking up all the time I am allowed today, I simply want to say to Hon. Members on both sides of the House, on behalf of all Canadians and especially Canadian women, that we must recognize the fact that the victims are almost always women, and I therefore ask the House of Commons to support this Bill so that Bill C-278 will become law.

Mr. Marc Ferland (Portneuff): Mr. Speaker, I welcome this opportunity to speak to the Bill presented by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria).

I must admit I did not realize that the problem with peeping Toms was so acute in Canada, especially in the Hon. Member's riding, that the House would have to consider a Bill to amend the Criminal Code and reinforce existing legislation.

In any event, Mr. Speaker, I have a few comments on the subject that may be of interest to Members who are here today.

Mr. Speaker, I am sure it must be a traumatic experience to realize there is a peeping Tom near one's home who is invading one's privacy and that of one's family. I agree that voyeurism is an invasion of the victim's privacy, but since the offence is committed at some distance, usually from a neighbour's property or from the street, I don't think, on the face of it, that the proposed amendment will provide any effective way to fight voyeurism.

Mr. Speaker, I have also done some research on what we refer to as "Peeping Toms", and I discovered that Peeping Tom is part of the legend of Lady Godiva. Hon. Members will probably recall the story of this famous lady's ride through Coventry. The earliest reports go back to the Chronicles of

1057. When Lady Godiva beseeched her husband Leofric to relieve the tax burden on the people of Coventry, she was so insistent that her husband cried out that he would do it if she rode stark naked through the crowd in the market place. The Chronicles tell us that she did, and that her hair covered her entire body except for her legs, and that upon her return, Leofric issued the Charter that freed Coventry from its taxes. There are of course many other versions of this story, but it seems we have to wait until the 17th century for Peeping Tom to make his appearance. The dictionary tells us that Peeping Tom was a tailor whose curiosity got the better of him and who was struck blind when he looked out of the window when Lady Godiva rode by. It seems a festival still commemorates this fact.

Of course, our Criminal Code takes care of our Lady Godivas and our Peeping Toms. As for the former, she might be accused of indecent exposure under Section 169 of the Criminal Code, while the unfortunate tailor might be convicted under Section 173, provided he committed his act of curiosity on Leofric's property, between 9 p.m. and 6 a.m.

I don't want to belabour the point, but if we are to adopt measures to discourage latter-day peeping Toms, I think it is essential to consider the existing legislation very carefully. Tinkering with our legislation by extending the time of the offence to all hours of the day and night, without changing the circumstances of intruding on someone else's property, as is the case with the Bill before the House today, fails to attach to this particularly odious behaviour the social censure it deserves.

On the other hand, I must admit quite frankly that I have no practical experience in this area.

For instance, I don't know anything about the number of complaints received by the police. As far as the police is concerned, there seems to be no indication that the present provision is deficient and that this Bill would make up the deficiency, so I suggest we wait until the Government looks at this area of the Criminal Code when considering the proposals of the Law Reform Commission of Canada and its review of the Criminal Code. So far, no associations like the Canadian Association of Chiefs of Police have drawn my attention to any serious problems connected with voyeurism. To my knowledge, provincial attorneys general have made no statements to the effect that peeping Toms do what they do before nightfall to avoid violating the provision on acts of voyeurism committed during the night. It is clearly up to the Members of this House to define the nature of the problem before adopting legislation that is supposed to deal with it.

We must not forget that the Bill is aimed only at peeping Toms and not at other persons who might be on the property of another person for other unlawful purposes.

Madam Speaker, I wonder whether Hon. Members who suggest amending the Criminal Code in this way actually realize that this measure will only have the effect of making trespassing on another's property at any hour of the day an offence, without actually dealing with the legitimate concerns of the victims of voyeurism. This amendment will hardly discourage those few peeping Toms who might be tempted to stand at the window of a house in broad daylight to observe its occupants.

Obviously, the great majority of peeping Toms can be expected to use the cover of darkness to peep into brightly lit houses, instead of running the risk of being caught in the act of voyeurism during the day.

What I have just said shows how unrealistic this Bill is. The offender would have to be completely crazy to commit such acts in broad daylight, knowing full well that the risk of being discovered, arrested and convicted is then much greater. Madam Speaker, that is as plain as can be.

Therefore, it would be unreasonable to expect this Bill to result in an increased number of prosecutions of real peeping Toms.

In conclusion, Madam Speaker, I would like to tell you and Hon. Members present that I am prepared to take measures to solve this problem once I am convinced that the solutions proposed will result in fewer offences or make it easier to charge and punish offenders.

In my opinion, the Hon. Member's Bill is both premature and deficient. It does not assure the legislators that the measures taken will be effective, which is essential. Therefore, I must oppose this Bill.

[*English*]

Mr. Ian Waddell (Vancouver—Kingsway): Madam Speaker, I would like to make a few remarks on this Bill. It is a very interesting Bill. It is different and unique.

I wish to tell the House that I am a New Democrat and not a Tory. Members may have become confused during the last exchange.

An Hon. Member: Why are you sitting with the Liberals?

Mr. Waddell: Just because I am wearing a blue suit and look like a corporation lawyer, let me assure Members that I am still a New Democrat.

The Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) referred to the origins of the trespassing at night section of the Criminal Code. I do not think it went back 100 years ago. It may have in English common law. I am informed that in Canadian law Section 173 was added to our Criminal Code in its present form in approximately 1957. This followed a Supreme Court of Canada decision which ruled that peeping at night was not an offence under the Code, because there was nothing in the Code or in the British common law which applied to Canada.

The case of *Frey v. Fedoruk* (1956), 10 C.R. 26 (SCC) is a decision of the Supreme Court of Canada. It involved an act of looking through a window at a woman who was in her nightgown. It occurred at night, the classic peeping tom

situation. The peeper was apprehended, and subsequently the peeper sued for damages for false imprisonment on the grounds that he was stalked and imprisoned by the police, but that he did not commit any criminal offence, therefore he could not be held. The court had to reluctantly agree and allowed him to recover damages. That is why the section was put in our present Criminal Code.

I gather that the incident that the Hon. Member for Glengarry—Prescott—Russell spoke about took place in Orleans. It involved some construction workers looking into a woman's window during the daytime. There is some concern that even if there were this amendment and this section were in place it may not capture or render the day conduct of the construction workers illegal.

The substantive wrong complained of was that of invading the woman's privacy by looking through her windows, which is known as "voyeurism". The section does not, however, make it an offence to commit an act of voyeurism. The offence deals with "loitering" or "prowling" on private property "without lawful excuse".

• (1720)

The act of prowling involves very specific conduct. You have to move around in a stealthy manner seeking an opportunity to commit a criminal offence. The workers' acts may not fall within the meaning of prowling. Loitering, on the other hand, involves no more than lingering in one area. This simple act was made a criminal offence in these circumstances because when it occurs on private property at night, it is presumed that the person is trespassing for the purpose of invading the owner's privacy. Indeed, it has been called trespassing at night. It is a presumption of what a person is doing around someone's property at night. Normally people are not around property and maybe a person has a bad purpose, to wit, voyeurism.

The workers who were alleged to have invaded the Orleans woman's privacy may not have been trespassing at all. The newspaper reports of the incidents are not clear, but it would appear that they may have been working on the building in which the woman lived. If that is the case, they would have had a lawful excuse for being on the property. They were there to carry out certain work, presumably at the owner's request. So long as the work required them to be within the vicinity of the woman's dwelling house, their conduct would not be punishable under Section 173, even if it were amended.

I heard the Hon. Member say that those are not exactly the facts. I think it is debatable that the facts may have been different. One has to be careful, I was going to say, construction workers being construction workers. Construction workers often have certain elements of conduct whereby they make sly remarks or do things. It is sort of accepted as part of the culture, if you like, of a construction worker. I do agree it does go too far when workers or anyone else peers purposely into someone's private house for a voyeuristic purpose. It is not fair to the woman involved. People are quite rightly frightened, and I do not blame them.

I think the Bill is an interesting Bill and I commend the Hon. Member for bringing it forward. He is a Member who always tackles many interesting subjects, some of which are controversial. I am not going to take any longer in speaking to the Bill. I have flagged some of the problems with it. To quote that great Tory criminal lawyer, who is a bit a hero of mine, Sir John A. Macdonald, he said, "Maybe the Bill is worth looking at further". I will sit down and let the Bill go to committee—I believe it will go to committee—the Member is nodding, then we can look at some of these concerns raised and at the whole topic. A Member asked how many cases and complaints there are and is there really a big difference between night and day cases. Are there incidents in other parts of the country. Those things need to be looked into, and this can be done in committee.

Mr. Bill Gottselig (Moose Jaw): Madam Speaker, I am pleased to have the opportunity to respond to the proposal put forward in Bill C-278 to amend Section 173 of the Criminal Code of Canada which prohibits trespassing at night.

The purpose of the Bill, which would strike down the words "at night" is set out in the explanatory note as follows:

> The proposed change would extend the offence to acts of voyeurism committed during the day.

Bill C-278 would extend the prohibition contained in Section 173 of the Code to apply at any time of the day or night. Section 173 now reads as follows:

> Every one who, without lawful excuse, the proof of which lies upon him, loiters or prowls at night upon the property of another person near a dwelling-house situated on that property is guilty of an offence punishable on summary conviction.

Before commenting on the merits of the proposed amendment, and to appreciate fully the potential consequences of such an amendment, it is important to explain for history the rationale underlying Section 173, which is commonly referred to as the "peeping-Tom" provision of the Code.

The enactment of Section 173 in 1954 resulted from the 1950 decision of the Supreme Court of Canada in the case of *Frey v. Fedoruk (1950)* S.C.R. 517. I will therefore rely to a great extent on that judgment to trace the history of Section 173. The facts of the case are outlined in the judgment of Mr. Justice Cartwright as follows:

> About 11.15 p.m. the 4th March 1947, the mother of the defendant, Fedoruk, while standing in her nightgown in her lighted bedroom in her son's house saw the plaintiff peeping into her window, the curtains of which were only partially drawn. She was frightened and called to her son who seized a butcher knife and ran outside. He shouted at the plaintiff who was then just leaving Fedoruk's property. The plaintiff (Frey) started to run; Fedoruk chased him about 100 yards to a point where the plaintiff was trying to unlock and get into his truck. The lights of the truck were out. Fedoruk took the plaintiff back to his House, threatening him with the knife. Fedoruk's mother identified the plaintiff as the man whom she had seen at her window and the police were called.
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> The defendant Stone, a police constable, arrived accompanied by another police officer, and after some investigation, as a result of which he formed the

opinion that the plaintiff had been "peeping", he told the plaintiff he was under arrest and took him to the police station where he was confined.

At trial, the claim by the plaintiff, Frey, for civil damages for false imprisonment and malicious prosecution was dismissed against all three defendants, that is, the civilian Fedoruk and the two police officers, Watt and Stone. On appeal to the British Columbia Court of Appeal, the claim against Watt was allowed and $100 damages against him were awarded. However, the claim against Fedoruk and Stone were dismissed. It was these latter dismissals that were appealed to the plaintiff to the Supreme Court of Canada.

The issue dealt with by the Supreme Court was whether or not the plaintiff had committed a criminal offence when he "peeped" through the window of Fedoruk's mother's bedroom. If he was, then all parties defendant would have been justified in arresting the plaintiff. Mr. Justice O'Halloran held for the majority of the British Columbia Court of appeal that the plaintiff's actions constituted a breach of the peace in that he disturbed the "tranquility and privacy in a manner that he would naturally expect to invite immediate violence against him". He continued:

> It is my judgment that the circumstances here surround the intruder's act of looking in the window with such sinister implications, that in the lack of a credible explanation, his conduct as a whole must be regarded as criminal at common law. It was late at night, the intruder was on private property some 40 to 50 feet back from the street line; he was looking in a side window which did not face the street, the window was lighted and he could see a woman preparing for bed. Quite apart from the "peeping-Tom" aspect, the presence of a prowler in such circumstances, the dread of the hostile unknown at night, would naturally frighten the inmates of the house, and incite them to immediate violent defensive or offensive action against him.

This judge had specifically found that the plaintiff's conduct constituted neither an offence against the provisions of the existing Criminal Code nor the common law. In effect, Mr. Justice O'Halloran was criminalizing the conduct of the plaintiff not for what he did, but for the probable consequences that could ensure from that conduct the potential for violent retaliation for his conduct.

Mr. Justice Robertson, dissenting, observed that a "mere trespass" onto private property could not constitute a breach of the peace, even in these rather disturbing circumstances. The fact that this conduct had the distinct potential for disturbing those in peaceable possession of the residence did not alter his opinion. In particular, he found that any response by the residents would have been "offensive and retributive" rather than defensive in the absence of any evidence that the intruder displayed an intent to become violent. This latter element had been clearly established by the plaintiff's immediate flight from the premises when pursued by the defendant Fedoruk. In that regard, Mr. Justice Robertson made the following comment:

> I do not think that it is safe to hold as a matter of law, that conduct, not otherwise criminal and not falling within any category of offences defined by the criminal law, becomes criminal because a natural and probable result thereof will be to provoke others to violent retributive action.
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> If such a principle were admitted, it seems to me that many courses of conduct which it is well settled are not criminal could be made the subject of indictment by setting out the facts and concluding with the words that such conduct was likely to cause a breach of the peace. Two examples may be mentioned. The speaking of insulting words unaccompanied by any threat of violence undoubtedly may and sometimes does produce violent retributive action, but is not criminal. The commission of adultery has, in many recorded cases, when unexpectedly discovered, resulted in homicide; but, except where expressly made so by statute, adultery is not a crime.

• (1730)

He went on to note that the only remedy provided for such conduct in addition to civil damages would be the procedure to have the person bound over to keep the peace and be of good behaviour. In reference to a claim that there was an inherent judicial power to declare any conduct to be an offence if it is in fact injurious to the public, even though it had never been declared to be criminal conduct, he noted:

> In my opinion, this power has not been held and should not be held to exist in Canada. I think it safer to hold that no one shall be convicted of a crime unless the offence with which he is charged is recognized as such in the provisions of the Criminal Code, or can be established by the authority of some reported cases as an offence known to the law.
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> I think that if any course of conduct is now to be declared criminal, which has not up to the present time been so regarded such declaration should be made by Parliament and not by the Courts.

In relation to any claim of justification relied upon by the defendants, these failed of necessity, in the opinion of this judge, on the principle that ignorance of the law provided no such defence.

Mr. Justice Cartwright of the Supreme Court of Canada, speaking for himself and five other judges, agreed with the opinion of Mr. Justice Robertson in dissent in the British Columbia Court of Appeal. Mr. Justice Kerwin of the Supreme Court agreed with the reasoning of Mr. Justice Robertson in a separate concurring judgment despite the fact that he referred to the conduct of the plaintiff as contemptible.

The state of the law as a result of this judgment was considered to be unsatisfactory. Accordingly, in the amendments to the Criminal Code that came into effect in 1954, this new offence of trespassing at night came into existence. The harmful nature of the prohibited conduct flows from the very fact that it is happening at night. This essential aspect, mentioned by Mr. Justice O'Halloran in the *Frey v. Fedoruk* case, is essential and is worth repeating. It reads:

> It was late at night, the intruder was on private property—the window was lighted and he could see a woman preparing for bed. Quite apart from the "peeping-Tom" aspect, the presence of a prowler in such circumstances, the dread of the hostile unknown at night, would naturally frighten the inmates of the house . . .

This was many years before the Canadian Charter of Rights and Freedoms came into effect. What concerns me about the amendment to Section 173 proposed by the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) is that the addition of the liability to daytime hours may very well cause the provision to become Charter vulnerable. I do not purport to be a constitutional law expert, but even I am aware of the prohibition in the Charter against any provision that offends the presumption of innocence of an accused person.

The present provision has withstood constitutional attack until the present time because of all of the conditions that must be proved by the prosecution before the reverse onus applies. One of these conditions is that the suspicious conduct must take place at night. If the provision is expanded to apply during the day, then I am concerned that the courts would no longer feel that the reverse onus is a reasonable limit under Section 1 of the Charter. This would potentially place the entire section in jeopardy and, for this reason, I cannot support the proposed legislation.

Mr. Morrissey Johnson (Bonavista—Trinity—Conception): Madam Speaker—

Mr. Boudria: Another spontaneous speech.

Mr. Johnson: Do you want to make it?

The Hon. Member proposes that there be an amendment to Section 173 of the Criminal Code. The effect of this amendment would be to make it an offence to loiter or prowl upon the property of another person adjacent to a dwelling house at any time of day. In my view, the amendment he advances, the deletion of the words "at night", does not achieve this purpose. In making—

Mr. Boudria: Do you mean there are times other than day or night?

Mr. Johnson: Madam Speaker, I know that the Hon. Member is rude, but I wish he would let me get on with my speech.

Mr. Boudria: I'll try.

Mr. Johnson: I would like to share some of my concerns on this proposed amendment, which I hope will prove not to be as effective as suggested by my hon. colleague.

It behooves us, whenever we consider a legislative initiative such as the present one, to ask ourselves how the present legislation came into being and what it was initially intended to achieve. I have found it most instructive to review the exchange of views which took place at the time Section 173 of the Criminal Code was first introduced in our law.

I found it very interesting to read some of the debates that took place back in 1953 and 1954. An exchange took place between the then Minister of Justice, the Hon. Stuart Garson, and the then Hon. Member for Kamloops, Mr. E. D. Fulton. I see that they found it difficult to define just exactly what a peeping-Tom was.

In one part of Mr. Fulton's remarks, he said:

> It seems to me that if it is intended to cover the offence of peeping we must be far more specific than we are in this section, particularly since the peeper may not stand on the lot on which the dwelling house into which he is peeping is situated.

Some Hon. Members: Oh, oh!

Mr. Johnson: Madam Speaker, I find this amusing as well. Mr. Fulton went on to say that he could stand far away from a building and use a pair of binoculars to observe what was going on, and people still do that today. It is funny that things have not changed very much since 1953.

I am sure that during the debate at the time, people were laughing at some of the remarks that were made. I suppose the hon. gentlemen of that day tried to bring out their feelings toward certain things that were taking place in debate, and people found it amusing. Sometimes, in order to get their point across, they had to be amusing.

I, like Mr. Fulton, am not an expert either in the technique of committing the offence or in the law regarding it. I would like to reiterate that.

The Hon. Minister of Justice at the time, in his response, said:

> —in most cases it would not be possible for the peeping Tom to look into a window or that sort of thing unless he had come onto the ground of another and was loitering or prowling there near a dwelling house. In the special committee of the House of Commons, the majority, which were concerned that they should not create a new offence that would make a criminal out of every petty trespasser, said that the man had to be loitering or prowling near the dwelling house.

He would have to be doing that in order to be considered to be committing an offence. If he simply crossed the edge of a man's farm or the corner of his building lot it would not be an offence under this section.

• (1740)

I could go on and quote a lot more of what those gentlemen said in 1953. However, as we consider the Hon. Member's proposed amendment to the Criminal Code, let us, in addition to considering the views expressed over 30 years ago, consider the more recent report of the Law Reform Commission of Canada.

In Volume I of its report entitled *Recodifying the Criminal Law* published in 1986, the Law Reform Commission looked at Section 173 of the Criminal Code in conjunction with two other provisions in the law which addressed the protection of one's property rights. In Chapter 12 entitled "Criminal Intrusion", the authors did not address their minds to the time of day aspect of Section 173 and appear prepared to leave it as is. I suppose, Madam Speaker, that they were trying to say that you could commit the offence regardless of whether it was day or night.

Basically our present law, found in Sections 173, 306, and 308 of the Code, says that the statutes extended the latter, that is burglary and house breaking, to cover shops, warehouses, and other types of buildings in addition to only dwelling houses.

As a couple of my colleagues have said, Madam Speaker, I am unable to support the Hon. Member's Bill which, in my view, will have little beneficial impact on the mischief caused by peeping Toms. I would suggest that in the absence of any

demonstrated urgent need for this legislation to be immediately adopted, this House may want to await the Government's response to the Law Reform Commission's report. Surely the development of an offence specifically tailored to address peeping Toms, one which would not be limited to persons physically present on the property of another, might be one of the options which might merit consideration. It would not appear to me that creating a daytime offence of trespass is necessarily the most appropriate response to the perceived problem which this legislative measure is intended to address.

[*Translation*]

Mr. Guy Ricard (Laval): Madam Speaker, I am pleased to rise in this House today and comment on Bill C-278 presented by my colleague, the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria), which reads as follows:

> "173. Every one who, without lawful excuse, the proof of which lies upon him, prowls upon the property of another person near a dwelling-house situated on that property is guilty of an offence punishable on summary conviction."

This is an amendment of Section 173, which now reads:

> "173. Every one who, without lawful excuse, the proof of which lies upon him, loiters or prowls *at night* upon the property of another person . . .

This means that emphasis is put on the difference between day and night. Obviously many offences are committed at night, Madam Speaker, and it is easy to find out who is on private property at night and who is not supposed to be there. Compared with the daytime, it is much harder because normally everyone in large urban centres is working during the day and completely harmless or innocent people may then be arrested or accused of loitering or "scrounging around."

I agree with the Hon. Member for Glengarry—Prescott—Russell that such offences are committed during the day as well, but I still have a problem. I would be willing to support his Bill, if distinctions could be made to define daytime and nighttime offences. For instance, Madam Speaker, in larger urban areas, many children go to play next door, on private property. How do we explain that those children are not loiterers or peeping Toms? There are public employees, such as electricians who have to climb hydro poles in our cities to do repairs. If they happen to be right opposite a window on the second floor and the shades are up, they could be accused of voyeurism. Now how can we accuse these people of something they never even thought of doing? They are just doing their job! And when the baker, for instance, rings the doorbell and the babysitter happens to open the door, and she doesn't know the baker, how is she supposed to know the man is a baker and not a loiterer? The same applies to the milkman and to the garbage pick-up crew. If people go down the street and happen to look into a window, they could be accused right then and there. I am of course referring to people who work during the day. At night it is a lot easier, as the Hon. Member said earlier. The light is on inside, while it is dark outside. So these people are on someone else's property for a very specific purpose, and no one is going to deny that. During the day, however, it is not as clear cut.

I wonder how we are going to be able to make those distinctions, and how this provision can be enforced fairly. A lot of offences are committed in broad daylight, and I am not just referring to peeping Toms. For instance, in the city and in broad daylight, while people are on the patio or near the pool, burglars break into the house. This does happen, and we must find a way to prevent it. But I don't think we should have to amend a section of the Criminal Code to give it more "teeth" in order to stop these things from happening. In fact, I think we need some kind of public awareness program. In several cities like Laval, for instance, there is an anti-burglary program called *Prévol*. It is a kind of information network. There are a number of lookouts, there are area leaders, and the neighbours around each area leader.

Early each week, area leaders send each of their individual lookouts the following message: Last week, some thieves broke into a number of homes by using such means as smashing doors or basement windows. They circulate this information, so that people can better protect themselves and prevent this type of break-ins. Something similar could be used to stop peeping Toms, without having to amend the Canadian legislation.

It is a fact that it is not easy to implement such programs or have people accept them, because they already find awareness programs disturbing, and that is the whole tragedy. They would like to have everything, without having to make an effort to get it, and they would like the community to foot the bill. Madam Speaker, instead of using the time of the House to debate a bill which, in principle, seems to me to be logical, except that it would be difficult if not outright impossible to implement, I feel rather that each and everyone of us should act in our respective ridings—since the phenomena described by my friend the Hon. Member for Glengarry—Prescott—Russell does not exist only in his riding, although we could say so if we wanted to make political gains, but it exists from coast to coast, and not only in our own backyards.

Perhaps we should use all the means at our disposal to discourage this type of day or night activities. Of course, Madam Speaker, the three levels of Government, federal, provincial and municipal, would have to co-operate; we need to rely on their contribution. At the municipal level, and I mention again the City of Laval where such a program already exists, the police force is already working in close co-operation with all the other organizations involved in fighting these activities. For instance, the police force co-operates with *Prévol*. It co-operates also with the Block Parents organization. In the province of Quebec, everybody knows about Block Parents and I suggest there is an enormous need for this kind of protection for our children and our homes. The police forces and all civil protection organizations, in both large and small communities, have the duty to co-operate and they do it gladly.

Concerning the bill we are dealing with today, Madam Speaker, I say there should be consultations, beginning with the larger communities, to set up such an organization which could contribute very quickly, much more quickly than federal

legislation, in curbing this rash of break-ins without using so much public funds.

I conclude, Madam Speaker, for I know that other Members want to contribute to this debate. I suggest that the Hon. Member for Glengarry—Prescott—Russell had very good intentions when he introduced this bill, but he will agree with me, I am sure, that without any legislation, we could come to an agreement and stop this rash of break-ins and vandalism.

• (1750)

[*English*]

Mr. Jim Fulton (Skeena): Madam Speaker, I am pleased to have an opportunity to speak on Private Member's Bill C-278. The Hon. Member has introduced an interesting and easily understandable amendment to the trespassing section of the Criminal Code.

Section 173 as it now stands states:

> Everyone who, without lawful excuse, the proof of which lies upon him, loiters or prowls at night upon the property of another person near a dwelling house situated on that property is guilty of an offence punishable on summary conviction.

In 1985 across Canada there were over 12,000 charges laid and an even more substantial number in 1986. In the case of someone loitering around one's dwelling house during the daytime, my friend advises me that the police can be summoned to see what is happening but cannot lay any charges because the section of the Criminal Code states very clearly that charges can only be laid if that person has been prowling at night.

The House will know that there are many types of prowling infractions that take place at times other than during the night. The proposal being made by my hon. friend is very logical. I was a probation and parole officer before being elected to this House and I believe laws must provide the kind of definition that allow for charges to be laid when someone is being bothered. For example, what would happen at this time of the day in Ottawa to someone waiting outside a dwelling house with no lawful excuse? That person may be peeking in windows or simply bothering the property owner and making one nervous.

It seems to me that we should clarify the laws. My friend is proposing to cut some red tape. It is a logical proposal that could even be included in an omnibus Bill, sent to committee, or even voted on now.

The Hon. Member's proposal is logical, and would only require the deletion of the two words "at night", so the section would apply 24-hours a day, all year long. It would provide a greater sense of security for Canadians across the country so that they would know that if someone was prowling or loitering around their property they could call the local police, who could not only ask whether or not the person had a lawful excuse for being there, but could lay charges if that person was loitering.

Perhaps we can allow for a vote on this Bill so that it could pass through all stages or go to committee. I believe this is a good opportunity to vote on a very logical and understandable proposal.

Mr. Patrick Crofton (Esquimalt—Saanich): Mr. Speaker, this is indeed a most interesting Private Member's Bill. Unlike the Member who just spoke, I do not agree that it is a simple, straightforward amendment. It has quite a dramatic effect on the present reading of the Criminal Code.

Trespassing is not, in itself, a criminal offence. Under provincial law, however, it may give rise to a cause of action that would provide compensation for damages.

Some provinces have also enacted provincial statutory offences for trespass if certain conditions are fulfilled. In Ontario, for example, the Trespass to Property Act provides that a person is guilty of trespass and liable to a fine if he or she, without the express permission of the occupier and without a lawful right or authority, enters onto or engages in an activity on the property of another person when such is prohibited by the Act, or does not immediately leave the premises when requested to do so. Other provinces have similar offences. It should be noted, however, that these provincial offences do not create crimes, but are merely regulatory offences. Mere trespass to property is not a crime.

Furthermore, neither is mere trespass a crime under the Criminal Code. Section 173 of the Criminal Code, although entitled "Trespassing at Night" in the heading, does not create a general offence of trespass. It prohibits, without lawful excuse, loitering or prowling at night upon the property of another person near a dwelling house. The term "prowls" has been held by the courts to mean conduct that consists of hunting around in a stealthy manner for an opportunity to commit an offence. Clearly, this term connotes a serious type of conduct, one deserving of the criminal sanction.

However, the term "loitering" has been held by the courts to mean "hanging around" or "lingering". Hanging around or lingering is not the type of conduct that justifies the imposition of the criminal sanction.

The Acting Speaker (Mrs. Champagne): Order.

Mr. Gauthier: On a point of order. before you call it six o'clock, Madam Speaker, and proceed to the vote, may I ask if the Government will tell us if it wants to work tomorrow? What is the agenda for tomorrow so that we can prepare, if anyone over there knows the answer?

Mr. Gottselig: Come tomorrow morning at 11.00 o'clock and you will find out.

• (1800)

[*Translation*]

The Acting Speaker (Mrs. Champagne): The time provided for the consideration of Private Members' Business has now

expired. Pursuant to Standing Order 42(1), the order is deleted from the Order Paper.

GOVERNMENT ORDERS

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed from Friday, April 29, consideration of Bill C-89, an Act to amend the Criminal Code (victims of crime), as reported (with amendment) from a legislative committee.

The Acting Speaker (Mrs. Champagne): Pursuant to Standing Order 13(5), the House will now proceed to the deferred division from the report stage on Bill C-89, an Act to amend the Criminal Code (victims of crime).

Call in the Members.

The vote is on Mr. Hnatyshyn's amendment. Mr. Hnatyshyn moves:

That Bill C-89 be amended in Clause 7, in the French version, by striking out lines 20 to 25 at page 15 and substituting the following therefor:

"(1.4) Pour l'application du présent article, la victime est:

a) la personne qui subit des pertes ou des dommages matériels ou moraux par suite de la perpétration d'une infraction.

The House divided on the amendment (Mr. Hnatyshyn), which was agreed to on the following division:

(*Division No. 354*)

YEAS

Members

Allmand
Belsher
Bernier
Blaikie
Blenkarn
Blouin
Bosley
Boudria
Bourgault
Boyer
Brightwell
Caccia
Cadieux
Caldwell
Cardiff
Cassidy
Clark
(Brandon—Souris)
Cooper
Corbett
Cossitt
Crofton
Crosby
(Halifax West)
Darling
Daubney
de Corneille
de Jong
Dewar
Dick
Domm
Duguay
Edwards
Fennell
Foster
Fraleigh
Friesen
Fulton
Garneau
Gass
Gauthier
Gervais
Gormley
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Grondin
Guilbault
(Saint-Jacques)
Hamelin
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Howie
Hudon
James
Jardine
Jelinek
Jepson
Jewett
Johnson
(Bonavista—Trinity—Conception)
Kaplan
Kempling
Kindy
King
Ladouceur
Langdon
Lanthier
Lewis
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
Mailly

Malone
Mantha
Mazankowski
McCain
McCrossan
McCuish
McKinnon
McLaughlin
Mitchell
Mitges
Moore
Murphy
Nicholson
(Niagara Falls)
Nickerson
Nowlan
Nystrom
O'Neil
Oostrom
Pennock
Pietz
Plourde
Porter
Price
Redway
Reid
Reimer
Ricard
Riis
Robichaud
Roman
Rossi
St. Germain
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Shields
Siddon
Sparrow
Stackhouse
Stewart
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Vincent
Waddell
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Young—123

● (1820)

[*English*]

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved that the Bill (as amended), be concurred in.

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

Some Hon. Members: Agreed.

Motion agreed to.

The Acting Speaker (Mrs. Champagne): When shall the Bill be read the third time? At the next sitting of the House?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

CONSTITUTION ACT, 1982

SUGGESTED AMENDMENT TO INCLUDE PROPERTY RIGHTS

The House resumed from Friday, April 29, consideration of the motion of Mr. Reimer:

That, in the opinion of this House, the *Constitution Act, 1982*, should be amended in order to include property rights and, that the Governor General issue a Proclamation under the Great Seal of Canada to amend section 7 of the Canadian Charter of Rights and Freedoms so that it reads as follows:

"7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

and this House urges that the Legislative Assemblies of all provinces and the Senate pass similar resolutions.

And the amendment of Mr. Turner (Ottawa—Carleton):

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

Property Rights

"in order to recognize the right to enjoyment of property, and the right not to be deprived thereof, except in accordance with the principles of fundamental justice, and in keeping with the tradition of the usual federal-provincial consultative process."

[*Translation*]

The Acting Speaker (Mrs. Champagne): The Hon. Member for Ottawa—Vanier on a point of order.

Mr. Gauthier: Madam Speaker, customarily, Private Members' Business is voted on differently.

Since the item before us is a Private Member's one, I would suggest that we proceed row by row rather than by political party and that we start, as usual, at the Speaker's right.

[*English*]

The Acting Speaker (Mrs. Champagne): Is the House in agreement that the division be taken by rows?

Some Hon. Members: Agreed.

The Acting Speaker (Mrs. Champagne): It is at this point that I should like to remind Hon. Members that the voting will begin with those Members who are in favour of the amendment in the rows to my right. I would ask them to rise by row and then those Members in the rows to my left. Later, I will ask those Members who are opposed to the amendment in the rows to my right to rise and end with those Members opposed to the amendment in the rows to my left.

The question is on the amendment.

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

(Division No. 355)

YEAS

Members

Allmand
Belsher
Bernier
Blenkarn
Blouin
Bosley
Bourgault
Boyer
Brightwell
Cadieux
Caldwell
Cardiff
Clark
(Brandon—Souris)
Cooper
Corbett
Cossitt
Crofton
Crosby
(Halifax West)
Darling
Daubney
de Corneille
Dick
Domm
Duguay
Edwards
Fennell
Foster
Fraleigh
Friesen
Garneau
Gass
Gauthier
Gervais
Gormley
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Grondin
Guilbault
(Saint-Jacques)
Hamelin
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Howie
Hudon
James
Jardine
Jelinek
Jepson
Johnson
(Bonavista—Trinity—Conception)
Kaplan
Kempling
Kindy
King
Ladouceur
Lanthier
Lewis
MacDonald
(Kingston and the Islands)
MacDougall
(Timiskaming)
Mailly
Malone
Mantha
Mazankowski
McCain
McCrossan
McCuish
McKinnon
Mitges
Moore
Nicholson
(Niagara Falls)
Nickerson
Nowlan
O'Neil
Oostrom
Pennock
Pietz
Plourde
Porter
Price
Redway
Reid
Reimer
Ricard
Robichaud
Roman
Rossi
St. Germain
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Shields
Siddon
Sparrow
Stackhouse
Stewart
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa—Carleton)
Valcourt
Vincent
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise—107

NAYS

Members

Blaikie
Boudria
Caccia
Cassidy
de Jong
Dewar
Fulton
Jewett
Langdon
McLaughlin
Mitchell
Murphy
Nystrom
Riis
Waddell
Young—16

● (1830)

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

Mr. Witer: Madam Speaker, I rise on a point of order. I was unavoidably detained and not here for the reading of the motion, but had I been here I would have voted in favour of the amendment.

Mr. Gauthier: Madam Speaker, the House may accommodate the Member if I were to put a suggestion. I think there would be unanimous consent to apply the vote just taken to the main motion.

The Acting Speaker (Mrs. Champagne): Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Witer: Madam Speaker, I would appreciate it if my vote were added to those who voted in favour of the amendment.

The Acting Speaker (Mrs. Champagne): The next question is on the main motion, as amended.

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

(Division No. 356)

YEAS

Members

Allmand
Belsher
Bernier
Blenkarn
Blouin
Bosley
Bourgault
Boyer
Brightwell
Cadieux
Caldwell
Cardiff
Clark
(Brandon—Souris)
Cooper
Corbett
Cossitt
Crofton
Crosby
(Halifax West)
Darling
Daubney
de Corneille
Dick
Domm
Duguay
Edwards
Fennell
Foster
Fraleigh
Friesen
Garneau
Gass
Gauthier
Gervais
Gormley
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Grondin
Guilbault
(Saint-Jacques)
Hamelin
Hardey
Hawkes
Hicks
Hnatyshyn
Holtmann
Howie
Hudon
James
Jardine
Jelinek
Jepson

Johnson (Bonavista—Trinity—Conception)
Kaplan
Kempling
Kindy
King
Ladouceur
Lanthier
Lewis
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
Mailly
Malone
Mantha
Mazankowski
McCain
McCrossan
McCuish
McKinnon
Mitges
Moore
Nicholson (Niagara Falls)
Nickerson
Nowlan
O'Neil
Oostrom
Pennock
Pietz
Plourde
Porter
Price
Redway
Reid
Reimer
Ricard
Robichaud
Roman
Rossi
St. Germain
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Shields
Siddon
Sparrow
Stackhouse
Stewart
Taylor
Thacker
Towers
Tupper
Turner (Ottawa—Carleton)
Valcourt
Vincent
White
Wilson (Swift Current—Maple Creek)
Winegard
Wise
Witer—108

NAYS

Members

Blaikie
Boudria
Caccia
Cassidy
de Jong
Dewar
Fulton
Jewett
Langdon
McLaughlin
Mitchell
Murphy
Nystrom
Riis
Waddell
Young—16

The Acting Speaker (Mrs. Champagne): I declare the motion carried.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Guilbault (Saint-Jacques): Madam Speaker, may I ask the Government House Leader to tell us what business he intends to bring before the House of Commons tomorrow?

[*English*]

Mr. Lewis: Madam Speaker, in a further effort to pass Bill C-113, which is a great deal for western Canada and is being unnecessarily delayed by the Opposition, we will call Bill C-113.

[*Translation*]

The Acting Speaker (Mrs. Champagne): It being 6.37 p.m., the House stands adjourned until tomorrow at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.37 p.m.

HOUSE OF COMMONS

Tuesday, May 3, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

COMMITTEES OF THE HOUSE

STRIKING COMMITTEE—PRESENTATION OF SIXTY-FIRST REPORT

Mr. Scott Fennell (Ontario): Mr. Speaker, I have the honour to present the sixty-first report of the Striking Committee.

BILL C-82—REPORT OF LEGISLATIVE COMMITTEE

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-82, an Act respecting the registration of lobbyists.

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

* * *

[*English*]

PETITIONS

NORTHERN TAX ALLOWANCE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is an honour for me to present a petition today on behalf of a number of constituents, pursuant to Standing Order 106. The constituents are concerned in this case about the comprehensive eligibility list for the northern residents' tax deduction. They indicate that many communities have been left off the list which share identical environments in that they are northern, isolated communities paying increased costs for food, fuel and housing. Whereas this tax deduction was designed to assist in alleviating the added costs of living in northern, isolated communities, they are calling upon Parliament to declare all communities in tier 3 ridings across Canada to be eligible for the northern residents' tax deduction.

• (1110)

[*Translation*]

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, it is my duty to present petitions to this House, pursuant to Standing Order 106. These petitions come from residents of Shediac, Cormier Village, St. Paul, St. Charles, Cocagne and Scoudouc in my riding. Mr. Speaker, they come from throughout my constituency. The petitioners humbly state that the decision of the Supreme Court of Canada leaves unborn human beings with no legal protection and for these reasons, the petitioners humbly ask Parliament to draft a bill as soon as possible to protect human life.

REQUEST FOR INSTALLATION OF SUPPLEMENTARY SAFETY DEVICES IN AUTOMOBILES

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, I have the honour to table petitions signed by residents of Chibougamau, Dolbeau, Sainte-Monique, Roberval, Chapais, Mistassini, Saint-Paul du Nord, Saint-Thomas and Longueuil. These 168 signatures are in addition to the 32,639 signatures that I have already tabled.

The highway safety campaign continues, Mr. Speaker, because the petitioners are aware that since 1974, the federal motor vehicle safety regulations allow drivers of passenger cars to install self-inflating air bags and that this device would reduce the number of deaths and serious injuries.

For these reasons, the petitioners humbly ask Parliament to require, first, the installation of self-inflating air bags in the front of cars and, second, the installation of adjustable seat belts with shoulder straps for back-seat passengers.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 280, 284 and 313.

[*Text*]

INFORMATION PROGRAM ON NUCLEAR ENERGY

Question No. 280—**Mr. Nystrom:**

Order Paper Questions

1. Has Atomic Energy Canada Limited (AECL), Eldorado Nuclear Limited or the Department of Energy, Mines and Resources (EMR) made any financial commitment to a campaign undertaken by the Canadian Nuclear Association to promote the nuclear industry in Canada and, if so, in each case, in what amounts?

2. Have any employees of AECL, Eldorado or EMR (*a*) participated in the development (*b*) undertaken the supervision of any aspect of the campaign and, if so, in each case (*i*) what positions do they occupy in their department or agency (*ii*) what responsibilities have they assumed in the supervision of the campaign?

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): I am informed by the Department of Energy, Mines and Resources and the Office of Privatization and Regulatory Affairs as follows:

In so far as the Department of Energy, Mines and Resources is concerned: 1. No. 2. (a) & (b) No.

In so far as Atomic Energy of Canada Limited is concerned:

1. As a co-sponsor of the Canadian Nuclear Association's public information program, AECL has committed $2.5 million (an amount equal to less than one per cent of AECL's operating expenses) for 1987-88 to the program.

2. (a) & (b) Yes. (i) Vice President, Corporate Relations, AECL. (ii) Chairman, Canadian Nuclear Association's Public Affairs Steering Committee.

In so far as Eldorado Nuclear Limited is concerned:

1. Eldorado Nuclear Limited is a co-sponsor of the Canadian Nuclear Association's information program, which is designed to provide Canadians with information about nuclear energy.

For the 1987-88 fiscal year of the program, Eldorado will contribute $50,000 toward this program. The contribution is from revenue earned in the market-place and does not involve public funds.

2. Eldorado's Director of Corporate Affairs has participated in the development and supervision of the information program, although the company has not and does not intend to second any of its employees to the program.

DPW—CONTRACTS, GRANTS OR LOANS IN CONSTITUENCY OF EDMONTON WEST

Question No. 284—**Mr. Dorin:**

Since September 4, 1984, has the Department of Public Works awarded contracts, grants or loans to individuals, corporations or non-governmental organizations located in the constituency of Edmonton West and, if so, to which ones and, in each case, in what amount and for what purpose?

Hon. Stewart McInnes (Minister of Public Works): In so far as Public Works Canada is concerned:

Below is a list of contracts awarded in the constituency of Edmonton West from September 4, 1984 to March 21, 1988. No grants or loans to individuals, corporations or non-governmental organizations were awarded during this period.

Contracts over $ 10,000*
Edmonton West
August 1, 1984—March 21, 1988

Award Date	Project/ Tender No.	Contractor	Description	Amount ($)
84/10/04	6000484 6M62-4-2028	Huszar Construction Ltd. 8619—77 Street Edmonton, Alta. T6C 2L9	Edmonton, Alta. Harley Court Building 10045—111 Street T5K 1K4 Renovations to secretary of state and related work	23,129.00
87/03/02	6620967 6M62-6-2050	Intercon Acoustics Ltd. 14030—123 Avenue Edmonton, Alta. T5L 2Y3	Edmonton, Alta. RCMP Forensic Laboratory 15707—118 Avenue T5V 1H9 Firearms range, sound control treatment	27,600.00

85/11/12	6610519 6S62-5-2018	Motor Truck Express Ltd. P.O. Box 429 Edmonton, Alta. T5J 2K1	Edmonton, Alta. RCMP Forensic Laboratory T5V 1B7 Move from 11140— 109 Street to 15707— 118 Avenue	11,834.00
87/10/22	6621181 6C62-7-2016	Papirnik Construction Ltd. 12419—83 Street Edmonton, Alta. T5B 3A5	Edmonton, Alta. RCMP "K" Division 11140—109 Street T5G 2T4 RCMP HQ Building Comcenter Renovations	182,728.00
86/03/17	6620505 6M62-5-2048	Royal Oak Contracting (Western) Ltd. 126 Royal Rd. Edmonton, Alta. T6E 2E7	Edmonton, Alta. Postal Stores Depot 15819—114 Avenue T5M 2Z3 Interior Alterations and related work	16,470.00
87/09/21	6769266 6M64-7-4019	Western Asbestos Ltd. P. O. Box 778 Winnipeg, Man. R3C 2L4	Winnipeg, Man. General Post Office 66 Stapon Rd. R3C 2M2 Carpet Squares installation	27,526.00
84/11/09	6N/A 6M62-4-2042	Willow Spring Construction (Alta.) Ltd. #201, 4525—101 Street Edmonton, Alta. T6E 5C6	Edmonton, Alta. Post Office, West Edmonton Mall Unit K-209 260—8770—170 St. Tenant improvements	37,897.00

NUMBER OF CONTRACTS: 7

* The accounting system does not reflect contracts under $10,000 by electoral riding.

SALE OF ASBESTOS TO THAILAND

Question No. 313—**Ms. McDonald:**

To the knowledge of the Government, is Canadian asbestos sold in Thailand and, if so, is information provided to users about the known or potential health effects of asbestos and, if so, what is it?

Right Hon. Joe Clark (Secretary of State for External Affairs): In 1987, Canada shipped asbestos cloth and fibres to Thailand valued at $18.8 million. In Thailand, the major end uses of asbestos fibres are asbestos cement sheet/pipe and roofing (80 per cent), brakes and clutches (15 per cent), and vinyl floor tiles (5 per cent). Bags of asbestos fibres entering Thailand are stamped with warning labels in six languages. In accordance with Thai regulations, pallets loaded with bags of asbestos fibres entering Thailand are labelled in Thai with cautionary statements, a practice which started in 1985. Thai regulatory authorities at the Ministry of Industry are well aware of the potential health effects of asbestos. Under their regulations, only blue asbestos or crocidolite is not permitted entry into Thailand. Import permits are required in Thailand to import other types of asbestos fibres which are issued by the Hazardous Substances Division of the Thai Ministry of Industry. The Canadian Asbestos Institute has conducted seminars in Thailand in August, 1985, and in February, 1988, on the health, safety and handling of asbestos for the Thai regulating agencies and users.

[*Translation*]

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

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

WESTERN ECONOMIC DIVERSIFICATION ACT

MEASURE TO ENACT

The House resumed from Monday, May 2, consideration of the motion of Mr. Mulroney that Bill C-113, an Act to promote the development and diversification of the economy of western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts, be read the third time and passed, and the motion of Mr. Hawkes:

That this question be now put.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, it is a pleasure to contribute to the debate on third reading of Bill C-113. As you know, we rather reluctantly have decided to support the Bill because, of course, the NDP is concerned about the goal of diversification of the economy of western Canada. We sympathize with and support the aim of westerners to ensure that their economy can and will be broadened from its traditional reliance on farming, energy and other resources. However, we are nonetheless unhappy with and have substantial misgivings about the structure being put in place by the Government.

May I say as well that I have some pretty grave misgivings about the fact that a Government which came to power some three and a half years ago is only now getting around to establishing this new vehicle for regional development in western Canada. While I recognize that the Western Diversification Office has been in operation over the course of the last year or so, nonetheless the failure to give legislative support to the initiative indicates a lack of urgency. Or, perhaps it is just an inability on the part of the Progressive Conservatives, despite their numbers, to effectively set priorities and manage the business of this House so that this legislative program gets through.

I have some real problems with that because I have been thinking a bit and my Party has hopes of forming a Government—

Mr. Holtmann: Where?

Mr. Cassidy: —after the next election.

Some Hon. Members: Oh, oh!

Mr. Cassidy: That is a very real possibility now. One of the things I believe we have to do is set out a program and put it before Parliament and then set to working with Parliament on an urgent basis to get that program adopted. What we are seeing now is a failure by the Government in determining urgency, setting priorities, determining objectives, and then carrying through. That is one of the reasons why so many Canadians, including those in western Canada, are disillusioned with the Government and are increasingly questioning whether it should be allowed another term in office.

Mr. Mantha: Get to the subject matter.

Mr. Cassidy: Mr. Speaker, this Bill sets up a kind of hybrid structure of responsibility in the Government for regional development. It sets up a new Department of Industry, Science and Technology which will be responsible for regional development in Ontario and Quebec. Then there will be a Minister responsible for the Atlantic provinces economic development initiative and another responsible for the Western Diversification Office. Therefore, we will have three separate Ministers, each of whom is responsible for promoting regional development in different parts of the country and acting as advocates within cabinet and in relations with other departments. There will not be one department or one branch of Government with over-all responsibility for seeking to ensure fairness between the regions of Canada and fairness for different Canadians in different parts of the country.

I know the situation of my friend from Kamloops—Shuswap where, even after four or five years of economic growth in Canada, the unemployment rate in that part of the interior of British Columbia stays somewhere close to 20 per cent. It just has not come down under the Progressive Conservatives and there is no indication that the Western Diversification Office will have much impact on bringing it down.

What I believe is a real concern or ought to be is the fact that the Ministry of Industry, Science and Technology will clearly be the senior ministry of these regional development outfits. In fact, there will not be a ministry in Ottawa directly concerning itself with western diversification. There will be an Assistant Deputy Minister and a liaison office here in Ottawa, but the base of the Western Diversification Office will be in Edmonton with branch offices in Vancouver, Saskatoon and Winnipeg.

In those circumstances I fear that the legitimate concerns of westerners and their desire to try to influence the policies of other Departments are going to prove to be somewhat less effective in implementation. In other words, they will not have the clout they hope to have and which the Government promised when it established legislation for the office. I fear the same thing may happen with respect to the Atlantic region as well.

Let me just read from a government hand-out on the responsibilities of the new Department of Industry, Science and Technology. It says that the creation of the new Department should be seen in the light of a series of initiatives the Government has taken, including creation of the Atlantic Canada Opportunities Agency, responsible for regional economic development programs in Atlantic Canada, and the Western Diversification Office serving four western provinces. This new approach to industrial revitalization can in no way be interpreted, says the Government, as a diminished emphasis on

regional development. Quite the contrary, it will support the Government's efforts to promote growth and development in the disadvantaged regions of the country.

Regional development in Ontario and Quebec will be the responsibility of the new Department, managed through a separate organizational component with its own field offices. The Department's responsibility for these regions will involve broad regional economic development policy and program co-ordination. It will also include advocating the economic development interests of Ontario and Quebec within the federal Government.

• (1120)

What is happening, therefore, is that this big, powerful new Department of Industry, Mines and Technology, with a budget approaching $2 billion per annum, will be responsible for advocating regional development priorities for Ontario and Quebec. In the meantime, a Minister with other responsibilities, who will be speaking on behalf of the Western Diversification Office, will be responsible for speaking up for western Canada and a Minister responsible for the Atlantic Canada Opportunities Agency will be responsible for speaking up for Atlantic Canada.

Those two Ministers and the offices for which they are responsible will not be integrated into the structure of the Government here in any way. They will be out in left field in western Canada, if you want to put it that way, and in right field in Atlantic Canada. In the meantime the regional development interests of Ontario and Quebec will be spoken for by a Minister who is one of the two or three most powerful economic Ministers. I fear that we will see a perpetuation of the problem which has bedevilled our economic management of this country for so long, that is, that successive Liberal and Conservative Governments have essentially governed for the economy of central Canada, of Ontario and Quebec, at the expense of the economies of the rest of the country.

We are told that the new Western Diversification Office is going to have responsibility to promote the economic interests of western Canada within the context of the Government of Canada developing national policies. However, when we have tried to raise specific examples of that to find out how it will work, we have found that it is not going to work at all.

My colleague, the Member for Yorkton—Melville (Mr. Nystrom), asked the responsible Minister if he would be making representations to the Minister of Finance (Mr. Wilson) and the Bank of Canada in favour of lower interest rates. It is clearly in the interests of western Canada to have the dollar cease its dizzy rise, to bring interest rates down, in order to ensure a development of the oil and gas industry, et cetera.

This morning I sat at a breakfast with some business people and my colleague from Yorkton—Melville who reminded me that the meat packing industry in western Canada has been increasing its exports to the United States but that those exports are now beginning to stall because of the rise in the Canadian dollar and, as a consequence, because of a decrease in the competitiveness of Canadian-packed meat products being shipped into the United States.

The answer we got from the responsible Minister was a dusty one. He was not prepared to indicate that the Western Diversification Minister was in fact speaking up for lower interest rates in the councils of Cabinet and trying, therefore, to protect the interests of the West. A decrease in interest rates of 1 per cent will have a lot more impact in terms of job creation in western Canada than the $200 million per annum which will be spent through the Western Diversification Office.

I wonder whether the Western Diversification Office would have stood up for western Canada to have kept the CF-18 contract when that was moved to Montreal. I wonder whether the Western Diversification Office is making representations within Cabinet right now with respect to the impending Air Canada contract with Airbus Industries of the Common Market in order to ensure that a fair share of the offset production under that contract will be in Canada in order that not all the value of that contract will go to the aerospace industry in Montreal, as appears to be the case now. Is the Western Diversification Office standing up for western Canada in this matter? We do not know, Mr. Speaker, but I suspect that the answer is no.

As another example, the Department of the Environment is meant to be a co-ordinating ministry. It has been around for a long time and has substantial political clout because of the express concern of Canadians with respect to environmental protection. However, its success in ensuring that Departments such as Fisheries and Forestry follow policies which are environmentally sound has been negligible. It has had a terrible uphill battle in trying to co-ordinate the activities of other line Departments.

I wonder what success the Western Diversification Office, located in Edmonton, will have in trying to co-ordinate the activities of line Departments with economic-based activities in western Canada. If the Department of Energy has initiatives in Alberta, will the Western Diversification Office have a say? If the Western Diversification Office thinks that there are other projects which would have a greater economic impact than major energy projects which are being considered for financing by the Department of Energy, will it be able to prevail, or will its input go ignored and will it find itself out in left field while the big decisions are made by other people in cabinet and cabinet committees from which the representatives of the Western Diversification Office are excluded? Is that what will occur? I fear that that, in fact, will be the case.

Another example of where the Western Diversification Office could be fulfilling its advocate role is in the promotion of the use of western coal at the plants of Ontario Hydro in Ontario. Those coal burning plants currently draw their coal from the eastern United States and in the process, of course,

create a great deal of acid rain pollution which is affecting both Canada and the United States. Just what role would the Western Diversification Office play in ensuring that diversification includes the use of Canadian coal in Ontario Hydro's production of electricity, a project which would benefit both western and eastern Canada as well as helping to protect the environment because of the high quality of western Canadian coal?

A final example is the question of the flow-through shares. The Minister of Finance (Mr. Wilson) proposed to reduce or eliminate the tax advantages of flow-through shares. He has provoked almost unanimous opposition in all parts of northern Canada, including from people from northern Manitoba, northern Saskatchewan, northern Alberta, and northern British Columbia. The flow-through share scheme has led to an enormous increase in mining exploration and the opening and development of new mines in every part of northern Canada. It has brought unemployment rates down dramatically in certain parts of northern Canada. Will the Western Diversification Office get involved in that? We do not know.

I am reminded of what happens these days when people go to their Conservative Member of Parliament and ask what he or she is doing about jobs in their particular community. The unemployment rate is up to 12 per cent and is not coming down. The jobs, jobs, jobs about which the Prime Minister (Mr. Mulroney) talked all seem to be in the area of Toronto and Brampton, they are not going out to western Canada. The Member of Parliament says: "Boy, am I ever a tiger in the caucus. I'm speaking up for you all the time." He says, "I have talked to the Minister again and again about your problems. The Minister is doing the job in Cabinet, just trust us". The people of Canada have heard that song for the last three and a half years.

The Hon. Member speaks about what happened in Manitoba. I noticed that the power of the Prime Minister in Manitoba, the magnetism of his appeal, and the force of the Conservative Government's policies, had such a buoyant effect on Mr. Filmon and the provincial Conservatives in Manitoba that the number of their seats came down from the last election. My hon. friend from Kamloops—Shuswap (Mr. Riis) will remind me. Did the vote for the Conservatives go up or did it go down in Manitoba?

Mr. Riis: I believe it went down.

Mr. Cassidy: I believe it went down. And did the number of seats for the Conservatives go up or go down?

Mr. Riis: They went down as well.

Mr. Cassidy: The seats for the Conservatives went down as well. There is a real vote of confidence on the power of the Progressive Conservative alternatives in Manitoba. It is very interesting. People there punished a government which was in power for 16 of the last 20 years. They decided that it was time to have a change. That happens and as New Democrats we respect that. As Premier Pawley and Mr. Doer, the new Leader of the New Democrats in Manitoba indicated, some mistakes were made and I think we have learned a few lessons from that. However, I believe that the Conservatives have to learn some lessons as well.

You cannot create a diversification initiative which is just going to send memos from Edmonton to Ottawa and say that that is all that is being done for western diversification. I want Hon. Members opposite to know just how skeptical people are about this kind of initiative. I had a conversation with some business people this morning and was reminded that three years ago the Government brought together a number of leaders in different areas of the economy for a national economic conference at the highest level. That group included people from the voluntary sector, from universities, from research and development. It included spokespeople from different areas of business, both small and big. It included people from the trade union movement. It included some representatives of women and minority groups. Of course, it included members of Cabinet and the present Government.

• (1130)

There was some very useful dialogue over the course of two and one-half days, but the Government failed to carry through with that particular initiative. I believe, as a Canadian as well as a New Democrat, that such an initiative would have been useful had it been carried through. Canadians must learn to talk together more effectively about how we can build this country. That means people in western Canada as well as people in Ontario, Quebec or Atlantic Canada.

In Quebec there have been some useful initiatives in bringing together all of the interests involved in different regions or different industries so they may talk and confront common problems. That is an approach that we New Democrats find extremely positive and productive. However, one does not find that approach in the Western Diversification Office.

As I said, while we support this legislation, it is because it is the only game in town. We believe this initiative is flawed and therefore warn people in western Canada not to put all of their trust in this particular measure. We support it because it is the only game in town.

I want to refer to some comments made by the Canadian Federation of Independent Business on the Western Diversification Office. They submitted a very sincere brief to the Minister responsible for the diversification office and indicated the kind of concern the Government's initiative has provoked among people who ought to be friendly to the Government.

They state that the CFIB is among those excited by the prospects of a fund to aid western diversification, provided that it is spent judiciously, using flexible criteria within a clear and consistent policy framework.

Yet, the CFIB says that their enthusiasm has been tempered by growing concern that the western diversification initiative is degenerating into at least one or all of the following: "a political slush fund to support vulnerable constituencies to lure in big business or bail out obsolete industries in hopes of gaining short-term political profile". I do not believe that is what the Government announced as the office's intention. However, when people from the small business sector studied this initiative, they feared that this is what it would become.

They went on to state that it may become: "a bureaucratic slush fund available for other line Departments and Ministers to raid in lieu of other national programs that should have their fair share spent in the West". In other words, they are warning people in western Canada that the $97 million going into this particular initiative for the close of the fiscal year is not so much found money, given the fact that other programs that could and should be used in western Canada will be short-changed as a consequence.

Their third concern is that it could become: "a narrow and highly centralized approach to diversification with continued emphasis on megaprojects or traditional resource extraction and development" or, finally: "it could turn into a confusing black box lacking clear criteria or policy direction and on a collision course with a myriad of client groups who are inevitably going to see thousands of applications rejected and thousands of hopes dashed".

The Federation of Independent Business proposed that given the resources available and the area where jobs are actually being created in the economy today, the Western Diversification Fund should be focused on the areas of community development, risk financing and equity investment in small business, on the promotion and support of a western entrepreneurial culture and on advocacy through all federal agencies on behalf of the West. They expressed grave concern about the need to salvage the credibility of the Western Diversification Office before it had begun to be established.

The fears as they have been expressed by my colleagues are that there will not be genuine diversification beyond the traditional resource industries. I have those same concerns. I was in western Canada on a very interesting tour of the energy sector that was organized by the Hon. Member for Athabasca (Mr. Shields) in conjunction with the Alberta Government. I thank the Hon. Member for his assistance because as an Ontario resident, albeit a native of British Columbia, I found it extremely useful and helpful.

I learned from that trip that there was this sense of confusion about what the diversification office would actually do. I heard about a number of applications being made and encouraged by the diversification office which did not appear to meet the criteria of diversification. I am not sure whether it was designed to ensure that western Canada would embark upon new areas of industrial development, whether in high tech, international oil servicing or the like, or whether it would simply help the traditional development of the tourist sector. I understand that $75 million in funding has been given for the cure of soil erosion and that $5 million has been given for potash marketing. This does not appear to be diversification in the traditional sense.

If there is a sense of confusion or lack of focus in the Western Diversification Office before it has even been legislated into being, what will happen in two years, particularly if the Government eventually directs the 1988-89 funding for the first full year of the diversification office into areas that are far more important for political pay-off than for economic development in western Canada?

I hope that we in the New Democratic Party are learning from those concerns. We believe the process should be much more open, with an ongoing dialogue in which the provincial governments, western business, working people in the trade unions, and the voluntary sector are all involved in planning the diversification of the economy of western Canada and implementing those plans in ways in which all governments will serve as a catalyst in helping all sectors work toward the common goal of the diversification and strengthening of the economy of western Canada.

Mr. Shields: Mr. Speaker, I want to ask my hon. friend, the Member for Ottawa Centre (Mr. Cassidy), why the NDP keep referring to the Federation of Independent Business presentation that was made to the Minister of Indian Affairs and Northern Development (Mr. McKnight) prior to the legislation being introduced to the House. They know full well that it is misleading. I cannot say that it is intentionally misleading because that would be unparliamentary, but one cannot help but question the motives of the Hon. Member for Ottawa Centre.

He knows that when this legislation was sent to committee and studied clause by clause, the NDP and Liberal Members each asked that the Federation of Independent Business be allowed to appear as a witness in front of the committee. The Federation indicated by phone that it did not want to appear before the committee because it was basically satisfied with the legislation. However, it stated that it had received calls asking it to appear and would do so if requested.

In order to accommodate New Democratic and Liberal members of the committee, we called the Federation of Independent Business to appear before the committee. That organization agreed to come, but only at our insistence. Why then does the Hon. Member present his case based on the Federation of Independent Business proposal that was submitted to the cabinet Minister in charge of western diversification prior to the legislation? Why would he do that?

• (1140)

The Member indicates that there is a sense of confusion out there because people are making applications under the Western Diversification Program and the applications are being turned down. Why is the Member talking about this confusion when the legislation which allows the Minister for

western diversification to access the program is not through? His hands are virtually tied because we are being filibustered in this House by Liberals and New Democrats who are holding up this very vital legislation for western Canada.

The Minister can only access those programs already in place. How in God's name can the Member stand up and talk about the sense of confusion which exists because the legislation is not in place and at the same time attempt to filibuster this legislation to the detriment of western Canada? I would ask my friend, the Hon. Member for Ottawa Centre to answer that question.

Mr. Cassidy: Mr. Speaker, I have been scratching my head to figure out the Conservative definition of a filibuster. I think I have established that a filibuster, in the eyes of the Hon. Member for Athabasca, is any debate which persists longer than four hours. I believe when I got up to speak this morning there had been approximately five hours of debate on third reading of Bill C-113. I am sure everyone in western Canada would agree that is not an unreasonable amount of time to give to debate on a flawed, but important regional initiative. If the Hon. Member thinks there should be no debate in the House of Commons, if his view is that the House of Commons should be stifled, let him take that view back to his constituents, but I think most Canadians believe this is a democracy and that the House of Commons plays an extremely important role in it.

Second, I would point out that the New Democratic Party is not responsible for the calling of legislation in this House, nor are we responsible for the calendar with which the legislation is put forward. That is the responsibility of the Government. My hon. friend informs me that in fact we were only up to four hours and 54 minutes of debate before I began my speech. If the Government felt that the operations of the Western Diversification Office would be impaired because of the lack of legislative authority, it could have brought this legislation to the floor a lot sooner than now.

As I recall, the Western Diversification Office was actually announced about a year and a half ago, in August of 1987. At that point the Government brought forward its legislation. The office has been making deals. It has been offering money. There was money voted for it in the 1987-88 Budget. If the Government had wanted this legislation through by Christmas, it had the power to do so. It is not the responsibility of the New Democratic Party that the Government chose to go forward with other pieces of legislation at that time.

The Hon. Member speaks of the Federation of Independent Business. I would remind him that the brief submitted to the Minister responsible for the Western Diversification Office, which came from the CFIB, was submitted after the Western Diversification Office had actually been in operation, even if it did not have legislative authority. The Member overlooks one important factor, and I checked this with my colleagues. The Federation stood by the concerns it had aired in its brief to the Minister. Those concerns are not entirely answered in the legislation as it stands and, unfortunately, it has not been corrected since.

Mr. Riis: Mr. Speaker, not long ago we in the House debated the legislation regarding the Atlantic Canada Opportunities Agency, a similar initiative to the Western Diversification Fund. The decision at that time was that the legislative committee should travel throughout Atlantic Canada and hold hearings. A number of people from Atlantic Canada made submissions at those hearings. I am interested in one of the submissions by the Atlantic Provinces Economic Council. The chairman of the Council indicated to the parliamentary committee that his organization had concerns about the creation of a new Department of Industry, Science and Technology because that new Department was going to be responsible for economic development in Ontario and Québec. The question the individual asked was if this would give some undue advantage in terms of a new major powerful Department of Government with all the bureaucracy in place, would central Canada be using that as its regional development? What does that mean in terms of the Atlantic Agency today, and we are talking about the Western Diversification Fund.

It seems we have different rules for different parts of Canada, at least that is what this individual was indicating. I wonder if the Hon. Member for Ottawa Centre (Mr. Cassidy) would indicate how he sees this. With this new Department of Industry, Science and Technology being responsible for regional development in Ontario and Quebec, are we not setting up different systems for different parts of Canada? I am not suggesting any particular problem with that, but it does seem, as the person from Atlantic Canada indicated, that it perhaps provides the possibility of Ontario and Quebec having an additional advantage in terms of regional development, being aligned and receiving these development initiatives through this very powerful new Department of the Government.

Mr. Cassidy: Mr. Speaker, I did express some concern because I think that is a real problem. The Minister responsible for western Canada is going to be down at the bottom of the pecking order. When you have a cabinet of 40 people and you are the thirty-eighth person to speak, I am not sure you would carry the necessary clout, particularly if you are speaking for regional development interests and are up against the Minister of State for Science and Technology (Mr. Oberle) who will be number six or number seven in the pecking order after the great Department of Finance, Department of External Affairs and Department of Transport, and so on.

The Hon. Member for Kamloops Shuswap raises a very real problem and I do not think it is adequately answered. The answer, of course, which will come from the Government is that the Prime Minister himself is going to take responsibility for ensuring regional fairness across the country. The Minister responsible for Industry, Science and Technology will report to the Prime Minister, as does the Minister responsible for the

Western Diversification Office and the Atlantic Canada Opportunities Agency. But the Prime Minister has a lot of other responsibilities and he will get to the point where he cannot keep all of them going on the boil at the same time. Most people cannot keep more than four or five things going at one time and with the present Prime Minister, it is a lot more than that.

Under those circumstances, to fail to have a ministry which has over-all oversight over the question of regional fairness between eastern Canada, western Canada and the less favoured regions of central Canada is, I suspect, a profound mistake and something for which western Canadians will find themselves paying when this legislation is put into place.

Mr. Deputy Speaker: Resuming debate.

Mr. Nystrom: Mr. Speaker, has the time ran out for questions and answers for the Hon. Member for Ottawa Centre (Mr. Cassidy)? I have a question I would like to ask him if it is at all possible.

Mr. Deputy Speaker: The period for questions and comments has expired. We are resuming debate with the Hon. Member for Regina East (Mr. de Jong).

• (1150)

Mr. Simon de Jong (Regina East): Mr. Speaker, I wish to participate in the debate on the western diversification legislation which is presently at third reading stage in the House. Those of us who come from western Canada are all concerned with the economic and social developments of our regions. In the last number of years there have been major economic crises which have faced the people of western Canada.

The first and foremost is with respect to the dramatic decline in the prices paid for farm produce, in particular grains, which has led to the bankruptcy of a large number of family farms. It has resulted in a decline of farm value, land value, which threatens in turn many banking institutions such as credit unions. They have loans out on lands which are now not worth the value that they were when they were bought.

As well, in the last number of years we have seen a decline in the price and demand for many of the natural resources that come out of western Canada, in particular the prairie provinces, a decline in both the price and the volume of potash, oil and gas. In turn, that has had an effect throughout the economy of western Canada.

What we find in my home province of Saskatchewan is a declining population, unacceptably high unemployment in many regions of the province and a general sense of despair. There is not a tremendous sense of future and hope, which is odd, coming out of Saskatchewan since one thing that we have always had is a sense of hope. We call ourselves "next year country" because there was always a sense that next year was going to be better.

As I travel throughout my riding, which is in part urban and in part rural, I find a tremendous sense of pessimism and not much hope that next year will be better. It is necessary to develop some strong economic and social strategy to help diversify the economies of the West, in particular the prairie provinces, so that when we see the ups and downs in the prices of our natural products, our grains and our natural resources that they do not carry the whole economy of the West with them. I think it has always been a dream of various federal and provincial Governments, whether they have been Liberal, New Democratic or Conservative, to attempt to develop some alternate strategy so that the economic base in the West can be diversified and as such strengthened in order to withstand the ups and downs of the markets.

I must say that there was a certain amount of hope in the West when in 1984 a Conservative federal Government was elected. For a long time many people in the West felt that the Liberal Government of Mr. Trudeau had ignored the West. His Government did not receive too many seats from western Canada. Its political base was essentially in Québec and Ontario. It was felt that the economic policies of the Liberal Government reflected its economic base.

There was certainly a tremendous sense of being ignored by western Canadians. Thus, in 1984, many people who voted for the Conservative Party in the West, even though many of them might not have been Conservative, felt that a change in government was needed in order to rebalance the sharing of economic wealth and development between East and West. They saw central Canada being economically healthy whereas western Canada was on an economic decline and being ignored.

I must say that a great many of the folks who voted for the Conservative Party in western Canada are bitterly disappointed. There are the obvious examples of the fighter contract being let to Montreal rather than to Winnipeg, which is a major irritant to western Canadians. We also find that the election of the Conservative Party in 1984 really did not change things very much in western Canada. We recognize that in its Budget of 1985 the Government slashed some $3 billion out of regional economic development, a decrease in the budget of regional and economic development that continued from one Budget to the next. It is estimated that some $9 billion in money could and should have gone to regional economic development. But that was slashed from the Budget—slashed by some $3 billion in three years.

You will recognize as well, Mr. Speaker, despite the record of the Conservative Party to get more procurement in the West, that when you look at the figures from 1984-85 to the present you will see that during those Conservative years there was a steady decline of purchases by the national Government in the West. In 1984-85 the figure was 13.9 per cent of federal expenditures going to purchases from western Canada. In 1985-86 that figure declined to 12.8 per cent. In 1986-87 it further declined to 11.5 per cent. Thus even in the area of procurement, western Canadians have seen their share of

federal expenditures decline in the Conservative years. So much for the hopes of western Canadians.

Western Canadians also recognize that this Government has ignored western Canada agriculture and the crisis that faces the farmers back home.

Mr. Malone: Oh, oh!

Mr. de Jong: The Hon. Member laughs. Indeed, the Government did come up with $1 billion just before the Saskatchewan election. What it took was the Premier of the Province of Saskatchewan, a friend of mine, phoning up during the midnight hours from a little motel in rural Saskatchewan, in Calvinton, his buddy Brian and saying: "Brian, for gosh sakes, we need something or we are going down to defeat".

Mr. Nystrom: He was pleading.

Mr. de Jong: Pleading, indeed. In fact, the Deputy Premier of Saskatchewan had to fly to Ottawa to make the Conservative Government aware of what was happening in western Canada. He explained the desperation that farm people were finding themselves in and the growing anti-Conservative mood in the West.

Thus the Prime Minister (Mr. Mulroney) of the country said: "Well, Grant, you have done me a lot of favours. We are going to have to do one for you, I suppose. Sure, we will allocate $1 billion". Certainly that money was appreciated in western Canada. It came in the nick of time to save some farm families. But what a way to run public policy. Is it going to be just political pressure that creates the farm support programs that are so desperately needed? Is this the type of leadership and intelligence that Canadian farmers can expect from the Conservative Government that claims to be the friend of the West and the friend of prairie farmers?

• (1200)

I suggest that it is a disgrace. Western Canadians know this, and they do not trust the Government. While the intention of the legislation in front of us to develop the Western Diversification Office sounds good, there are some very critical observations that must be made. First, despite the Government's claim that there will be more than $1 billion in new money over five years, over and above the existing money that flows to western Canada, it seems as though everybody has some difficulty pinning this down and demonstrating that indeed this is new money.

The Western Diversification Program takes over from four existing programs, the Industrial and Regional Development Program, the Economic and Regional Development Agreements, ERDAs, the Western Transportation and Industrial Development, and the Small Businesses Loans Act. We cannot find out, and the Government certainly has not been able to tell us, how much of those moneys that presently flow to western Canada will be folded into the Western Diversification Office. The Government has not been able to prove its case that the Western Diversification Office will mean an extra $1.2 billion flowing into western Canada over and above what presently flows into our region of the country.

There are some other criticisms as to the design of the program. We are concerned that the program is completely private. There are few public and private initiatives. For example, the municipal infrastructure cannot be funded through this program. The needs in the West also include building our municipal infrastructure. The fact that this program ignores this area is a major flaw.

The second item of concern to us in terms of its design is that it is very trade oriented. We understand that some projects that have been approved for funding under the Western Diversification Office had to be examined by External Affairs because of the potential countervail that might be imposed because of government assistance on those programs. We also wonder what effect the free trade agreement will have on the Western Diversification Office, and the ability for western Canada to diversify its economy and to develop a viable economic structure.

The history of the West has been that the only way that we have been able to economically survive is through a strategy that involved public, private, and co-operative endeavours. Western Canadian farmers could not have survived if it was not for the Wheat Board, the wheat pools, the credit unions, and the marketing boards. It is through collective and co-operative action that the farm economy has been able to survive during these years, and made western Canadian farmers one of the most efficient producers and marketers in the world. The American farmers are envious of what we have in western Canada and what we have been able to develop and evolve. We have been able to evolve it not through the reliance on pure market forces, but we have been able to develop our agricultural sector through a combination of public involvement, co-operative and private efforts, a mixed economic approach.

Under the free trade deal negotiated between our Prime Minister and the President of the United States, I suggest that that option will no longer be there for us in western Canada. The option of using a mixed economic approach of the public, co-operative, and the private sectors is no longer available to us as Canadians. This agreement forces us to depend entirely upon a private sector market driven economy. As such, it is dangerous to western Canada. Indeed, it cuts off an option that has been successfully used in the past.

The Hon. Member for Athabasca (Mr. Shields) was critical of the NDP House Leader using the example of the Canadian Federation of Independent Business and its critique of the Western Diversification Fund. Yet, despite the objections of the Hon. Member for Athabasca, the objections are sound that were contained in the brief presented to the Minister by the Canadian Federation of Independent Business and reiterated when a representative of that association appeared before the committee.

An article published in the *Leader Post* on March 18, 1988 stated:

> "The small business community isn't going to quietly stand by while Western Canada becomes a pawn for short-term political advantage," Bulloch said in a prepared statement, released simultaneously in several Western Canadian cities.
>
> He said too much money from the federal fund has been used to cater to big business or pick winners or losers.
>
> The fund, estimated at $1.2 billion, was established by the federal Government in August 1987 to promote economic development in Western Canada during the next five years.

I understand Mr. Bulloch's concern. For example, we have seen the Conservative Government pump $4.5 million into the West Edmonton Mall, an outfit that has been doing quite well. Perhaps that $4.5 million could have gone to some other effort to develop some new industry in western Canada. We have seen the type of assistance that the Government has given to its friend, Peter Pocklington. We know when the Government talks about economic development in the West, it is talking about a political slush fund for its political friends.

The Canadian Federation of Independent Business knows full well the intention of the Government when it comes to economic development in western Canada. In the brief the Federation was concerned that this money was going to go to the large public and private bureaucracies, and small business would be the losers. If this is to be the case, I warn the Government that it will waste its money unless it includes in an active way the small business community.

It will be the small entrepreneurs in western Canada who are developing new and appropriate technologies, creating small efficient businesses in the West to meet local and community needs, and drawing upon community resources, that will enable economic diversification to occur in the West. It is through a co-operative approach that includes universities, centres of learning, scientific research, the resources of federal, provincial, and municipal Governments, and the resources and the entrepreneurial spirit of small business people in western Canada working together in a co-operative fashion that will enable us in the West to achieve our long sought goal to diversify the economy. In that manner, there can be jobs at home and the sons and daughters of the West need not go to Toronto or to Vancouver in order to find employment. There will be opportunities for off-farm income in order that farm families can continue to survive in this day and age of so much uncertainty in the farm sector.

• (1210)

The hope of western Canadians to develop a strong and diversified economy is a valid one. It is a hope that many in the West thought would start to be fulfilled with the election of the Progressive Conservative Government in 1984. They had to wait for almost four years before this legislation was even introduced, and looking at it, they find that it is merely a cynical attempt at getting some votes in the West.

Bill C-113 has no substance, and offers no real opportunity for those of us living in the West to fulfill our dream of a strong and diversified economy. For those of us living in the West, Bill C-113 is nothing but a farce.

Mr. Deputy Speaker: The Hon. Member for Athabasca (Mr. Shields), on questions or comments.

Mr. Shields: Mr. Speaker, the Hon. Member for Regina East (Mr. de Jong), at the outset of his remarks, made mention of how pessimistic those living in his riding and his province are, calling it "next year country". All I can say is that if I were living in his riding, I, too, would be pessimistic.

The Hon. Member commenced his remarks by saying that the election of the Progressive Conservative Government in 1984 has not changed a thing in so far as the treatment of the West is concerned; that it did not bring about any more help for the West. I wonder how he squares that remark with the fact of the very massive assistance that this Government has provided for the farming community in western Canada. In dollar terms, close to $5 billion has been allocated to assist farmers, including, I am sure, those living in his riding.

Had there been a Liberal Government in Ottawa during this time, that help would not have been forthcoming. Liberal governments in the past provided no such assistance. Also, if the NDP were ever to form the government in Ottawa, it would very quickly go broke, resulting in an inability on the part of such a government to provide assistance to the farming community.

Let me point out one concrete example of where the Western Economic Diversification Program can be of assistance to those living and working in the West.

A small manufacturer has received the rights to a machine that will revolutionalize grain handling. It is a machine that will integrate the grain auger and the grain vacuum into one unit. The individual in question, who operates out of his farmyard at the moment, has prepared a submission to the Western Economic Diversification Office in Edmonton in relation to that invention, and that office is anxious to support that individual in establishing the means by which to manufacture and distribute that piece of equipment. However, because this legislation has not yet been passed by Parliament, its hands are tied. Because Bill C-113 has not yet been passed, the Minister does not have the ability to fund the many proposals submitted to him.

In the light of that situation, I would ask why it is that the Liberals and the NDP are holding up this legislation. The only funds that the Minister has today for use through the Western Economic Diversification Office are those already put in place through DREE and through various federal-provincial subagreements in relation to agriculture. There are many projects presently on hold awaiting passage of this legislation.

The Hon. Member for Regina East (Mr. de Jong) made the point that the small business sector should be involved. He went on to express the view that, under this legislation, small

business is not going to have a chance, that it is going to be left out in the cold. He is saying that the only way to achieve western economic diversification is to involve the small business sector, on the ground that it is the small business sector in this country that creates jobs—and certainly, that is something with which all Members of this House can agree. In my view, Bill C-113 does exactly that. Through the Western Economic Diversification Office, funding will be funnelled to the small business sector.

Having listened to the remarks of the Hon. Member in this respect, it is obvious to me that he has not read the legislation. Perhaps he could tell the House why it is he feels the small business sector is not going to be involved.

Mr. Speaker, for the first time in the history of Canada, a full Department of the federal Government will be located in western Canada. The head office, to be located in Edmonton, Alberta, will house the deputy minister, the assistant deputy ministers, and the administrative infrastructure of the Department. The full departmental infrastructure will be located, not in Ottawa, but in western Canada, the part of the country which will be affected by this legislation and the decisions taken under it. In addition to the head office being located in Edmonton, there will be sub-offices in each of the remaining western provinces.

Clearly, that is a departure from the traditional way in which programs aimed at western Canada have been handled. If locating the head office of this Department in Edmonton, Alberta, with sub-offices in each of the remaining western provinces, is not a step in the right direction, I would ask the Hon. Member for Regina East what he would propose in its stead.

Mr. de Jong: Mr. Speaker, I thank the Hon. Member for his questions. I laud the decision to have the head office of the Department of Western Economic Diversification established in Edmonton, with sub-offices in each of the prairie provinces. We have yet to see, however, how effective those offices will be, and the degree of decision-making that will in fact take place in those offices.

We know that, with this Government, there is a great deal of smoke and mirrors. It is little wonder that we are concerned. We are not the only ones who are concerned. The Canadian Federation of Independent Business, in its brief, expressed the same concern.

Mr. Shields: That was a brief that was submitted prior to Bill C-113 being introduced.

Mr. de Jong: That Federation, in its brief, raised a concern about the "narrow and highly centralized approach to diversification, with continued emphasis on megaprojects and traditional resource extraction and development." It also raised a concern about there being a "political slush fund to support vulnerable constituencies to lure in big business, or to bail out obsolete industries, in the hopes of gaining short term political profile". We are left to wonder how much clout these regional offices will have.

One objective of this legislation is that the Western Economic Diversification Office will function as an advocate for western Canada, to attempt to influence the decision-making by the federal Government, such that the concerns of the West and the impact of economic decisions being made here in Ottawa that will impact upon the West, will be known to the Government.

That is certainly a laudable objective, and one about which I make no criticism whatsoever. But, I certainly hope that that office is now telling the Minister of Finance (Mr. Wilson) of the effects that his high interest rate policy is having on the producers in the West, particularly those in the red meat industry. I certainly hope that the Western Economic Diversification Office is already active in talking to the people in the Department of Finance in terms of the effects and the impact of the current high interest rate policy on western Canada.

Perhaps the Hon. Member for Athabasca can make it his business to ensure that that office is in fact talking to the Minister of Finance about the impact of high interest rates on the farming community in western Canada.

The Hon. Member has expressed the view that this debate is preventing various applications under the Western Economic Diversification Program from being acted upon. He cited the example of a small business person who has devised a new piece of equipment for the handling of grain, a piece of equipment that the small business person wishes to manufacture and market in western Canada.

From the description given by the Hon. Member, certainly that sounds like the kind of entreprenurial effort that the Western Economic Diversification Program should be supporting. Here we have a small business person, a person with mechanical experience and know-how, who has brought about an improvement on existing equipment, and certainly he should be supported in developing a market for that piece of equipment.

• (1220)

There are farmers like that in my own constituency. When I go to the farmyards and look in their garages, I see that they have tinkered and improved upon existing equipment. I know that if it were left to the big equipment producers, that technological innovation would never occur. It is the small scale entrepreneurs who will ensure that those new improvements and technologies will indeed be actualized.

The reason given to this individual that his application had not been approved was that the legislation has not been passed. I wonder if this person is not really being given the runaround. The lack of passage of this legislation has not stopped the diversification office from committing some $75 million to a soil erosion program or from granting some $5 million to potash marketing. It has not stopped the diversification office from granting some $9.5 million to a Japanese pulp mill nor for making some commitments to B. F. Goodrich for a petrochemical plant. Perhaps it is the big guys who have already found their way into this fund, but it is the small guys like the one the Hon. Member for Athabasca (Mr. Shields) has pointed out who are still standing at the door being given the runaround.

I wonder if the Hon. Member could explain why it is possible that this office can give $9.5 million to a Japanese pulp mill but it cannot approve the application of the person to whom he referred. I am not quite certain what the Hon. Member's first question was. I think it dealt generally with the type of optimism or pessimism that exists in western Canada today.

Mr. Shields: The support that this Government has given to—

Mr. de Jong: And the support of this Government. I am somewhat surprised that this Hon. Member has not recognized that this Government is in trouble out there from both the left and the right. It almost lost a by-election in Alberta, which is considered to be the heartland of the Tory Party.

I attended the founding convention of the Western Reform Party in Vancouver. There were a number of Conservatives and the odd Liberal present. They were having problems with the federal Government and were recognizing that nothing has changed. In many aspects—

Mr. Shields: Did you join?

Mr. de Jong: No, I did not join. In many ways, I disagreed with what that Party stands for, but I certainly saw that Conservatives from British Columbia, Alberta, Saskatchewan and Manitoba feel a deep-seated frustration with this Conservative Government. Those Conservatives believe that this Government has not delivered, and on that I agree with them.

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I also want to take this opportunity to say a few words about Bill C-113, introduced on the initiative of the Prime Minister (Mr. Mulroney) to establish the Department of Western Economic Diversification.

What is important here, Mr. Speaker, is that we are now at the third reading stage of this Bill. We have spent five or six hours on third reading, and our colleagues in the New Democratic Party, who have been demanding equitable regional development across Canada, are filibustering to prevent us from adopting this Bill.

These are the same Members who believed in regional equality and nevertheless voted against Bill C-22, which would enable the pharmaceutical industry to expand in the Montreal region and across Canada.

These are the same Members, of the same Party, who voted against the sale of Canadair to Bombardier which would bring more technology and more development to Quebec.

So in fact, the New Democratic Party's aim is not to promote equitable regional development programs but to systematically prevent this Government from creating such programs.

[*English*]

Therefore, I move:

> That the House continue to sit through the lunch hour for the purpose of continuing consideration of Bill C-113, an Act to promote the development and diversification of the economy of Western Canada, to establish a Department of Western Economic Diversification and to make consequential amendments to other Acts.

Mr. Deputy Speaker: Will those Hon. Member who object to the motion please rise in their places?

And fewer than 15 Members having risen:

Mr. Deputy Speaker: Fewer than 15 Members having risen, the motion is adopted.

Mr. Riis: Mr. Speaker, I listened with interest to my hon. friend and to the Hon. Member for Athabasca (Mr. Shields) before him. I notice that we have debated the Bill on western diversification for about five hours. I am curious that members of the Government would consider a five hour debate to be excessive, too much, a filibuster, wrong-headed and inappropriate. I wonder if Canadians who are watching us on their television sets and from the gallery would consider five hours of debate on a major western economic initiative to be an excessive amount of debate.

I want to remind my hon. friend opposite that a democracy is not the most efficient system of government. The most efficient system of government is that which is found in totalitarian regimes and military dictatorships where they do not have to bother with Parliament and where members of the Government do not have to bother with members of the Opposition. Government members can ignore the people of Canada and their concerns. That is the most efficient system of government, but we do not have that system in Canada.

The Conservatives are attempting in devious ways to turn this into a totalitarian form of government where there is no debate in the House of Commons. My hon. friend was not here at that time, so I certainly do not hold him responsible for the behaviour of his colleagues before him, but I remember the day in this House when the Members of Parliament, duly elected by the people of Canada, were presented with the spectacle of a whole group of Conservative Members of Parliament rushing the Speaker's chair, brandishing their fists in his face and saying that they would bring Parliament to its knees.

I remember that day. I must say that it was one of the saddest days of my life. I was saddened to think that people who were elected to represent their views had decided that it

was appropriate to stop Parliament from functioning. Day after day after day, the bells rang. Parliament was muzzled. The heavy jackboots of the Conservative Party had been brought down on the necks of parliamentarians. There was no opportunity to debate, there was no opportunity to ask questions.

I know that this is a touchy issue for some Conservative Members, and I recognize that most Members here were not there at that time, but that is the kind of Government we are now beginning to see take form. After five hours of debate on third reading of the Western Diversification Bill, Members are saying that this is excessive, that Members of Parliament should not debate this for more than a few minutes.

There are 282 Members of Parliament here. Not all Members of Parliament will speak on a piece of legislation, but there are four or five Members from the New Democratic Party, four or five Members from the Liberal Party and four or five Members from the Conservative Party who want to express their views. However, the Government is saying that it will muzzle those Members. It does not want to hear the views of those who represent the people of Canada.

• (1230)

I just want to say that every time the Government attempts to muzzle Parliament, to choke off the voice of the people, we are going to remind people of what is going on. That is what is going on now. The Government is trying to bring to a premature end the thoughtful, positive debate on the Western Diversification Fund. I want to say very clearly that we support the Bill. We are going to vote in favour of it. We will probably vote unanimously in favour of the initiative because we think at least the principle is a good one. However, we have many concerns which have been raised by my hon. colleagues such as whether the best way to spend taxpayers' money through this fund is by giving $9.5 million to one of the largest pulp and paper consortiums in the world. Would it not go ahead without that money? Other smaller businesses are being denied funds. Those are the questions we want to pose at the close of this debate.

Again, I want to remind the people of Canada that we have seen some dictatorial tactics and antics by the Conservative Party in the past and we are seeing them again. They have a complete disregard for what democracy is. They have a complete disregard for the traditions of Parliament. We will always oppose dictatorial practices by the Conservative Government whenever and wherever they take place.

[*Translation*]

Mr. Grisé: Mr. Speaker, I would like to respond briefly to what was said by the Hon. Member for Kamloops—Shuswap (Mr. Riis), and especially his comments on democracy. Mr. Speaker, that is exactly what we did. We moved to extend the debate for another hour so that more Members would be able to speak to the Bill, and then the spokesman for the New Democratic Party rose, together with the Liberal Whip, to vote against the motion. They rose to object to an extension of this debate that would allow Members to speak to this important Bill. And then they have the nerve to accuse the Progressive Conservative Government of violating the principles of our democratic system in this country.

Mr. Speaker, I heard another Member of the New Democratic Party . . .

An Hon. Member: The socialists!

Mr. Grisé: . . . the socialists, of course. The Hon. Member said that as usual, the federal Government was questioning the capability of public servants to manage a department if they did not happen to be on the Hill or in the Ottawa region. I think it is unconscionable that anyone should make that kind of judgment regarding the federal Public Service.

[*English*]

I want to respond to the Hon. Member when he tells people sitting in front of their television sets that he is talking about what is important, that is democracy. I tell him and all the NDP Members that what is important for the people of Canada, particularly the people of western Canada sitting in front of their TV sets right now, is that this Government approved the Bill as soon as possible so the Minister responsible can apply the new policies and help western farmers and the western business community. That is what is important and that is what democracy is all about.

Mr. Nystrom: Mr. Speaker, the Hon. Member talks about democracy. I want to remind him once again that I have been in this House almost 20 years and this is one of the more important debates we have had. It seems to me very strange that the Conservative Party is complaining about this debate going on too long when it has lasted about five and a half or six hours. That is absolutely incredible for a debate about a major economic initiative affecting an important region like western Canada. I have seen many debates over many issues much smaller and much less relevant than this go on for days in the House of Commons without complaint by the Conservative Party. Why would they complain about five or six hours debating western issues? The west is very important to this country.

Another point I want to make is that the Parliamentary Secretary was waxing eloquent about an extra three or four hours of debate. If he is so concerned about that, why did the Government take months and months to introduce the Bill? The agency was announced in August of 1987 and here we are now nine months later only just at third reading. Why did the Bill not come forward back in September for second reading, then into committee hearings, and third reading before Christmas? I do not know why the Hon. Member is complaining because we want to spend a few extra hours debating very important western initiatives.

[*Translation*]

It is important, not just for people in Western Canada but for all Canadians across this country to have a debate on matters that are of vital importance to the West, because we now make up 30 per cent of the population of this country, and I would like to have several days' debate on the major economic issues in our region.

Mr. Grisé: Mr. Speaker, the socialists are talking about democracy and about the Government muzzling Hon. Members. We are starting on hour six of this debate on third reading, Mr. Speaker, and we have just moved a motion to continue sitting during the lunch hour, and the NDP voted against the motion.

Mr. Nystrom: I did not!

Mr. Grisé: We had the debate on second reading, Mr. Speaker. That debate is finished, and we did not muzzle anyone. There were no Members of the socialist party left to speak to the Bill.

After second reading, the Bill was referred to a legislative committee, and no amendments were introduced by the New Democratic Party.

We have now reached the third reading stage, and the most important thing now, Mr. Speaker, is to have this Bill adopted, and while it is particularly important to Canadians in Western Canada, it is also important for regional equality. Whenever a Bill is introduced, the socialists are always against it. You will recall, Mr. Speaker, that they voted against Bill C-22, the bill on drug patents. They also voted against the Bill to sell Canadair to Bombardier. They voted against all these Bills, while claiming they were in favour of regional equality in Canada. Mr. Speaker, this does not make sense because, and I would like to conclude at this point, the New Democratic Party and the Liberal Party have had every opportunity to discuss this Bill on second reading and in committee.

[*English*]

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to enter this debate on western diversification by telling my hon. friend opposite that he makes the point that what is important is that we get going on the western development initiative and pass this Bill quickly. Let me point out to him as a Member from western Canada, which I have been for nine years now, that what we need is to do the job properly. We need to get on with diversification, but we have to do it properly. We have had too many failures in the past and western Canadians know that.

I will give him an example. One of the policies that got Peter Lougheed, the former Premier of Alberta, elected in the early 1970s was that he was for diversification of the Alberta economy. He was going to use the oil and gas revenues of Alberta to diversify that economy. Indeed, I believe the Heritage Fund was developed to put some of that money aside for a rainy day and also to help diversify the Alberta economy. The Hon. Member for Athabasca (Mr. Shields) has been speaking in this debate. He is from the oil sands area of northern Alberta. He knows about the problems of bankruptcy and economic difficulties that developed when the oil industry went into a downturn.

• (1240)

We have the same old pattern of boom and bust in Alberta, even after the efforts of diversification of the Lougheed Government provincially. We have the same situation in Saskatchewan, in spite of great struggles in the past by Governments on both the left and the right. NDP Governments used Crown corporations for public policy purposes to try to diversify and develop the potash industry and so on. Governments to the right used different methods of bringing in foreign capital and so on as they saw fit to develop that economy. Yet, what happens when world wheat prices go down? Saskatchewan farmers and other farmers in western Canada suffer.

A few minutes ago a government Member asked whether the $5 billion that the Government gave to the wheat farmers was not aid to western Canada, whether that will not make the people happy. It was aid to western Canada but it was bail-out aid. It was not to diversify the economy but, in fact, to save some farmers in western Canada from almost certain bankruptcy. That bail-out was necessitated by the fact that the western economies are still not diversified and are still in a boom and bust situation.

The forest industry in my own Province of British Columbia is another example. When they are building houses in the United States, when that market is active, our industry is booming. When that goes down our industry is in a bust situation, people are laid off, and we have a stagnant economy in British Columbia.

It is the same in mining and in fisheries in the Province of British Columbia. Western Canada exports these resource products, often in raw form. A wonderful example of the lack of diversification is that the Province of British Columbia exports raw logs to Japan where they are cut up into lumber. A country with that kind of economy will always be subject to boom and bust.

There is a great feeling in western Canada that we must have diversification. However, we do not want phoney diversification. We know that it will not be easy. I will give you another example. I live in Vancouver. The Vancouver airport is in a suburb of Vancouver called Richmond from where you take the bridge to Vancouver. Between the airport bridge, the Oak Street bridge, and the Knight Street bridge there is a store called Ikea. It is a Swedish store to which young families go to buy wooden furniture. The furniture is fairly cheap and you assemble it yourself. It is very popular and beautifully designed.

Outside that store you can smell the Canadian wood. You can smell the log booms in the Fraser River and the odour of

the mills near the Fraser River which are cutting up Canadian lumber. They either export the raw logs or cut up the lumber and export it. However, the young Canadian family goes into the store and buys Swedish-manufactured goods made from Swedish lumber. That is an incredible example of the lack of diversification of an economy in western Canada.

The same situation exists in Alberta with oil and gas, although there have been attempts to diversify in terms of having a petrochemical industry by using the cheap resources like the natural gas to manufacture different products from oil and gas rather than just exporting it south of the border. The same situation exists in Saskatchewan and Manitoba. That is why we want to take time to debate how good this diversification is. People are very suspicious about it.

I particularly enjoyed the speech of the Hon. Member for Regina East (Mr. de Jong) who said that he had spent some time—and I give him credit for this because it is not easy for a New Democrat—listening to the right wing movement in western Canada, the Reform Party. That Party is not challenging the New Democratic Party in western Canada. It will challenge the Conservative base in western Canada because it is a right-wing Conservative group. As my colleague from Regina pointed out, that group is very alienated from the Conservative Party. That group thought that with the Trudeau Government gone, which western Canada perceived had given it the finger, and with a new, fresh wind of conservatism blowing in from western Canada, there would be a change. They feel, however, that there has not been a change.

We must ask ourselves why there has not been a change. It is partly because the Conservative Government has not been listening to western Canada. It is because it is inherent in the nature of this House of Commons and where the population is located in Canada that Québec and Ontario will control this House of Commons and in fact control Canada. The genius in governing in Canada is that a federal Government must try to balance all the different regional concerns and deal with all the different regional interests.

One of the criticisms of former Prime Minister Trudeau was that while he did work amazingly in Quebec, while he fought the separatists in Québec and showed a great understanding of Quebec and was rewarded with 74 out of 75 seats there, he sort of wrote off western Canada. That was the failure of the Trudeau years.

The reason there is alienation in western Canada is because of some of the actions of the Trudeau Government and also because of the failure to have diversification in western Canada, and I am not blaming any particular Party or group of people for that. That is why we must take some time to debate this Bill.

I do not want to get into a shouting match with the Government. I have tried to take a higher road on western diversification. However, the Government does have 211 Members, it does control the legislative timetable of this House. It must know that it has put so many Bills before the House and mismanaged the time of the House so that everything is now inevitably crowded into the last part of the four year legislative session. That is why we want to take some time to debate the Bill.

We also have some concerns with the Bill. I have a report from the Canadian Federation of Independent Business which is not a support group for the New Democratic Party. If anything, this group is more conservative, populist if you like. That does not mean that we in the New Democratic Party cannot work with them or do not listen to them. Indeed we do and they often have some very interesting things to say.

In the executive summary of the report which they prepared for the Minister responsible for western diversification, they say that their enthusiasm has been tempered toward the initiatives that the Government is bringing forward on western diversification by growing concern that the western diversification initiative is degenerating into a political slush fund to support vulnerable constituencies, lure in big business, or bail out obsolete industries in hopes of gaining short-term political profile. That is the way the Liberal Government of Pierre Trudeau treated western Canada. They say that it could be a bureaucratic slush fund available for other line Departments and Ministers to raid in lieu of other national programs that should have their fair share spent in the West. They state that it could be a narrow and highly centralized approach to diversification, with continued emphasis on megaprojects or traditional resource extraction and development.

• (1250)

The Federation of Independent Business shows some wisdom in questioning the megaprojects because the traditional panacea for development in western Canada that has been offered by western and national politicians has been the great megaprojects like the Mackenzie Valley Pipeline, tarsands development and other projects like the coal project in northern British Columbia. These megaprojects provided lots of money and short-term jobs, but not much diversification.

The former Premier of British Columbia, Dave Barrett, said it very well when he talked about the development of Northeast Coal in British Columbia. Now, it is almost being sold at subsidized prices to the Japanese. He said, referring to the Japanese: "They got the coal and we got the hole".

Finally, the Federation of Independent Business states that this could be a confusing black box lacking clear criteria or policy direction and on a collision course with a myriad of client groups which are inevitably going to see thousands of applications rejected and thousands of hopes dashed.

That is a searing criticism, but to be fair, the Canadian Federation of Independent Business goes on to suggest ways of dealing with this and letting diversification really work in western Canada.

It is important that this debate continue so that we may air these concerns. Canada has always been an exporter of raw

goods. Harold Innis, a great historian and economist, spoke about Canada as a colony that served as a traditional resource base for the French, the British, and now the Americans. It is difficult to change that tradition. Indeed, that is a cause for concern in western Canada about the so-called free trade deal.

We already have free trade in western Canada. The Mulroney-Reagan trade deal is not offering us very much more in western Canada. In spite of having free trade, we have seen the Americans impose tariffs on our shakes and shingles, impose countervailing duties on our lumber, put more restrictions on our fish exports and threaten our gas and potash exports. The free trade deal will not change that.

It does not guarantee secure access for western Canadian goods to American markets, which is what we were really seeking. The American Congress can still take countervailing actions and, in return, we gave up control of our energy industry. We agreed to share our oil and gas with the United States on a non-discriminatory basis. This means that we cannot help a plant or mill in the West diversify by allowing cheaper energy prices than we charge the Americans because it would break the free trade deal. We would be giving Canadians a better deal with Canadian resources than we would be giving the Americans.

That is the flaw in the free trade deal, and that is why so-called western diversification will not work. It cannot work if the resources of the nation are not available to encourage diversification of industries in the regions of Canada. Western Canadians are concerned about the so-called free trade deal because it does not provide the federal Government with that authority. In our opinion, the $1.2 billion over five years promised by the Government comes from existing programs and arrangements. It is essentially playing a shell game and not using new money.

What are the long-term chances for diversification? I want to refer to a seminar of the Academy of Sciences from Sweden and Canada. I want to conclude by referring to the comments of the President of the Royal Swedish Academy of Engineering Sciences. He said that knowledge is the fundamental element of competitiveness. Their recommendations include an increase in the appropriations to education and research, improved salaries for teachers in technical colleges and universities, improved money for fundamental research. That is being cut back in western Canada by the Vander Zalms and the Gettys.

The President of the Royal Swedish Academy went on to say that the Government plays an important role as a purchaser of complex technical systems for energy supply, telecommunications, transportation and defence. He concluded by saying: "The sometimes painful restructuring of parts of the manufacturing industry necessary in order to cope with major changes in the international market have most often been supported not only by the government but also by the labour unions".

He went on to say: "In principle, the labour unions accept that changes must occur in vulnerable industrial sectors and will take an active part in the restructuring process or at least not raise obstacles". He said: "We cannot expect to be on top everywhere because it is simply too expensive. What we have to do is identify a few centres of excellence which we should support wholeheartedly". He says that we must be open-minded and prepared to adapt to change.

I believe that is the way to the future both in the world and in western Canada. There should be an emphasis on science and research, and on the education of our young people so that they will have these skills. We should encourage labour and business to work together, and should define centres of excellence to study the future for the fish sector, forest sector and mining sector. These centres of excellence could develop mining and oil and gas technology, rather than concentrate on the export of raw resources. That is the key to diversification in western Canada. That is why we want to debate this Bill and will study closely whether this will simply be a slush fund or another failed attempt at western diversification. I hope that we can elect a New Democrat Government so that we can make a real attempt at western diversification. Give us a chance and we will diversify western Canada.

• (1300)

Mr. de Jong: Madam Speaker, I certainly enjoyed the comments of my colleague, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), particularly the point he made in his summation of the need for a joint co-operative approach, an approach which involves labour, business and the public sector on municipal, provincial and federal levels. It is a co-operative approach that is needed to get all the factors and elements involved co-ordinated and focused on several areas that need development where we can become winners regionally, nationally and internationally. The Member made the point that the Vander Zalms, the Gettys and the Devines in western Canada have done a lot to put elements against each other, particularly capital and labour, as opposed to bringing them together in a co-operative way. I think he also made the point that only through a joint co-operative approach can we begin to tackle the problems of the 21st century, not just in western Canada but as a nation as a whole. It is important to have a joint co-operative approach.

The question I would like to ask concerns energy and the trade agreement negotiated between our Prime Minister (Mr. Mulroney) and the President of the United States. I remember when the Right Hon. Pierre Trudeau first introduced his constitutional changes. There were many people in western Canada, myself included, who were quite concerned that the constitutional changes were really an attempt by the central Government to grab control of the resources of western Canada.

Prior to that, in the 1970s, Mr. Blakeney, then Premier of the Province of Saskatchewan, had to fight hard with the Hon. Otto Lang and the Right Hon. Pierre Trudeau because

of an attempt by the federal Government to grab control of the marketing and developing of our potash. Yet it seems to me that in this deal negotiated between our Prime Minister and the President of the United States, not only the provinces but the federal Government, the country as a whole, will lose all ability to plan and develop our gas and oil resources, as well as our other natural resources, including potash. How these resources get developed, the rate at which they are developed, the prices we can charge, and how much we can export, are all given away in this agreement.

For a long time we in western Canada thought we could use our resources, such as our oil and gas, to overcome our disadvantages. The disadvantages are that we are far from major centres of population, so we have the extra expense of transporting. We generally have harsh winters so we have the extra expense of heating plants and equipment which our competitors south of the border in states like Alabama, Nevada and Arizona do not have. We have always attempted to use our advantages to offset our disadvantages, but in this trade agreement all of our advantages are taken away from us. We cannot use the advantages we have, the abundance of energy, for example, to overcome our disadvantages. What people like Mr. Blakeney and Mr. Lougheed fought for, we now lose.

I cannot understand the Conservatives from western Canada here in Parliament who support this agreement. I wonder if my colleague, the Hon. Member for Vancouver—Kingsway, (Mr. Waddell) can comment on that observation?

Mr. Waddell: Madam Speaker, that is a very important observation, especially when the Member says we should use our resources in western Canada, which we have in abundance, to overcome the disadvantages we have, such as our distance from markets and so on. Before I answer, I would like to point out something the Hon. Member said earlier about the co-operative approach. A lot of people in eastern Canada, when they look at the West, think it is the kind of Alberta hard-rock Conservatism which is western Canada. There are two elements of western Canada, two traditions. There is the kind of buccaneer free enterprising system, but there is also the co-operative tradition in western Canada.

When Tommy Douglas went into Saskatchewan, there was a drought and a depression. The place was a disaster. They rolled up their sleeves and worked together in a co-operative approach with Government and private enterprise. Western Canada is now the largest exporter of minerals in Canada, the largest exporter of lumber in the world, mainly through my Province of British Columbia, and the second largest exporter of wheat in the world, mainly through the efforts of the prairies. That was quite a job we did in western Canada since those years of the Depression.

We have to now look to the future. The Hon. Member made reference to oil. A lot of Conservatives do not want to see the national energy policy ever again, so they put it in the free trade deal that that cannot happen again. So Ottawa will not be able to take any of these measures to have any government control over energy. I find that incredibly short-sighted. Who is going to control energy? We are told the free market. One has to be a fool to believe that the free market controls world energy prices. They are controlled by OPEC, the middle eastern nations, or the seven sisters, the big oil companies, or a combination of both. Even the most right wing commentator in the United States will tell you that. Instead of allowing Ottawa to have some say in the control over the resource, they are going to let Saudi Arabia, New York or Washington have control over our energy resources. That is incredibly naive.

When I saw some of the evidence before the free trade committee, I could not believe it. As the Member opposite knows, I am not advocating total Ottawa control over the resource. I had the privilege, together with my Leader, to bring in a constitutional amendment that was accepted by the Trudeau Government and the country.

Mr. Shields: Was that the ownership, property rights?

Mr. Waddell: No, it was the ownership of energy resources in the province. The Member from Regina said that what is really important is that we have these energy resources in western Canada and we have to use them to diversify our economy. We should not give them away either totally to the federal Government or to the Americans or to the Saudi Arabians. We should not give that control away. That is the flaw in the free trade deal.

Mr. Shields: Madam Speaker, I would like to ask if this is relevant to the western diversification Bill before the House. We have heard this rhetoric before and we will hear it again, but I would like to suggest that he get back to the Bill at hand.

The Acting Speaker (Mrs. Cossitt): The Hon. Member for Vancouver—Kingsway (Mr. Waddell) is responding to a question and comment as a result of debate he has given previously.

Mr. Waddell: I do not want to monopolize the time if Hon. Members want to ask questions. Of course, I am responding to the Bill. The Hon. Member knows that. You must have some control if you want to diversify. Who is going to have the control—Ottawa, the West, a combination of both, or the Americans? You figure it out.

Mr. Shields: The owners of the resource, like Alberta, like Saskatchewan, like British Columbia. You don't like that, do you?

Mr. Waddell: Perhaps the Hon. Member has another question.

Mr. Shields: I won't ask him anymore.

• (1310)

Mr. Greenaway: Madam Speaker, the Hon. Member probably does not know, and it is not his fault, but last night in

Vancouver there was a program announced by the Western Diversification Office. It has contributed $171,000 to COFI and the IWA. The plan is to send IWA members to Europe, to Asia and to the United States to look at the lumber markets there and to come back to report what they have seen to the IWA workers right across the province.

The Hon. Member was talking a few moments ago about co-operation and diversification. I thought that he might like to hear something positive. It was announced last night and he probably did not have a chance to see the press release. It is a program involving $171,000, a co-operative effort between COFI and the IWA. It is a bench-mark, a very positive initiative. I am pleased about it. I think everybody is happy with it. It should bring some real benefits to the B.C. industry.

Mr. Waddell: I could not agree more with the Hon. Member. I am very pleased to hear that. That is a very good example of co-operation. We want to hang together, both in business and in labour in western Canada, or we will hang separately. We are in competition with the whole Asia Pacific, the fastest growing economy in the world. That is why I quoted some of the Swedish engineers. I think they have got their thing together in terms of specializing in co-operation and looking into education, science and research. That is the future. I am pleased to hear that.

I thought my speech was quite positive. I am glad to end on a positive note.

Mr. Deputy Speaker: Resuming debate, or is the House ready for the question? On debate, the Hon. Member for Kamloops—Shuswap (Mr. Riis).

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I am delighted to have an opportunity to once again participate in the debate on the Bill that, hopefully, will be the beginning of diversifying the western economy. As a westerner I want to say that we have waited a long time for an initiative that would be a major effort—

Mr. Shields: Mr. Speaker, I rise on a point of order. I may be mistaken but I would have thought that the Hon. Member had spoken in debate at third reading and therefore cannot speak again. Perhaps the Table could check.

Mr. Deputy Speaker: I think the Hon. Member did speak at third reading but did not speak on the motion which is now before the House, that the question be now put. Therefore the Hon. Member for Kamloops—Shuswap may speak, of course.

Mr. Riis: Thank you, Mr. Speaker. I am very happy to participate in the debate today on the western diversification initiative. As you know, Mr. Speaker, this is my second speech that I have given on this important issue. As far as I am concerned in terms of diversifying the western economy I would like to make many, many more speeches on ways and means of enhancing the economy of western Canada and participating in any initiative that would result in expanded economic activity.

I wish to speak today on behalf of a group within our western communities for whom I have a great deal of respect. I refer to the small and medium-size business sector represented by men and women who are the engines of growth in our western economy. It is interesting to recognize that there are 20,000 small businesses in western Canada that are represented by the Canadian Federation of Independent Business. This is a business organization that is the largest small and medium-size business organization in Canada, with membership across the country. It represents the voice in a formal way of small business, along with its sister organization, the Canadian Organization of Small Business.

It has provided us with some interesting analyses of the recent intiative taken by the Government. Just to set the record straight right at the beginning, I want to indicate where it stands. This is in no way to criticize what the Government is attempting to do, at least in principle. Mr. John Bulloch, who is the spokesperson for the Canadian Federation of Independent Business, called the western diversification initiative a political slush fund. I hope it does not become that. I know that that is a fear that others have indicated. I hope that the Govenrment does not use it as a political slush fund, to paraphrase the words of John Bulloch, to support vulnerable constituencies, lure in big business or bail out obsolete industries in hopes of gaining short-term political profile, presumably for the local Member of Parliament. I hope that that is not true.

The organization raises another concern. It is the concern that this initiative might be a bureaucratic slush fund available for other line Departments and Ministries to raid in lieu of other national programs that should have their fair share spent in the West.

There is some good reason for this concern. I do not have to remind you, Mr. Speaker, of the very important initiative that was taken some months ago in the creation of South Moresby Park. It is pristine, world renowned parkland on the Queen Charlotte Islands which was set aside for a national park. That cost money, of course. It cost $75 million to the federal Government. From where did it get its money? Did it get its money from the Parks Canada envelope? No. Did it get its money from the other programs from which parks are normally purchased? No. It took the money out of the Western Diversification Fund.

Anybody in government would say that if we have budgets for parks and we have western diversification funds, the two are quite separate. We also saw that the Government wanted to put some money into salmonoid enhancement in British Columbia. Did it take the money from the fisheries envelope? No. Did it take its money from various budgets within the fisheries ministry? No. It took the money out of the Western Diversification Fund.

We cannot go on like this. We cannot go on and use western diversification funds for all the work that regular government Departments should be funding. If that is what the fund is used for, then it is a scam. It is misleading to call it a western diversification fund for that reason.

There is another reason that I am concerned about because one of the first drains on the fund was the Daishowa pulp mill to be built in northern Alberta. This pulp and paper consortium is one of the largest in the world. First, it received $150,000 from the Western Diversification Office to do a feasibility study. I really wonder if one of the largest pulp and paper consortiums in the world needs to dip into the western development fund in order to conduct a feasibility study. It has the world's capital markets at its disposal. Does it really need to use this precious western diversification fund?

Also, in early 1988 the Western Diversification Office announced that it would give $9.5 million to this pulp mill. Does it really need this kind of money? Does this really diversify the economy of western Canada?

These are questions that many of us are asking. We ask them in a certain context. I am personally aware of a number of small and medium-sized businesses in British Columbia that have made modest requests to the Western Diversification Office. The one that springs first to mind is a request by the Thompson Nicola Manufacturers Association which requested $40,000 to enable it to provide an infrastructure to assist the 500 manufacturers in the Kamloops region of British Columbia. Was it successful in obtaining $40,000? I am afraid to say that it was not.

I am also aware of a whole list of small businesses that have made requests for $5,000, $25,000, $35,000 and $37,000. All those requests were rejected. One gets somewhat cynical and frustrated when one considers that an international pulp consortium receives $9.5 million but a small manufacturer in central British Columbia cannot even receive $37,000.

• (1320)

I could go on in terms of a number of the questions raised. I do want to say that the intent of this is to diversify the economy of western Canada and to assist those entrepreneurs who are interested in expanding into new areas beyond the resource-based economy of western Canada. That is not to say that we do not wish to assist in developing the resource-based economy, but this is to diversify.

I notice with interest that there have been moneys from the Western Diversification Office for soil erosion studies. Those studies will not do much to diversify the economy of western Canada. There is also money for assistance in marketing potash. We do not say that that is not a good idea, but will marketing more potash diversify the economy of Saskatchewan? I suppose one could find some indirect way to justify that, but what are the terms of reference of this particular office?

On this issue, I have to return to our friends in the Canadian Federation of Independent Business. They point out that one of the major problems of the Western Diversification Office is that it lacks a business plan. No one is certain what the framework is for its operation; no one is quite certain of what type of projects will be supported. Therefore, it has led the Canadian Federation of Independent Business and others to believe that perhaps it is used as a slush fund. If one has the right political connections, or is a large multinational, one may receive some money. If one has some good friends in the office, or good political contacts, some financing can be arranged for a business. That is not what we need in western Canada, and I would like to think that this is not the manner in which the Western Diversification Office will operate.

I wish to return to the point I made earlier regarding those people who are the engines of growth in western Canada and who make the economy work, that is, the small and medium sized businesses. When one studies the role played by small and medium-sized business in western Canada, their successes and contributions are quite amazing.

In the West the number of small businesses is growing expediently as the resource sector becomes less secure, experiences slower growth, and creates fewer jobs. The Economic Council of Canada recently reported that three-quarters of all the new jobs over the last 20 years have emerged out of the service sector, which in turn is dominated by small business.

It is a little known fact that over the 54 year span from 1926 to 1980 manufacturing output per capita in Ontario and Quebec was actually outstripped by per capita growth in manufacturing in western Canada. That is absolutely astonishing. During the period from 1978 to 1984, including the boom by the large resource industries in the late 1970s and early 1980s, businesses with less than 20 employees were responsible for 80 per cent of all net job creation in western Canada. In 1985, the most recent period for which information is available, this strong performance continued. The job growth in small firms, meaning less than 20 employees, was 64 per cent of the total new jobs in Manitoba, 66 per cent in Alberta, 76 per cent in Saskatchewan, and 100 per cent in British Columbia. This corresponds with the much smaller contributions by large industry. For example, in 1985 in British Columbia there was a 6.6 net loss of jobs by big businesses compared to the previous year.

These impressive economic achievements are driven by the entrepreneurial spirit for flexibility and change. Researchers have noted that small firms with less than 20 employees take 27 per cent less time to complete the full research and development cycle from concept to market-place. They create two and a half times as many innovations per employee.

Surveys prepared by the Canadian Federation of Independent Business has found that in typical three year cycles, three out of ten of their members changed their clientele and markets, and one out of every four businesses make major

changes in their methods of production, promotion, and distribution.

In other words, Mr. Speaker, the small business sector is able to dodge and weave, to take advantage of market opportunities, and to meet market niches in a rapid and creative manner. Studies have indicated that half the businesses in western Canada were actively searching for new technologies to improve the competitiveness of their business on a regular basis. In other words, at any point in time half the businesses in western Canada are involved in new initiatives to search for appropriate technologies and to find ways and means of becoming more competitive in the market-place.

These statistics clearly indicate that small business owners are the unsung heroes of western Canada, measured in terms of job creation, economic stability, competitiveness, and innovation. Yet for years this crucial sector has been lost in the shadows of public policy as one Government after another has devoted its attention to funding megaprojects and providing big businesses with major grants. Although the grass roots has been patient, frustration has mounted with the traditional regional development approach. I do not think that there has been anything more frustrating than seeing year after year the support that successive federal Governments have given to large multinationals that have the ability to easily obtain capital on international money markets. Yet the struggling small business or the struggling entrepreneur who is attempting to develop a regionally sensitive business for either the domestic or international market is largely by-passed.

That is why on August 7, 1987 many of us from western Canada viewed the establishment of the Western Diversification Office as a fresh start. I must say that the initial support that many of us had for the principle is rapidly turning into confusion due to the absence of any clear guidelines or a business plan for the management of the $1.2 billion over the next five year period.

Always in the back of the minds of those of us who are not Liberals is the great Western Development Fund. That fund originally started at $4 billion, it eventually fell to $2 billion and then evaporated. One of the major jokes circulating at the time was about this evaporating Western Development Fund that the Liberals brought in, but no one ever saw or heard about other than the original announcement by the then Minister of Finance.

When one looks at the expenditures to date coming out of the Western Diversification Office, the best way to describe them is sporadic. Another way to describe them would be relatively limited. No clear pattern has emerged from these early actions. While many groups have criticized this lack of policy direction and apparent inertia, there does appear to be a critical window of opportunity now to establish policy for the Western Diversification Office at this embryonic stage. I would like to take a few moments to do just that. While we are determining the terms of reference and establishing a clear mandate for the Western Diversification Office, perhaps I could make some suggestions as to what might be considered.

First, in each year in western Canada literally of tens of thousands of people start new businesses or expand existing firms. This is the heart of diversification; opportunities identified, resources gathered, and market niches established. The financial resources of the Western Diversification Office ought to be directed, in large part, to reinforcing this entrepreneurial activity by small businesses in order to be an efficient catalyst to broad sustainable market driven change.

When one looks at the various options available, one of the things we have to recognize is that the major problem faced by western entrepreneurs is having access to proper financing. If the Western Diversification Office can help the financing needs of many western Canadian small and medium-sized businesses, it will have made a major contribution to diversifying the western economy. Small business is financed by personal capital, reinvested earnings, debt financing, and equity investments. Bank lending practices, government taxes and programs, under-capitalization, and inadequate management preparation all combine to put a financial strait-jacket on the entrepreneurs within every western community. Measures that leverage greater access for small business through established private sector markets have greater credibility and business respect.

• (1330)

The IFIB brief went on to point out that the relationship between the financial institution and the entrepreneur has changed substantially; that various business organizations have documented problems, including tight lending policies that are insensitive to individual circumstances, extreme collateral/security requirements, high cash-flow requirements, the arbitrary alteration of lending and administration practices, and the inadequate expertise of lending officials.

It goes on to state, however, that, regardless of these complaints, bank financing is the predominant element in local economic development and must be addressed that government initiatives, whether through the Small Business Loans Act, or interest shielding in Saskatchewan, or the Alberta Term Assistance Plan, "have met mixed success, but give some indication of how it can be better handled".

It points out that the Western Economic Diversification Office should undertake to have the Business Development Loans Program under the Small Business Loans Act revised and refinanced "to better encourage financing of small business entrepreneurs by financial institutions".

We might consider putting in place a regime whereby guarantees could only be available on loans made at interest rates that reflect significant risk, in other words loans made at prime plus one and one-half per cent. As well, interest rates should not be kept at a level that has the effect of interest shielding. Combining efforts to leverage risk financing with interest shielding will discourage banks from considering risk

loans and encourage use of the guarantees in respect of lower-risk loans that do not require additional incentives. The single purpose of the guarantee provision must be to maximize the leveraging of these resources to higher risk initiatives, initiatives that would otherwise not proceed. The interest rate charged by the lender should be allowed to reflect that risk.

The Federation makes the point that loan guarantees should also apply to working capital, pointing out that the growth potential "is increasing in sectors where physical capital requirements are much less than working capital requirements". It goes on to state that the Alberta Term Assistance Plan "offers a good example where loans for working capital were leveraged with partial guarantees", with 35 per cent of the loan being government guaranteed, to recognize the lesser collateral value of the assets involved.

There is a great deal more to suggest in respect of the Western Diversification Office, a great deal more that should be done. In closing, I simply want to say that, while we intend to support this initiative in principle, we do hope that it does not turn into a slush fund, whether political or bureaucratic, and that it really does lead to major gains in diversifying the economy of western Canada.

The Acting Speaker (Mr. Reimer): The Hon. Member for Cariboo—Chilcotin (Mr. Greenaway) on questions or comments.

Mr. Greenaway: Mr. Speaker, I have listened to the speech of the Hon. Member, and it is the same one that he gave the other day.

Is the Hon. Member for Kamloops—Shuswap (Mr. Riis) aware that the Western Diversification office in British Columbia is willing to send out officials from that Office to conduct one day seminars on western economic diversification? It may be that the Hon. Member would be interested in arranging for such a seminar to be held in Kamloops.

I had occasion to visit the Thompson Nicola Valley Manufacturers Trade Fair held in Kamloops last fall, and I can readily agree that it is a good organization. I am at a loss as to why the Western Diversification Office has not funded that organization.

I am wondering what the Hon. Member has done to bring about a positive decision on funding. Has he visited the Western Diversification Office in Vancouver to lobby on behalf of that organization; has he talked to the various Ministers involved?

I stand ready to offer any assistance I can provide in terms of getting funding for that organization. Certainly, it is a worth-while organization and should be one which is representative of what is required by the WDO.

Mr. Riis: Mr. Speaker, let me first point out to the Hon. Member for Cariboo-Chilcotin (Mr. Greenaway) that the speech I made yesterday outlined all of the areas where the federal Government has failed in terms of delivering a fair deal to western Canada. In that speech, I was specific, citing Supply and Service contracts, CIDA contracts, Regional Development grants, Employment and Immigration programs, and so forth. Being of the view that the Hon. Member opposite had heard enough of that, I had no desire to repeat it today.

The short answer to his first question is that, yes, I am aware of the opportunity to introduce people to the Western Diversification Office and what that office can do.

I, too, share the concern that the request for funding by the Thompson Nickel Manufacturers Association was rejected. I listened with interest when he asked whether I had talked to the Minister, whether I had talked to the Western Diversification Office. While I did in fact get involved, I would like to think that political intervention would not be necessary. I should like to think that Members of Parliament need not go to bat for every single initiative.

Mr. Greenaway: Why was the request turned down?

Mr. Riis: The reason given was that there was another community doing something similar. One is left wondering whether that is a criterion. If an initiative is being undertaken in one community, does that mean that it cannot be done in another?

These are some of the questions we need answered. I do not want to cast aspersions on this initiative. It is not my view that it is a bad initiative. My point is that we ought to have clear terms of reference as to what will be funded and what will not. We need some clear direction. I agree with the Canadian Federation of Independent Business that we ought to have a business plan. In trying to get information on the terms of reference, I have been in touch with the offices in Vancouver and Edmonton, as well as with the Minister, but to no avail. What I am told each and every time is that the application should be submitted. Well, do we submit an application for tourism, for soil erosion studies?

When I learned that a study aimed at finding new ways to a market potash had been funded, I wondered how that would assist in diversifying the economy of western Canada. Will the selling of more potash abroad result in a more diversified economy for western Canada? While that may in fact be the case, it is not clear to me how it will come about.

As well, a request for funding for a soil erosion study was approved. While there is no doubt that we need to learn more about soil erosion, one wonders how such a study is going to result in a diversified economy for western Canada. Again, it is not clear.

As Members of Parliament, each of us will go to all reasonable lengths to assist local organizations, local businesses in getting their fair share of a government program; but, if that means that one has to use one's political influence in order to make the program work, that is something I do not want to be a part of.

In making that comment, I am not suggesting that the Hon. Member for Cariboo—Chilcotin was saying that one has to use political influence in order to obtain financial support through the Western Diversification Office. I believe the principle of western diversification is a good one. It is one that we need to develop and expand upon in the future. I want to be a part of any process that will develop a business plan for western Canada for use by the Western Diversification Office.

The Acting Speaker (Mr. Reimer): The Hon. Member for Athabasca (Mr. Shields), on questions or comments.

Mr. Shields: Mr. Speaker, it is indeed a pleasure to have the opportunity to put some questions to the Hon. Member for Kamloops—Shuswap (Mr. Riis), who quoted extensively from the submission of the Canadian Federation of Independent Business. I should point out, however, that that submission was made to the Minister responsible for western diversification prior to Bill C-113 being tabled in the House of Commons.

An Hon. Member: Come on, Jack! How can you stand there and not blush!

Mr. Shields: The NDP continually refer to that submission, and certainly the Canadian Federation of Independent Business was expressing concerns that it might have with the legislation, though it did so prior to the legislation being printed and tabled in the House.

The Hon. Member for Kamloops—Shuswap has some question in relation to the funding provided for a potash market study, a soil erosion study, as well as funding for a pulp mill.

In answer, I point out to the Hon. Member—and it is something, I am sure, he already knows—that that funding took place under programs in existence prior to the western economic diversification legislation being tabled. The Minister gathered, under the Department of Western Economic Diversification, those programs that were available to him, and it was under those programs that that funding took place.

• (1340)

The Hon. Member was pointing out that there was no plan in the terms of reference of the Bill. Perhaps he has a copy of the legislation before him. If he does not, I could probably get one of the Pages to bring him a copy so that he could read it with me.

Clause 6 (1) reads:

> 6. The Minister may
>
> (a) formulate plans and integrate strategies to support development and diversification of the economy of Western Canada;
>
> (b) oversee the implementation of programs and projects in pursuance of plans and strategies referred to in paragraph (a) and, where those programs and projects will not be undertaken by another Minister or department or agency of the Government of Canada, initiate or implement those programs and projects;
>
> (c) plan, direct, manage and implement programs and projects intended to contribute directly or indirectly to
>
> (i) the establishment, development, support and promotion of enterprises, and more particularly, small and medium-sized enterprises, in Western Canada—

It goes on and on to outline the kind of points to which the Hon. Member referred dealing with clear directions. My caviar socialist from Kamloops—Shuswap is only making political hay in an attempt to delay this legislation, and that is all.

Mr. Riis: Mr. Speaker, I have studied the legislation carefully. As a matter of fact, I have almost committed it to memory by now. That is why I am so perplexed about why the request of the Thompson Nicola Manufacturers Association was rejected.

Since my hon. friend from Athabasca has obviously taken such an interest in this fund, perhaps I could ask him as a representative of the Government to look into the matter and to explain why this request for $40,000 was rejected. I am asking these kinds of questions because I know of other initiatives that were funded.

Mr. Shields: Because it doesn't fit any program until this legislation is passed. Is that clear?

Mr. Riis: If he will let me speak, I want to tell my honest friend that in August of 1987, the Government announced that it planned to introduce the Western Diversification Office. This is now 10 months later. Where was the legislation for month after month?

If the Government really did care about doing something for the diversification of the western economy, it could have done something in the previous 10 months. I do not want to sit here and take flack from an individual who says that we are holding up the legislation. I have said that we support the legislation.

The Government sat on its hands for nearly a year after it announced this legislation. If it were serious about the diversification of the western economy, it would have acted on this months ago. To tell the Opposition that to take an extra few hours of debate will somehow hold up the legislation is absolutely silly.

Mr. de Jong: Mr. Speaker, the Hon. Member for Athabasca (Mr. Shields) keeps asking the same question even though it has been answered several times. He claims that a small firm in Edmonton had made an application which had been turned down because this legislation has not been passed. Yet we have put on the record this morning various examples of projects that have been given the okay including that of a big Japanese firm which wants to build a pulp mill. The millions are there for them, but small business is being told that it cannot get any because the legislation has not passed. What sort of nonsense is this? I sure hope that the Hon. Member for Athabasca will stand in his place and for once be honest with the people of Canada and particularly the people of western Canada.

I know that the Hon. Member for Kamloops—Shuswap (Mr. Riis) has been concerned about the high interest rates that exist in Canada, and I know that it affects western Canada detrimentally. Yet the Minister of Finance (Mr. Wilson) has told us that we cannot have a lower interest rate because of inflation.

Is it not true that the reason there is a 4 per cent inflation rate in Canada today is because of the sales taxes that the Conservative Government has introduced? If those sales taxes had not been introduced, our effective inflation rate would be around 2 per cent rather than at 4 per cent, is that not correct?

Mr. Riis: Mr. Speaker, once again, that was an incredibly thoughtful intervention made by my hon. friend. He is quite right that that the monetary and fiscal policies of the Government of Canada discriminate against western Canada. Yes, the Government's own programs have resulted in interest rate practices which are discriminatory to western Canada.

Perhaps I will use this as an opportunity, if I can get your attention, Mr. Speaker, to ask if there is a quorum in the House.

Mr. Deputy Speaker: We do have a quorum.

Mr. Riis: Thank you, Mr. Speaker. That is encouraging. I was just worried that—

Mr. Shields: That's the only way you can get somebody to listen to that garbage.

Mr. Riis: I thought that some Hon. Members had missed the comments of my hon. friend from Regina. Now that they are back in town—

An Hon. Member: You're wasting the time of the House.

Mr. Riis: I can hardly be wasting the time of the House when the House does not normally sit at this time of day.

As usual, the intervention of my friend from Regina was thoughtful and most perceptive. A lot of westerners are asking why interest rates are so high here and why they have to be so much higher than they are in the United States. The Minister of Finance always reminds us that we must have high interest rates because of the inflation in Ontario and Quebec. Let us think about that just for a moment.

Because of the relatively strong economy in parts of Ontario and small parts of Quebec, the rest of Canada is held at interest rate ransom. The fear of pockets of inflation in some parts of central Canada has resulted in the Minister of Finance (Mr. Wilson) keeping interest rates excessively high. That mitigates against efforts by western, eastern and northern entrepreneurs to develop regional economies.

Quite frankly, it is a policy that discriminates against western Canada. It discriminates against other regions of Canada as well, but today we are talking about western Canada. It discriminates against western Canadian consumers, entrepreneurs, farmers and fishermen.

It is time that the Government recognize that, and, in recognizing it, take extra steps to compensate. If it is to discriminate against western Canada through its interest rate policy, then for goodness sake, it should do something to counter that discriminatory initiative.

The Government has only offered us the Western Diversification Office. We feel that that is inadequate and that it falls far short of the mark. Therefore, my colleagues in the New Democratic Party are trying to put forward positive alternatives, encouraging and thoughtful suggestions, as to how we can better assist those people in western Canada who are very keen on diversifying the economy through expanding into new products and markets.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I would like to take this opportunity to say a few more words on this Bill. A government has been asking us for co-operation in passing the Bill, and we have been attempting to give it, though we find ourselves filling in time during the noon hour so that Members from our Party who have been scheduled to speak may be able to do so later on in the debate. Forcing debate at times when it is difficult for Members to be here is rather a queer way of trying to get the co-operation of the Opposition.

There are a number of alterations we would like to see the Government make to this Bill. The Government has not suggested, through the western diversification legislation, the Atlantic opportunities legislation or the northern Ontario diversification legislation that there are a lot of things that need to be done.

• (1350)

Last November a federal-provincial task force made a fairly broad and comprehensive statement suggesting that there are a lot of areas where the western diversification fund could be used to develop the economy of those regions feeling the pinch these days. It was pointed out, for example, that over the past 25 years less than 3 per cent of federal economic expenditures have gone to specific regional development. In other words, past legislation of this kind has not done the job it was supposed to do in diversifying expenditures into various regions. Although the legislation was in place, it did not make the impact it should have. This particular legislation is no more likely to do so. In fact, maybe even less so because one of its main features is advocacy and co-ordination.

We in the West know from experience, as people do in the Atlantic provinces, that there is a need for more than a fledging group of bureaucrats to co-ordinate the work of large line departments such as the Department of National Health and Welfare and the Department of Transport and so on. Those departments have their own well-established bureaucracies and are not about to let a fledging department such as

that being set up here to direct them in the expenditure of their money.

If we need proof of that, we just have to look at the so-called increase in procurement in the last couple of years across the country after the Government made a specific promise that it would increase its expenditures in the western provinces. As I am sure you have been told many times in this House, in 1984-85 government expenditures in the West amounted to 13.9 per cent of procurement. Over the years, with a certain amount of pushing by the Government to increase those expenditures, it went down to 11.5 per cent in 1986-87.

Obviously the attempt by the Government to increase expenditures on economic development in those regions will not happen as a result of this legislation, particularly when the money being given to the Department is meagre compared to that spent in the regions by other Departments. Even members of the Conservative caucus who have some concern about the West have indicated that $1.2 billion over five years will not have a major impact upon economic development in the West. The Minister of State for Grains and Oilseeds (Mr. Mayer) said that it sounds like a lot of money but in the over-all scheme of things it is not that great. A Member from an Edmonton riding, speaking to a downtown Rotary Club said that the announced strategy, though inadequate in its funding, is certainly a modest step in the right direction. A *Financial Post* editorial suggested that there is no doubt whatever that the potential contribution to Ottawa's western initiative is truly piddling. Some $50 million per year per province will not diversify very much.

It would appear, and this is the kind of change the Government needs to make, that there needs to be a differentiation in policy and programs between the various areas of the country in order to establish a major opportunity for the development of effective and relevant economic structures. We know, for example, because we have brought it up in this House before on many occasions, that in the 1960s and 1970s, when a great deal of money was spent on infrastructure, it had a real impact on regional economic activity. The infrastructure requirements for cities, and rural areas to a certain extent, of the 1980s and 1990s are broader and more necessary than those put in place in the 1960s and 1970s. The services, training and technology required for this kind of development is very closely related to the economic development of an area, so that, even as a rider to this legislation, if the Government brought in a policy of infrastructure development in the cities, particularly those in the regions that are suffering most from a lack of development, there would be a valuable increase in the effectiveness of the program.

As well, the federal-provincial task force suggested that the three Departments concerned with defence, energy, and transportation could, by diversifying their expenditures, create much more economic development than is going to be the case with, as *The Financial Post* suggested, a piddling investment by the Government to look for some entrepreneurship which will develop future businesses in those areas.

If we look at the areas of defence, transportation, and energy, while some of those contracts should go to areas where there is need for development, more could be done in this area for regional development than this legislation calls for. As I and others have mentioned before, there is a danger in depending upon the development of resources as the basis of regional development. Regional development does not necessarily increase the amount of activity in those areas producing resources. Second, if you have an area with meagre resources to start with and you take any amount of money and say you are going to develop a particular region by processing the resources in that region, you are not going to increase a poor resource base a great deal by spending a lot of money and putting in place the kind of structure that might in some other place be worth while. Consequently, it appears that we should not do that kind of resource development without knowing exactly the direction we are going to take.

Mr. Deputy Speaker: The Hon. Member will have eight minutes left when this matter is brought up again.

Statements by Members.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

SOUTH MORESBY—SALMON RIVER WATERSHED—DRILLING FOR MINERALS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Canadians are shocked to learn today that the British Columbia Government has authorized Diamond Resources to begin drilling and exploration for minerals in the Salmon River watershed, a pristine wilderness within the South Moresby National Park reserve currently being negotiated.

• (1400)

The Haida people plan to oppose mineral exploration and drilling in the proposed national park reserve in the same manner they oppose logging on Lyell Island.

Mining exploration and drilling on South Moresby must be stopped. The Haida people need the support of all Canadians who believe that South Moresby is a national treasure worth saving for future generations without encroachments on land and sea.

S. O. 21

HISTORIC EVENTS

POLAND—ANNIVERSARY OF 1791 CONSTITUTION

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, today Poles throughout the world are observing the anniversary of one of Poland's most important days, the signing and ratification of the Polish Constitution of May 3, 1791. For workers in present-day Poland, May 3 is a day of struggle for the fundamental rights embodied in the Constitution of 1791, freedom of expression and association.

The current strikes and demonstrations serve as a reminder that the Polish nation will not endure the present government suppression or the atrocious economic conditions. Meaningful and serious dialogue must be initiated between the Church, Solidarity, and Government in order to alleviate the deteriorating state of affairs.

I call upon the Secretary of State for External Affairs (Mr. Clark) and the Government of Canada to press Polish government officials to relegalize the independent trade union Solidarnosc and to respect the inalienable rights of all Poles contained in the Constitution of 1791.

* * *

[*Translation*]

FORESTS

NATIONAL FOREST WEEK

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, this week, May 1 to 7, we are celebrating National Forestry Week throughout the country on the theme "Forests—Wealth for All."

Need I remind you of the vital role the forest industry plays in Canada and Quebec? Forestry provides jobs for more than 750,000 Canadians and brings in over $37 billion to our economy.

Quebec alone accounts for 14 per cent of world pulp and paper production and 35 per cent of Canadian production. More than 85 per cent of Quebec forest products are exported outside the province and 65 per cent are exported outside the country.

In 1985, forest products accounted for 22 per cent of Quebec exports. In that year, the federal Government invested $150 million in a $300-million subsidiary agreement for forestry development with Quebec.

In my riding of Témiscamingue only, more than $5 million has been allocated under this agreement and 5,000 weeks of work have been provided.

In conclusion, let me pay tribute to all business people and workers in the forest industry, who with their knowledge and ability play a large part in the Canadian economy.

[*English*]

FISHERIES

NOVA SCOTIA—WITHDRAWAL OF LOBSTER FISHING LICENCES

Mr. Jack Harris (St. John's East): Mr. Speaker, the Minister of Fisheries and Oceans (Mr. Siddon) has finally taken action to reverse his decision to grant four offshore lobster licences in Nova Scotia. Previously he ignored advice, and as a result caused the resignation of all but one member of the Southwest Nova Lobster Advisory Board by granting the licences. He has brought into disrepute the whole process of granting fishing licences in Canada.

It required enormous pressure to get him to change his position. The Maritimes Fishermen's Union, the Eastern Fishermen's Federation, inshore fishermen throughout Nova Scotia, provincial and federal New Democrats, the Nova Scotia Government, and eventually even Conservative Members of Parliament, have all publicly opposed his decision. By his action he has confirmed that his original decision was wrong.

The granting of licences in the fishery confers enormous economic advantage or opportunity. The process should be public, open, subject to agreed upon guidelines and, above all, fair. The Minister failed this test.

* * *

INDIAN AFFAIRS

CHILD WELFARE AND FAMILY SERVICES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, on April 6 the Minister of Indian Affairs and Northern Development (Mr. McKnight) announced his intention to seek cabinet approval of a framework for negotiations on Indian child welfare and family services. He wants cabinet approval by the summer. He is allowing less than one month for consultation with Indian people on this very important issue.

On April 21, here in Ottawa, at a conference organized by the Assembly of First Nations of Indian child welfare directors, participants denounced the Minister's plans. In a statement delivered at the conference by elder Angus Swan from Manitoba, the reasons for the rejection were outlined: the process and principles have been unilaterally developed by the Department; the time frame is unrealistic; existing mechanisms for negotiation are being ignored; and the right of Indian First Nations to make decisions about the lives of their children is not being respected.

The process is an insult to the recognized right of Indian self-government in Canada.

[*Translation*]

MENTAL HEALTH

FIGHT AGAINST PREJUDICE

Mr. Claude Lanthier (LaSalle): Mr. Speaker, the Canadian Mental Health Association has been co-ordinating activities to make Canadians aware of this difficult area for 30 years in Canada, in an effort to reduce the stigma associated with mental illness and to encourage the community to accept those who need mental health services.

Having a Mongoloid little sister, Monique, whose birthday was yesterday, I was happy to participate with the Department of National Health and Welfare and the Canadian Mental Health Association in this worth-while effort to draw attention to the importance of all these issues.

The slogan for Mental Health Week this year is, "Mental health, it's up to me!" We therefore ask all Canadians to give their full support to the activities planned by the local offices of the Canadian Mental Health Association in their various communities, and in particular in LaSalle and Ville-Émard, for this Mental Health Week.

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[*English*]

EXTERNAL AFFAIRS

PORTUGAL—GROWTH OF DEMOCRACY FOLLOWING OUSTER OF SALAZAR REGIME

Mr. Dan Heap (Spadina): Mr. Speaker, 14 years ago on April 25 the Portuguese people threw out Salazar's fascist Government by a peaceful revolution. The signal was a certain popular song about farming people. When it was heard on the radio on a certain day, civilians and members of the armed forces, in a co-ordinated plan, simply took over government firmly but without bloodshed.

Human rights were restored, including the rights of women, workers, and trade unions. Democratic elections were set for a constitutional convention, and then for a Legislature and President. Since then the Portuguese people have maintained their freedom and their respect for each other's rights in a vigorous political debate.

The Portuguese, by hard work and quiet mutual respect, have set a heartwarming and noble example to all the world of a people throwing off the burden of tyranny peacefully. I am sure every Member of this House would join me in wishing them well in their democratic future.

S. O. 21

FISHERIES

ATLANTIC LICENSING APPEAL BOARD—EXPANSION OF MANDATE ADVOCATED

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I rise today to urge that greater authority be conferred upon the Atlantic Licensing Appeal Board. This Board was established as a forum for fishermen to appeal decisions on licensing made over the years by departmental officials. Fishermen in Atlantic Canada welcomed this Board, as did I, Mr. Speaker.

The result has been many equitable decisions. There are, however, a lot of appeals that are not being successful because the Board's mandate is too narrow. I believe the Board must be able to make decisions based on all the circumstances being considered. Presently it seems restricted to narrow principles. The Board reflects a good direction, but its powers and procedures must be expanded.

* * *

[*Translation*]

SMALL AND MEDIUM-SIZED BUSINESSES

TRIBUTE TO ENTREPRENEURS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, this week is Small Business Week. It is a fact that small businesses contain the most dynamic, innovative and entrepreneurial elements of our Canadian business community.

In the favourable economic climate created by this Government, small businesses have been responsible for 17 per cent of the 1.3 million jobs created since 1984. Out of 43,000 small businesses who answered a questionnaire on free trade, 87 per cent were in favour.

Mr. Speaker, when we pay tribute to our small business entrepreneurs, we are paying tribute to the driving force of our dynamic free enterprise system.

* * *

[*English*]

AGRICULTURE

DROUGHT IN WESTERN CANADA

Mr. Maurice Foster (Algoma): Mr. Speaker, the drought in western Canada worsens daily. In fact western Canada has received the least amount of moisture and rainfall in 99 years, since 1889. Tumbleweeds and sand storms are shown on television screens across the country. Dug-outs are dry. Seeding will not be possible in some areas because there is not enough moisture for germination. Community pastures are not accepting livestock because there is not enough grass.

The Government must make a commitment to transport cattle and to help move feed into the drought area. Emergency funds are needed now for new dug-outs, new wells, and emergency water systems. I call on the Government to make a commitment now to the Prairies to assist in this worst of natural disasters in western Canada.

* * *

NATIONAL FOREST WEEK

IMPORTANCE OF FORESTS TO SASKATCHEWAN ECONOMY

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, this is National Forest Week. Although Saskatchewan is recognized for its agricultural production, it is easy to overlook the fact that half of our province is covered by forests. These forests have played a key role in Saskatchewan's development, providing the economic and industrial base for more than 30 communities. These towns owe their livelihood to the commercial and recreational use of the forest.

Maintaining this resource through forest renewal and intensive management is vitally important. In recognition of this the Government of Canada is spending over $1.1 billion with the provincial Governments to enhance forest management.

In Saskatchewan we know how important a role forestry plays. All Canadians should make every effort to learn more about our forests and their prominent place in Canadian life.

* * *

• (1410)

HISTORIC EVENTS

POLAND—ANNIVERSARY OF 1791 CONSTITUTION

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, today the people of Poland are celebrating the May 3 Constitution of 1791, which was the first recognition of fundamental rights in an age of despotic rule in Europe. The legacy of this centuries-old struggle for human rights continues to unfold in Poland today.

In 1980 the world saw the birth of the independent trade union Solidarity in response to a deteriorating economic crisis which was mismanaged by the Government. Despite martial law, Solidarity inspired a broad social movement on human rights. Today, Polish workers are again exercising the right to strike, guaranteed by international conventions to which Poland is a signatory, in the face of sky rocketing price increases and no prospect of managerial reform within a rigidly hierarchial party system.

Instead of taking the opportunity to negotiate a social accord as persistently offered by Lech Walesa, the Polish Government has launched widescale arrests of Solidarity leaders and provocation of workers demonstrating peacefully for real economic reforms.

The New Democratic Party considers both outside interference in Polish affairs and the desperate attempt by the Polish Government to impose a temporary solution through internal force as unacceptable. Canada should make it clear to the Polish Government that only a peaceful solution leading to real economic reform with the support of a broad range of social and trade union organizations, can expect approval from Canadians.

* * *

UNIONS

INTER-UNION MEMBERSHIP RAIDS

Mr. John Oostrom (Willowdale): Mr. Speaker, on May 9 the Canadian labour movement will be holding a convention in Vancouver. Their get-together promises to produce more fireworks than the Liberal Party.

Consider the following. One of the main points of tension is the present vicious in-fighting between unions raiding each other's memberships.

The leader of the 23,000 members of the United Food and Commercial Workers arranged secretly with the CAW to take its members. The rank and file were not even notified and the raider is none other than Bob White, who prefers to call his action an "opportunity for change in unions". Here is the same Bob White who screams, whenever there is a corporate takeover, that rights are being ignored. It seems that "solidarity forever" and "a democracy in the union movement" are just shallow rhetoric.

* * *

[*Translation*]

PENSIONS

IMPROVEMENTS TO SYSTEM

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, I am sorry to say that Canadians between the ages of 40 and 60 are very disappointed in the Tories.

When we look at these people who are nearing retirement, less than 50 per cent have a private pension plan, three million Canadian women are not eligible for the Quebec and Canada Pension plans, and 95 per cent of the private pension plans that do exist are not indexed.

Mr. Speaker, I am therefore relieved that the Liberals have agreed to improved access to private pension plans, portability, gradual retirement, participation of homemakers in the

Quebec and Canada Pension plans, a form of indexation for private pension plans and also to respect the right of the elderly to a decent standard of living.

* * *

[*English*]

NATIONAL FOREST WEEK

DECLINE IN EMPLOYMENT IN FORESTRY

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, last week the Hon. Member for Nanaimo—Alberni (Mr. Schellenberg) claimed that Canadians have much to celebrate during National Forest Week. They also have a lot to worry about.

Lands not sufficiently restocked increase annually by the size of Prince Edward Island. We are rapidly running out of first growth timber. Professional foresters are out of work.

Exports are up, but employment is down. In 1979 employees in the forest industry totalled 307,000. Five years later this number was almost 38,000 lower. In 1985 it went down again.

Last year a study of forest graduates from UBC showed that of 290 graduates less than 50 per cent found jobs as forestry professionals. Twenty-one per cent were unemployed.

When we are losing employment and sufficiently restocked lands it is clear that, although short-term gains may be reflected in increased exports, the long-term prospects for Canada's forest industry are not good.

Four years ago the Prime Minister (Mr. Mulroney) promised to create a full-fledged Ministry of Forests. It is completely unacceptable that this important sector has been relegated to a junior Minister under the Department of Agriculture.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—PRIME MINISTER'S ADDRESS TO UNITED STATES CONGRESS

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, it is a pleasure for me to bring good news to the House.

Last week the Prime Minister (Mr. Mulroney) was in Washington. I want to quote a statement by Senator George Mitchell of Maine who said:

> In his eloquent address to the Joint Meeting of Congress, and in private meetings as well, Prime Minister Mulroney made a forceful, effective and persuasive presentation on the need for acid rain controls. I know firsthand that he made a powerful impression on many members of Congress. I was heartened to learn that, as a result of his efforts, the President has designated Secretary of State George Shultz as the administration official responsible for handling the negotiations for a U.S.-Canadian treaty on acid rain and that he will be meeting with the Canadian Foreign Minister in that regard.

Clearly, this is more positive evidence of the success of the visit of our Prime Minister to Washington.

ORAL QUESTION PERIOD

[*Translation*]

FINANCE

INCREASED TAXES—MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Finance. Yesterday in the House of Commons, the Minister said and reiterated that 24 per cent of the increase in income tax paid by Canadians was the result of economic growth. Later, he said that 80 per cent of this increase as the result of economic growth. The contradiction between the two replies he gave here in the House yesterday afternoon represents nearly $18 billion per year.

Didn't the Minister of Finance increase sales tax in Canada, not once, not twice but three times? Isn't it true that since he became a Minister in this Government, Canadians are now paying $4 billion more in sales tax as a result of the increases introduced by the Minister? And didn't the Minister of Finance increase the excise tax on gasoline, not once, not twice, not three times but four times since this Government came to power, from 1.5 cents per litre to 6 cents per litre, Mr. Speaker? Are Canadians now paying 3 per cent more in taxes on gas, that is, $2 billion more per year, than in 1984? Is that the truth, Mr. Speaker?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I know that today, 1,200,000 more people have jobs compared to the situation at the beginning of our mandate. I think that is very important, and that is also why most Canadians are now paying more in taxes.

[*English*]

I am very pleased that the Right Hon. Leader of the Opposition has brought attention to the error I made in my answer yesterday. I am pleased that he gives me this opportunity to say that fully 80 per cent of the increased amount of taxes that Canadians are paying is because of the increase in economic activity. More people are working, and the people who have jobs are earning more money, and their personal disposable income is up. It is a direct result of the fact that Canada has been leading the G-7 countries in economic activity in the last three-and-one-half years. That is why tax revenues are increasing.

Mr. Turner (Vancouver Quadra): We will have to persist here because Canadians have been taxed more under this Government than in any time in our history, including two Great Wars. That is the increase in taxes we are talking about.

Oral Questions

INTRODUCTION OF NEW TAXES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, as of 1988 is there not a brand new 10 per cent tax on long distance telephone calls and a brand new tax on cable television? Do not those amounts add another $1 billion a year in new taxes?

Did the Minister not put a new tax on pet food, soft drinks and snacks? Is that not another $500 million a year in new taxes? And did he not partially deindex the system, and that means an extra $1 billion in new taxes this year and more next year and every year thereafter? I ask the Minister, did he not impose these new taxes? And did this Minister and this Government not say during the last election campaign that there would be no increases in taxes?

• (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Right Hon. Leader of the Opposition put his foot in the glue when he said we are being taxed more than at any time in history. If he will go back to the time he was the Minister of Finance in the early part of the 1970s, he will find that something like 17.5 per cent to 17.9 per cent of national income was represented in federal government revenues. Today that amount is less than 17 per cent. I have the amount here which I will check while he is posing his next question, but I believe the comparison is 17.9 per cent when he was in office against about 16.7 per cent this year.

EFFECT OF NEW TAXES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if the Minister has time to look at his figures, he will find that I was last Minister of Finance who brought a surplus down in this House of Commons, and not the $30 billion deficit the present Minister is bringing down. The average deficit over my four years was $710 million, not the $30 billion range this Minister is talking about.

I have only just begun with this Minister, Mr. Speaker. Did the Minister of Finance not slap a 3 per cent surtax on taxpayers, which means a loss of disposable income for Canadians of over $2 billion a year? Is that not new? Did he not put new taxes on airline tickets? Did he not put a new tax on paint and wallpaper and raise it by 50 per cent? Did he not give wealthy Canadians a capital gains exemption, all of which means that, as a result of four years of this Minister, 99 per cent of Canadians pay more in total taxes than they did in 1984, and only 1 per cent of Canadians, those earning more than $117,000 a year, pay less in taxes? Isn't that the fact?

Hon. Michael Wilson (Minister of Finance): This may be the last time the Right Hon. Leader of the Opposition raises these questions in the House. If you will give me some time, Mr. Speaker, in 1974-75 revenues as a percent of gross national product were 19.2 per cent. In 1986-87 they were 16.8 per cent.

Some Hon. Members: Hear, hear!

An Hon. Member: More!

An Hon. Member: He had the last surplus.

Mr. Wilson (Etobicoke Centre): Yes, he had the last surplus, but he then put it quickly into deficit and the deficit increased from 1.6 per cent of national income to 3.3 per cent.

Mr. Gauthier: Answer the question.

Mr. Wilson (Etobicoke Centre): He doubled it in his very short term in office. Revenues increased by 91 per cent during his time in office. That is a lot of tax. Personal income tax revenues increased by 76 per cent. Here is the reason why it increased. During that time, total spending rose by 107 per cent.

Some Hon. Members: Shame!

Mr. Wilson (Etobicoke Centre): I do not even have to look at the briefing note here because it is indelibly printed on my mind. In his last year as Minister of Finance spending went up 29 per cent.

Some Hon. Members: More, John!

* * *

FILM DISTRIBUTION INDUSTRY

NEWSPAPER REPORT—TERMS OF PROPOSED LEGISLATION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the anticipated tough Canadian film Bill intended to curb American dominance of film, TV, and video distribution here in Canada was raised once again at the Mulroney-Reagan love-in. The *Toronto Star* reporter, Sid Adelman, quotes from a memo from the Canadian representative of the American major film distributor to his American bosses indicating that a deal has been reached to soften the long promised tough legislation.

My question is directed to the Minister of Communications? What is that understanding? What is this great collaboration. And what deal was just reached in Washington?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, may I say to the Hon. Member who seems to rely so much on American sources—

Mr. Broadbent: The *Toronto Star*!

Mr. Riis: It is still Canadian!

Miss MacDonald: Americans being quoted in the *Toronto Star*! Who else would the *Toronto Star* quote but Americans?

May I say that the story is both inaccurate and misleading.

Ms. Copps: But not false.

Miss MacDonald: I would like to tell the Hon. Member and Members of the House that there are two issues with respect to the film industry, production and distribution. In the field of production, this Government has added $165 million to production, set up a feature film fund, and set up a dubbing fund.

We are now moving to the issue of distribution. We have said that we will bring in, by legislation, the means to establish a separate market here in Canada for Canadian film distribution rights. We have said there will be other measures for Canadian film distributors. We have said we would do that, and we will do it.

NEW LEGISLATION—EFFECT ON INDUSTRY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the last time I looked, I think the *Toronto Star* still belonged to Canadians. I think Mr. Sidney Adelman is a rather well respected reporter, and I think Mr. Millard Roth is still the head of the Canadian Film Distribution Association even if he speaks for the Americans.

Is it not true that the Minister is planning a giant loophole through which, by regulation, the Americans will still come out the winners and win all the major films that are coming in here? Does the Minister not realize she is just setting up another shell game so the Americans can maintain their status quo, and the interests of the Canadian film distributors and manufacturers will not be met with her new Bill?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, Millard Roth, who the Member cites with such ease, is the Canadian representative of the American film industry. That is the person she is shilling for in the House.

Ms. Copps: That's what she just said.

Miss MacDonald: I just want to say to the Hon. Member that the Liberal Government had three Ministers that I know about, Mr. Faulkner, Mr. Roberts, and Mr. Fox, all of whom promised legislation. After 40 years, much of that occupied by a Liberal Government, there is no legislation. Nothing has been done for the Canadian film industry in this respect.

Some Hon. Members: Oh, oh!

Miss MacDonald: Our legislation will not address the needs of the American industry. It will address the needs of the Canadian film industry, as I have said right along.

RIGHTS OF AMERICAN DISTRIBUTORS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the same Minister. According to this report which came out today, the Canadian Government—

Mr. Clark (Yellowhead)): Just a pale echo of the Grits.

Mr. Broadbent: Joe is twitching again. Just calm down, Joe. It's all right.

Mr. Shields: Welcome back, Shirley Carr.

Mr. Speaker: The Hon. Member will put his question.

Mr. Broadbent: Thank you, Mr. Speaker. My question is directed to the Minister. The same report that refers to the collaboration of the Minister's Department, even in writing the regulations with this group that is speaking for the American industry, has made the contention that the Minister has backed down completely. One way the Minister has of avoiding that accusation would be to assure the House today that the essence of what she promised in the old Bill, that never did appear, will be repeated, namely, the commitment that she made, and, if I understand correctly, the Prime Minister is also on the record as making that commitment, that American distributors of films in Canada would be restricted in their rights to films they had actually financed, or to films to which they had a world copyright. The net effect would have been to leave to Canadians some 15 per cent of the market.

Will the Minister guarantee that the Bill she has promised to introduce will essentially maintain these provisions?

• (1430)

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I have said throughout from day one that what we will be doing here is taking the necessary step that has not been taken before. We will be setting up a separate market for distribution in Canada.

The Leader of the New Democratic Party may not think that that is necessary, but that is the first and most important step to take, and we will be doing it.

We will be bringing in regulations so that it is a workable scheme. We will also be introducing measures to assist Canadian distributors. We are gearing this toward Canada, not toward the United States.

DRAFTING OF REGULATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, Canadians who have been producing films from British Columbia to Newfoundland, and who want to have access to see Canadian films, will have heard what the Minister has said, which is not to confirm that she will stand by her rather tough legislation of before but, in fact, confirms that she has backed down once again to American pressure.

Some Hon. Members: Hear, hear!

Mr. Broadbent: If she has not done so, we will give her a chance to answer the question again.

Will she retain the very tough minded points that she and the Prime Minister addressed before in her legislation? While she is answering that question, will she also reply to what I

regard as an accusation that her Department has already agreed—and these words are in the memo, they are not mine—to collaborate with the American industry in writing the regulations for a Canadian Bill? Is it not the ultimate humiliation for the Tory Government to get the American industry to help draft our Bill?

Some Hon. Members: Hear, hear!

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, that is utter nonsense. I am finding more and more that that is all the Leader of the New Democratic Party is capable of—utter nonsense.

Some Hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, he talks about collaboration. May I just say, because this is common knowledge, that I had one well publicized meeting with Mr. Valenti here in Ottawa some 14 months ago. At that time Mr. Valenti put forward a number of proposals. They included no legislation and no separate market for Canadian rights. He proposed that moneys be raised by putting a tax on Canadian film-goers at the box office. Those were the proposals that were put forward.

I have to tell you, Mr. Speaker, that none of them were acceptable, and none of them will be introduced.

Some Hon. Members: Hear, hear!

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we now know that the Minister has said she will produce legislation, and the American industry is being urged to pretend it is opposed to it to appease Canadian nationalist feelings. That is the whole thrust of the memo that the Minister is denying.

Some Hon. Members: Oh, oh!

Mr. Broadbent: I have a copy here in my hand of the original Bill that had the tough provisions that said that the Americans would be restricted, in a reasonable way, to the movies they financed, and to the movies on which they have a world copyright. Why will the Minister not say that her Bill will do that and that, for once, she will encourage real distribution, real access to Canadian markets, of Canadian produced films?

Some Hon. Members: Hear, hear!

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I must tell the Hon. Member, who is relying on a memorandum from American sources, that I have seen that memorandum and it is wrong. He may not accept that, but I can tell him it is wrong.

I also want to assure him that the work that we have done on this Bill and on the regulations has been done in this city, in this country, and by Canadians.

HAZARDOUS SUBSTANCES

PRESENCE OF FREON IN COOKING OIL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it is a sad situation when the contents of the Bill are known by Americans before they are known by Members of the House of Commons.

In the absence of the Minister of National Health and Welfare, as well as of the Minister of Consumer and Corporate Affairs, I would like to address my question to the Prime Minister.

The whole country knows that freon is destroying our environment by killing off the ozone layer. We have now learned that not only is it killing our environment, it also has the potential of killing young children, children who as schoolboys or schoolgirls thrill sniff cooking oil, freon-based Pam. Why is it that freon is illegal in hair sprays, it is illegal in aerosol deodorants, but it is still legal in cooking oil in Canada?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, on behalf of the Minister of National Health and Welfare who is not in the House today, I point out that the Government, the Minister of the Environment and the Minister of National Health and Welfare, have given unprecedented attention to the problem of chlorofluorocarbons and the pervasive effect they are having on our atmosphere in all their forms. Canada has taken world leadership in establishing initiatives to deal with the proliferation of various chemicals based on chlorofluorocarbons, including freon. All its health effects are being examined thoroughly by the Government at this time.

PAM—REQUEST FOR REMOVAL FROM SHELVES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, three young people in the Ottawa area alone have died in the last four months. I would like to ask the Prime Minister again, given that his Minister of National Health and Welfare is unprepared to act for the health and safety of Canadians, give the leadership and follow the example that was taken with hair sprays and deodorants, will he demand that freon-based Pam be immediately pulled from cooking shelves across Canada so no more young Canadian children have to die?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, I think we all agree that we regret when deaths occur whatever the circumstances. What has to be underlined here is that those deaths related to Pam use are related to Pam misuse. When products such as Pam are used as instructed they do not cause any hazard for the consumer.

Ms. Copps: Supplementary question, Mr. Speaker.

Some Hon. Members: Sit down!

Mr. Speaker: The Hon. Member for Vancouver—Kingsway.

FILM DISTRIBUTION INDUSTRY

DRAFTING OF REGULATIONS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to return to the Minister of Communications. I want to quote a line from the memo that is in issue from the basically American industry, as the Minister said. It states: "We do have an understanding with the Department of Communications that quiet collaboration is available on the wording of supporting regulation". Is the Minister saying that that is false?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I am saying that it is false.

CONTENT OF MEMORANDUM

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, also in the memo the American industry—

Mr. Shields: She said it was false, you clown.

Mr. Riis: How do you think of those catchy lines, Jack?

Mr. Waddell: Mr. Speaker, the Canadian people do not think that selling the whole film industry to the Americans is very funny.

I want to ask the Minister this. It also states in the memo:

> It is important that we will be clearly perceived as being opposed to this approach, so as not to dislodge support from either the Canadian cultural milieu or the opposition parties.

Is it any wonder the Canadian people do not trust this Government in the sense that here is an American industry saying that it has a deal with the Canadian Government? Not only has it got a deal, but it will turn around and enter a pro forma protest.

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I have said before to the Leader of the New Democratic Party that I base my responses on Canadian documents, not on American documents. If the NDP wants to use American documents, I am sure that there are many openings, many avenues. The Hon. Member can go to the American Embassy. He can go to any number of places to get them.

When we are dealing with Canadian industries we should be basing it on Canadian facts, figures, and statistics. Nothing is more important—

Mr. Blaikie: Show us the Bill!

Miss MacDonald: —than the fact that this year the Canadian film industry, with the help of Telefilm financing, has been winning prize after prize in national and international film festivals. That is the kind of work that we have been supporting as a Government.

Un Zoo la Nuit won top prizes, as did *I've Heard the Mermaids Singing*. These are the kinds of films into which we have been putting our money.

* * *

• (1440)

ENERGY

PRINCE EDWARD ISLAND—DELIVERY OF REASONABLY PRICED ELECTRICITY

Mr. Mel Gass (Malpeque): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources.

Several weeks ago I raised the issue of the long-standing concern of Prince Edward Islanders, namely, a secure, long term, reasonably priced supply of electrical energy. I know that negotiations have been ongoing between Quebec, New Brunswick, and Prince Edward Island regarding this issue.

Can the Minister inform the House and the residents of P.E.I. what progress has been made for the delivery of reasonably priced electricity to P.E.I.?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, we are, of course, monitoring very carefully the negotiations that are now taking place between Hydro-Québec, Prince Edward Island and New Brunswick. The solution to the problem of electric power rates in Prince Edward Island lies, first and foremost, in long-term contracts that would stabilize prices, and that is why the present negotiations are so important. The Department of Energy, Mines and Resources in Ottawa is not directly involved in these negotiations, since they are taking place between the utilities, the parties concerned. However, we are keeping a very close watch on the situation, and we have the firm conviction that with the co-operation of all involved, the people of Prince Edward Island will finally have a long-term solution that is in their best interests.

[*English*]

POSITION OF FEDERAL GOVERNMENT

Mr. Mel Gass (Malpeque): Mr. Speaker, my supplementary question is directed to the same Minister. What efforts has the federal Government made on behalf of P.E.I. to ensure that Québec and New Brunswick can come to a negotiated compromise and therefore deliver reasonably priced electricity to P.E.I.?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, we have urged the utilities to negotiate amongst themselves because that is the level at which the decisions are made. Second, as the Minister responsible for Energy, Mines and Resources in Ottawa, I have had several meetings with my colleagues in Quebec and

Prince Edward Island, and I intend to continue those meetings, which will also include my colleagues in New Brunswick.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

SOUTH MORESBY—SALMON RIVER WATERSHED—DRILLING FOR MINERALS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Minister of the Environment my question is directed to the Deputy Prime Minister. The British Columbia Government has just authorized Diamond Resources to begin drilling and exploration for minerals in the Salmon River watershed, a pristine wilderness within the South Moresby National Park Reserve presently under negotiation.

What is the Government doing to stop this insane decision and to protect South Moresby?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, I am honoured to respond to this question on behalf of the Minister of the Environment.

If the Hon. Member would look at the Memorandum of Understanding which was entered into between Canada and British Columbia in July of last year, it clearly indicates that areas which are presently the subject of existing mining claims, which have not been under development, are excluded from the area designated as a national park reserve.

This Government is proud of the decision to recognize in perpetuity the precious values that South Moresby Island represents by declaring a national park. We have taken provisions in concert with the Government of the Province of British Columbia to preserve that area in that fashion.

I repeat, the areas where this particular mining claim is being pursued, are not contained within the area designated as park reserve at this time.

POSITION OF HAIDA PEOPLE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I am not so sure I would be as proud as the Minister for having arrived at an agreement which excludes mineral rights and exploration. It is a shame that they did. The agreement should have excluded such rights in a manner such as to protect the integrity of this pristine area.

Since the Haida people are quoted as having decided to put their lives on the line to stop the mining, what will the Government of Canada do to match this type of commitment?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, to hear the Hon. Member speak, one might expect that he would wish all of British Columbia or all of Canada to be placed in a national park reserve.

In fact the two Governments were very conscious of the existence of pre-existing mining claims in the area of South Moresby Island. For that reason, in May of last year the Government of British Columbia placed a moratorium on the issuance of any further claims. The number of mining claims on the Queen Charlottes has dropped from 25 per cent to 8 per cent in the last several years. These areas are excluded from the area designated as a national park reserve. Any activity on those lands will be subject to provincial and federal environmental legislation.

NATIONAL PARK RESERVE

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Prime Minister, who was vitally involved in the negotiations to establish the national park reserve at South Moresby. Canadians cheered when that happened thinking that the land was going to be saved from logging. People think that perhaps they cheered too soon, if that same land is now going to be wrecked by mining.

Does the Prime Minister not agree that mining is totally inconsistent with a national park reserve, that it is necessary to bring these other areas under the terms of that, that the Memorandum of Understanding very clearly states that British Columbia will hand over all of these rights, that the compensation will be paid indeed, but that we need to have the national park reserve as one which really is a national park reserve and is not a place where mining is going to take place, with or without that type of gerrymandering?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the arrangement worked out between the Government of Canada and the Government of British Columbia represented a very significant advance in the area of environmental protection. I think that it was quite properly encouraged and celebrated by all Members of the House.

The terms and provisions of the Memorandum of Understanding, and I believe that very distinguished representatives of the New Democratic Party were there and I was grateful for their presence at that time, were widely known and appreciated. We have insisted vigorously upon the enforcement of each and every one of those provisions. We shall continue to do so.

The Government of Canada's position was very clear from the beginning, and remains that way today. We are unaware of anything that has taken place inconsistent with the fundamental provisions of the undertaking that we signed.

NATIONAL PARKS POLICY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I wonder if the Prime Minister would comment on the national parks policy which very clearly states: "Commercial exploration, extraction or development of natural resources which exists prior to the establishment of a new national park will be terminated before . . . " the establishment.

The other provision in the national parks policy is: "The Government of Canada will own all land and resources within national parks".

Is it not an absurd situation where the boundaries are simply changed a little to allow for mining within a national park? In effect, is this not doing the same thing as the British Columbia Government is doing in Strathcona Park? Is this not entirely contrary to the the spirit of having a national park system? Will he agree to that and act on it?

Mr. Speaker: The Right Hon. Prime Minister.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend, the Minister of Fisheries, has responded on behalf of the Government. I have already indicated to my hon. friend that we viewed the South Moresby agreement as a most important one. It is a very significant milestone in the evolution of Canada's policy in this important area.

We gave very serious and costly undertakings to the Government of British Columbia to ensure that this be achieved. We insist upon the integral respect of that agreement. We are unaware of anything at variance with the fundamental provisions of that agreement.

Given the importance of this, I will be happy to look at the question my hon. friend raises, examine it very carefully to ensure that there is nothing inconsistent with government policy, and report back to her and to the House, because this has been a matter of great national interest.

* * *

• (1450)

HOUSE OF COMMONS

PRESENCE IN GALLERY OF GOVERNOR OF THE STATE OF ILLINOIS

Mr. Speaker: I wish to draw to the Members' attention the presence in the gallery of the Honourable James R. Thompson, Governor of the State of Illinois.

Some Hon. Members: Hear, hear!

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INDIAN AFFAIRS

TUITION AGREEMENT BETWEEN FEDERAL GOVERNMENT AND BRITISH COLUMBIA

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is for the Minister of State for Small Businesses and Tourism and Minister of State for Indian Affairs and Northern Development.

I have in my hand a telegram which I received from Chief Joe Mathias of British Columbia, Vice-Chief, Assembly of First Nations. In the telegram, Chief Mathias states:

> On April 20, 1988 the Minister of Indian Affairs signed a 5 year master tuition agreement between the federal Government and the Province of British Columbia. This was done despite the clear and explicit objections of the Indian people in B.C.

I would ask the Minister of State for Indian Affairs to explain to the House, as clearly and precisely as possible, why the Minister of Indian Affairs signed such an agreement, an agreement that is to be in effect for a full five years, contrary to the strongly stated wishes of the Indian people of British Columbia.

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, the Hon. Member knows that, historically, the federal Government has accepted financial responsibility for Indian students attending off-reserve schools.

The current federal-B.C. agreement on education provides, for the first time, for the development of local level tuition agreements between Indian bands and provincial school districts, something which was not available under the predecessor agreement. The existence of this provision, which itself is an outcome of the consultation that took place with Indian leaders in B.C., supports Indian control of Indian education, and as such is a step in the right direction.

LOCAL CONTROL OF INDIAN EDUCATION—GOVERNMENT POLICY

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, I have to tell the junior Minister that he does not know what he is talking about. If he looks at Sections 6 and 12 of that agreement, he will know that such a locally controlled agreement is only possible where the local trustees agree and where Canada and B.C. agree, and he will also know that they may or may not accept such an agreement.

Mr. Speaker, local Indian control of Indian education has been the policy of the federal Government since 1973. It has now been shattered.

I would ask this Minister to stand in this House and admit, once and for all, that the promises of self-government, a policy which this Government claims to follow, is nothing but a sham and an empty pretence.

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, given the record of past Liberal Governments when it comes to self-government for the Indian people, certainly when members of the Liberal Party talk about a "sham" they know what they are talking about.

The Hon. Member is talking about Indian students who attend provincial schools, and in that respect there is an

agreement as between the federal Government and the provinces whereby the federal Government reimburses to the province the per capita costs in relation to the education of such students.

The objective of the agreement in question is to shift more control in that respect to the local Indian band.

* * *

HEALTH

AIDS DISEASE—COST OF AZT DRUG—SITUATION IN BRITISH COLUMBIA

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is for the Prime Minister.

Is the Prime Minister aware that while people across the country are dying from AIDS, British Columbia is the only province that refuses to pay the total cost of AZT, which is the only drug available to treat those suffering from this dreadful disease?

Given the fact that all other provinces have agreed to provide this drug free of charge to those suffering from AIDS, and given the fact that one year ago in this House the Minister of National Health and Welfare indicated that AZT should be covered under our universal health care system, I would ask that the Prime Minister personally contact the Premier of B.C. to request that AZT be made available free of charge to AIDS patients in that province.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of National Health and Welfare is out of the country at the moment. Certainly I shall get in touch with him on an urgent basis to inquire into this matter.

The Hon. Member raises a very important matter, one that requires a compassionate response, and as such I will be happy to look into it immediately and advise her.

Mr. Speaker: The Hon. Member for Vancouver East, on a supplementary.

FUNDING OF FEDERAL CENTRE FOR AIDS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I thank the Prime Minister for his response and for his assistance on this urgent matter. Hopefully, he will make inquiries of the Premier of British Columbia in this regard.

I would also ask the Prime Minister to inform the House as to when the Federal Centre for AIDS, which is being starved for funds, will receive the $139 million which was requested of Cabinet. It is funding which is urgently needed for this essential service.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am unaware of any obstacle to the normal progression of that request through the approval process. The very important commitment made by the Minister of National Health and Welfare, both in terms of research and care in this important area, will be respected fully. We view this as a most important societal problem, and one deserving of urgent action and the urgent devotion of national resources.

The Minister of National Health and Welfare has made significant statements and commitments in this respect in the House of Commons, and I can say, on behalf of the Government, that all such statements and commitments will be respected.

* * *

HAZARDOUS SUBSTANCES

PRESENCE OF FREON IN PAM

Hon. Bob Kaplan (York Centre): Mr. Speaker, I should like to return to the answer the Minister of Labour gave to my colleague regarding the use of freon in Pam. I would ask the Minister to reconsider the policy he described of not insisting that freon be removed from Pam.

We know already that three young children have died from the effects of inhaling freon.

The Minister has given the Government's rationale for its policy of not insisting on its removal, that being that the product is not dangerous when used as it should be.

Well, children do not know that, obviously. They see it in the kitchen, and they assume that it can be used without mortal danger, in a way that the product label describes—which many of them, of course, cannot read.

An Hon. Member: Even soap suds are dangerous when not used properly!

Mr. Kaplan: We have seen the results of the present policy. Surely the Minister realizes that it is a policy that has failed. In the light of what has happened, I would again ask the Minister to reconsider the policy in respect of the use of freon in Pam.

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, the point has to be made that the deaths in question came about as a result of the misuse of a product which, when used properly, would not necessarily cause harm to the user.

An Hon. Member: It kills the ozone layer.

Mr. Cadieux: Educational programs emphasizing the danger of misuse and abuse of this product will be encouraged.

[*Translation*]

YOUNG CHILDREN—MINISTER'S POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, although the United States is not as advanced as we are in this respect, it is their policy to remove freon from Pam. Doesn't the Minister

realize that the program he is suggesting will not work with young children like those who were killed by this product?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, as I said earlier, I think we should remember that the accident in this case was caused by misuse of a product—if the Hon. Member would care to listen, I will finish my sentence—and if the product is used according to the instructions on the container, there should be no risk of harm for the consumer. Nevertheless, Mr. Speaker, we will start a campaign to increase public awareness, and we hope that parents will help by telling their children about the dangers involved, as they generally do as responsible parents.

* * *

[*English*]

EXTERNAL AFFAIRS

ETHIOPIA—CANADIAN POLICY

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, my question is for the Secretary of State for External Affairs, and it has to do with the increased concern on the part of a number of Canadians with respect to the situation in Ethiopia and the feeling that the Canadian Government has come to the point where it needs to review the uncritical attitude which it appears to have toward the Ethiopian Government and some of the measures that Government has taken recently.

Is the policy of the Government of Canada with respect to the Government of Ethiopia under any kind of review, and does the Minister have anything to tell the House at this time in that regard?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I want to thank the Hon. Member for raising these concerns about the deplorable situation existing in Ethiopia at the present time.

We have indicated on several occasions that the war in Ethiopia makes it extremely difficult to deliver food to the people behind rebel lines.

We have actively endorsed certain steps taken by donor countries and the mission undertaken by the Assistant Secretary-General of United Nations to ask the Ethiopian government to allow international organizations to return to the areas in question and deliver food to the people who are in need.

We are now looking at other possibilities as well, and I can assure the Hon. Member that we are very much concerned about the present situation and that we are considering various options for getting food to the people who need it.

• (1500)

[*English*]

NEED FOR FOOD TO REACH STARVING PEOPLE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, I think it is important for the Secretary of State for External Affairs to say to the House, and through this House to the Government of Ethiopia and to others that are concerned, that there is a place where Canada will draw the line, where Canada will say that the humanitarian need for food to get to starving people, regardless of the political circumstances, is paramount in Canadian policy. I would like to know where that line is.

A great many Canadians are becoming increasingly concerned about the apparently uncritical relationship between Canadian government policy and the actions of the regime in Ethiopia.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, my colleague has answered the substance of the question with regard to Ethiopia. There is not an uncritical approach on the part of the Government of Canada. We are very much concerned about developments in that country.

The Hon. Member is the spokesperson for his Party on foreign policy. If there are specific changes that he would want to recommend to me or to my colleague with respect to policy affecting Ethiopia, I hope he would do that.

Mr. Speaker: This will be the last question of Question Period, a single question from the Hon. Member for Montreal—Sainte-Marie.

* * *

[*Translation*]

SUPPLY AND SERVICES

TRUMP PROGRAM—CONTRACT OFFERS—MARINE INDUSTRIES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Minister of Supply and Services. Layton, the main contractor for the TRUMP Program, has given the Minister the bids submitted by Marine Industries on the contracts for the destroyers *Athabaska* and *Huron.*

Could the Minister inform the House whether Marine Industries has been awarded the contract for the refit, as the Prime Minister promised when he said that Quebec shipyards would have their fair share?

[*English*]

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, this issue is currently under evaluation. As the Hon. Member will know, we are in the process of opening up even

further the procurement process in Supply and Services in such a way that Canadians, and particularly Canadian businesses and suppliers, will know ahead of time of the process within Supply and Services. As soon as this process is dealt with, the announcement will be made in due course.

GOVERNMENT ORDERS

[*English*]

WESTERN ECONOMIC DIVERSIFICATION ACT

NOTICE OF ALLOCATION OF TIME TO CONSIDER THIRD READING STAGE OF BILL C-113

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I wish to indicate that since an agreement could not be reached under the provisions of Standing Orders 115 and 116 with respect to an allocation of time for the third reading of Bill C-113, I therefore, under the provisions of Standing Order 117, give notice of my intention to move a time allocation motion at the next sitting of the House for the purpose of allocating a specified number of days or hours for the consideration and disposal of the third reading stage of the said Bill.

To be fair, I want to point out that this filibuster against western Canada is being carried out by the NDP and not by the Liberals. We had hoped to send the western diversification Bill to the Senate today for speedy passage. Under those circumstances, we will now be calling Bill C-89, an Act to compensate victims of crime.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to make it perfectly clear that after seven hours of debate at third reading stage, I feel we are not prolonging debate. We have two or three more speakers and are quite prepared to wrap this up expeditiously. I do not think it is necessary for the Government to prolong the debate on western diversification by having time allocation and a portion of the day set aside for discussion of that. I would like to think that we could perhaps wrap this up later today and get on with the other business of the House.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I was consulted by the Government House Leader. I told him we had no speakers and were willing to have the vote now and that we would support the legislation. I am happy that he brought to the attention of the House the fact that indeed we are not obstructing this Bill.

I find it somewhat unusual, however, that the Minister would invoke that Standing Order, because for my part I think there is co-operation on all sides.

Mr. Lewis: Mr. Speaker, in this session of Parliament and in the last session of Parliament, the only Bill that took more time at third reading was Bill C-22, the amendments to the Patent Act. I do not understand, nor do the rest of my colleagues, why the New Democratic Party is blocking this legislation which will benefit western Canada.

Mr. Deputy Speaker: Perhaps while the House deals with Bill C-89, the Hon. Member for Kamloops—Shuswap (Mr. Riis) and the Minister of State (Mr. Lewis) could get together.

Mr. Riis: Mr. Speaker, I think what concerns us and why we felt it appropriate to have some debate was that after the Government cut out $3 billion annually from the regional development programs, it is important that the initiative on the diversification of the western economy receive thorough debate in order to make it the best piece of legislation possible. That is what we are committed to and that is what we want to see done. That is why I say that we should wrap this up expeditiously later on today so that we may get on with other important pieces of legislation.

* * *

[*Translation*]

CRIMINAL CODE

MEASURE TO AMEND

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada) moved that Bill C-89, an Act to amend the Criminal Code (victims of crime), be read the third time and passed.

He said: Mr. Speaker, it is once again an honour to rise in this House to consider legislation which addresses the needs of those Canadians who are often the forgotten persons in our criminal justice system—victims of crime.

The legislative proposals presented in Bill C-89 represent concrete measures sought by and on behalf of crime victims. They will enhance the capacity of the criminal justice system to fairly respond to the special circumstances of victims of crime.

[*English*]

Since second reading of this Bill, I am pleased to advise the Members of the House that, in furtherance of the spirit of federal-provincial co-operation, a statement of basic principles of justice for victims of crime which will serve to promote access to justice, fair treatment and provision of assistance to victims of crime has been adopted by federal, provincial and territorial Ministers responsible for criminal justice.

The legislative committee reviewing Bill C-89 has now considered these proposals and presented its report to the House. I would like to thank the members of the committee for the due diligence and utmost dispatch they have displayed in reviewing this important piece of legislation.

In summary, the amendments to the Criminal Code presented in the Bill will create a victim fine surcharge, will allow input by the victim at the time of sentencing through the

use of victim impact statements, will allow the use of photographs and affidavit evidence to provide for the early and prompt return of recovered property to the victim, will require the court to consider restitution in all appropriate cases and will extend the ban on publication of the identity of victims and witnesses of sexual and extortion offences.

I would like to highlight one particular amendment to the Bill which was adopted by the legislative committee. Victims have long expressed the view that the impact of a crime upon them should be taken into consideration by the court at the time of sentencing. In certain cases, however, the victim of an offence is unable to present a victim impact statement; if the victim is deceased or, by reason of age or infirmity, incapable of providing such a statement.

• (1510)

For this reason, the legislative committee added a definition of "victim" to the victim impact statement provisions of the Bill to ensure that such statements can be made by family members and others where the direct victim is dead, ill, or otherwise incapable of making a statement. This will enable the introduction of victim impact statements by those closely connected to and affected by the commission of the offence, for example, families of homicide victims, child victims, and disabled victims.

The proposals presented in Bill C-89 enhance and strengthen the current restitution provisions in the Criminal Code. Victims of crime have stressed the need to increase the opportunities for a victim to receive financial reparation for the losses resulting from the criminal activity. In addition, the committee adopted a number of amendments to the Bill relating to enforcement of the proposed restitution provisions. These amendments will further serve to ensure that restitution orders are satisfied by the offender.

Finally, I would like to refer to one additional amendment adopted by the committee. That amendment will add the offence of robbery to the procedures dealing with photographic evidence outlined in Section 446.3, so that these victims may also have the benefit of prompt return of property. In this way, they will be subject to less inconvenience before and during any court proceedings.

[*Translation*]

Mr. Speaker, I must say that I am most heartened by the support that has been voiced for the principles presented in this Bill—by victims' groups, the Canadian public, Members of all parties, the various witnesses who appeared before the legislative committee and the committee Members themselves.

I believe that we have a common goal—to make the criminal trial and sentencing process more responsive and sensitive to the special needs of victims of crime, so that no further victimization is suffered through their involvement with the criminal justice system.

To this end, I urge the Members of this House to allow the passage of Bill C-89 so that we may move closer to ensuring that justice for victims of crime becomes a reality.

Hon. Robert Kaplan (York Centre): Mr. Speaker, I am very pleased to see this important Bill adopted on third reading because it really is a step forward for victims in Canada. I would also like to say that I was very pleased with our work done in committee that the Minister just mentioned. I had many amendments. I suggested eight, nine or ten amendments and finally some were adopted. I accept them with an open mind; the work we do in committee is much more important.

[*English*]

We did a lot in the committee, and I think at least four or five of my amendments were adopted. In fact, the difficult amendment we voted on last night was a result of my French being not as good as I thought it was and the necessity to correct at report stage what I thought was a pretty good translation of one of my amendments. I want to apologize to the Minister for not putting forward the French text in my amendment in better form.

[*Translation*]

Every amendment we make here in the House is said to cost $4,500. That shows that if as much had been spent on my French training, the cost of this amendment might have been saved. But in any case, the Committee was really moved by a desire to improve the legislation.

[*English*]

Regrettably, I cannot say this is an entirely good news Bill because there is a lot more that could have been done for victims. If I can reminisce, I remember that the plight of the victim, the injustice to the victim in the criminal justice system, was very little recognized until recently. I had the honour of being the first Minister of the Government of Canada to call a conference to look at the question of victims' rights in the criminal justice system, way back in 1981. The meeting was held at the Park Plaza Hotel in Toronto. I am a lawyer, my experience was in the courts with people who had grievances against the criminal justice system, and all of us who attended that conference had our eyes opened with respect to a system that we knew very well from a point of view that, until that time, it seems, had never been fully appreciated.

We were told how the victim, having suffered from the crime, can then suffer from the criminal justice system itself, in some cases worse than at the hands of the criminal. I am thinking of the delay in getting property back while a trial carries on for a year or, in some cases, more than two years. I am thinking about the problems of coming to court to testify, only to find that the case has been remanded without notice. People have taken time off work, gotten babysitters, made other arrangements and so on, and then were not given notice of the situation.

These grievances poured forth by the hour at the meeting, and since then a number of steps have been taken to make the

criminal justice system more responsive. What I regret is that the Government had the opportunity to do a great deal more for victims but did not do it.

First, we have to recognize that the remedies for victims that are found in this Bill only apply in cases where an accused is found and convicted. We know that the vast majority of attackers are never caught and convicted. Yet the losses suffered by the victims are real. They are victims of crime and even with this Bill the criminal justice system does nothing for them.

I visualized and would have liked to see a foresighted Government coming up with some type of system like workmen's compensation or unemployment insurance or some of the other grand visions we have had in our country in the past which have worked to compensate the victim. Whether the criminal is ever apprehended or convicted, we need a larger vision of the loss and the way in which all of us as a society can be insurers of that loss.

Often if the criminal is caught under this system there will only be compensation where the criminal can afford to pay. This is another remarkable thing. These measures are welcome and I support them, but if the accused when convicted does not have any money—and I think if someone examines a cross-section of criminals who are convicted, not many of them are people of means—then the victim is not compensated. Again, I would have liked to have seen a larger system that provided for some type of balancing so that there would be compensation in court cases where the court ordered it, whether or not the accused was able to pay.

• (1520)

It is also a limitation of this legislation that we keep narrowing the amount of relief that we are getting out of it. When you narrow it down to the accused who are caught and convicted and can afford to pay, there is an even greater narrowing of the relief available to victims who, if I can put it this way, are lucky enough to have found themselves in that situation through the criminal justice system that they are compensated for readily ascertainable damages such as loss of income or property. However, they are not compensated for pain and suffering which may have resulted from the crime.

Pain and suffering is a ground upon which compensation can be achieved by a victim, but in such a case the victim must start a private civil action against the convicted person for compensation for pain and suffering. Why not roll it into the criminal procedure? There are lots of ways to do this. In committee I and other Members suggested ways in which we could do better by victims through the criminal justice system than the measly and very tight solutions being proposed by the Conservative Government.

Further, most crime victims will still have to resort to provincial compensation boards. There are, in almost every province, boards set up which provide relief for victims who cannot get compensation directly from the criminal. However, the amounts paid in each province for exactly the same type of loss differ widely. In this legislation the Government provides a new source of funds for the provincial compensation boards, and that is the tax that will be levied on fines and paid to provinces.

However, I object—I objected in committee, and the Official Opposition objects—to not having a national standard applied. We would hope that a province would be bound to use the money it receives under this program from the federal Government to compensate victims. However, there is no such limitation contained in the legislation. A province is free to take the money but is not compelled to use it for compensating victims.

This would have been a perfect opportunity to establish a new important national standard with money provided by the federal Government out of this limited but very real source of funds for compensating victims. In his intervention the Minister indicated a little bit of progress, and I want to note that. He said that a federal-provincial conference has been held and that some voluntary national standards have been developed. That is fine by me, I do not say that it has to be legislated or contractual. However, how effective will it be? The standards contained in that statement are general.

I would have liked to have seen the federal Government committed to trying to improve compensation for victims, the number of victims who receive compensation, and the types of losses for which compensation is available. All of this could have been done and I regret very much that it was not.

I want to refer to the amendment which the Minister signalled in particular in his remarks. I proposed an amendment in committee to deal with the problem of a victim impact statement under the preceding law. There was a case in British Columbia which was brought to the attention of my leader, the Member for Vancouver—Quadra (Mr. Turner), by the Jacobson family which was the family concerned.

In that particular case the court refused a victim impact statement for the ironic reason that the victim had been killed and was not, therefore, able to put in a statement. The court felt unable to accept a victim impact statement from another member of the family even though other members of the family suffered from that particular crime.

I proposed an amendment which would cover that situation and permit the court to receive a victim impact statement, from a sponsoring relative. When I moved that statement a funny thing happened in the committee. I see the Parliamentary Secretary here and he will remember this because he was involved in it. Suddenly, from a briefcase behind the witness table, a form of amendment was produced which would cover this situation. On behalf of the Government an amendment was proposed to deal with this situation.

I resent such a way of achieving a reform. The Parliamentary Secretary is here and he can set the record straight if he disagrees with me, but the Government was sitting there with

this improvement on the status of victims in the briefcase. If some opposition Member raised it, a government amendment on the subject would be brought forward, but if no opposition Member raised it the amendment would not be brought forward and this particular improvement to the legislation would not have been made.

I wonder what else there is in the Government's briefcase. I wonder whether, if we had been able to spend more time and effort, the Government would have done even more for victims than it did. The Government is not taking a reformist approach. It is very conservative, with a small c, to be dragged into bringing forward a reform like this which, in the City of Vancouver, in the constituency of my leader, means something. It covers a wrong which was revealed in an actual criminal procedure.

Since I talked about the research, I want to express my gratitude to the tremendous number of groups that came forward with amendments. They appeared before the committee and made very good suggestions. Allan Kaufman of my office, who is a lawyer called to the bar of Manitoba, was able to draft a lot of the amendments which are brought forward, many of which were accepted. I want to signal his efforts which were very much appreciated. He is heading, in the next two days, to Manitoba to seek a Liberal nomination in the Winnipeg area. The work which he did on this legislation in itself demonstrates a very considerable ability which I hope will commend itself to people in Winnipeg.

In conclusion, I regret the fact that three of the amendments in particular which I proposed and are on the committee record were not accepted. I think the Government recognizes that they would have been very significant improvements in the situation of victims in the criminal justice system. They were rejected without very much in the way of a solid explanation by the Government.

I hope there will be another day on this Bill. I commend it to our colleagues in the Senate. I hope that they will look at some or all of the amendments proposed by us in committee. I look forward to seeing the Bill come into force. I expect that some of the shortcomings of the legislation will be demonstrated as the legislation comes in.

[*Translation*]

Thus we will have the benefits and the reforms of the legislation and we will see what still needs to be done and what further improvements need to be made. It is regrettable that with the Conservatives, improvements come very slowly and only after pressure from the people, interest groups and the two Opposition parties. But I still hope that we will be able to review the situation of victims in the very near future in order to improve it further.

[*English*]

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, it is with great pleasure that I rise on behalf of the New Democratic Party to speak on third reading of this Bill. The legislation was introduced by the Minister of Justice (Mr. Hnatyshyn) on November 5, 1987; got second reading in this House on November 19, 1987; was in committee from December until March; and was reported back to the House with amendments on March 30, 1988. Therefore, the Bill has moved along.

The New Democratic Party supports this Bill in principle. Indeed, we have tried to facilitate its speedy passage to committee with only one speaker per Party in second reading. Because of the Government's failure to consult with the Opposition before scheduling debate on Bill C-89 on Friday, April 29, we did not give unanimous consent to proceed directly from report stage to third reading. However, we are most certainly co-operating now in the speedy consideration of the Bill at third reading stage.

• (1530)

I believe there are a few of my caucus colleagues who wish to speak to the Bill because it is not often that we have the opportunity to consider in the House a Bill such as this, which deals with the victims of crime.

I want to pay tribute to Roland Penner, the former Attorney General of Manitoba who lost his seat in the recent election. He pioneered this kind of legislation when, in 1986, the Manitoba Government was one of the leaders of Governments in the world that were prepared to assist the victims of crime. It takes a lot of courage to pioneer such a Bill, but he had enough courage to put it through the Manitoba Legislature. He had enough courage to put through the sexual orientation Bill which Quebec and Ontario have also passed but the federal Government so far has been afraid to touch. I want to pay special tribute to Mr. Penner for his Bill on victims of crime.

Each year in Canada some 700 families are victimized by murder; 2,500 people lose a family member due to a drunk driver, and over 100,000 people suffer some emotional trauma from crime. Victims of crime often suffer twice: first from the crime, then they suffer from a lack of assistance and support in getting their property returned quickly.

It has been said in the House that victims suffer from crime and then suffer from the criminal justice system. I am a former Crown attorney from Vancouver and was a defence counsel for a few years. I value our criminal justice system and believe that it is one of the best in the world. However, I wish we had done more for the victims of crime. I think of witnesses who had to suffer through court cases and victims to whom not much attention or respect was paid.

If I have any regret, I suppose it is that we did not give enough respect and assistance to the victims. I am pleased that this Bill will change that.

We must also concentrate on the prevention of crime. I am pleased to see the advent of such things as Neighbourhood Watch programs, community and urban planning to ensure the

sense of community responsibility that can reduce crime, as well as alcohol and drug program funding, which is so important, especially with respect to programs dealing with impaired driving. There is funding for programs to assist mentally ill and those with learning disabilities.

We must also concentrate on ways to attack the root causes of crime, including poverty, homelessness and unemployment. I regret that in a society as rich as ours there are still homeless people even in Metropolitan Toronto, which is booming.

We have assisted victims of physical and sexual abuse. We are teaching how to deal with violence, including violence in the media. We are moving toward stronger gun control. I believe all these measures will help to reduce crime.

While Canada has a relatively low crime rate, it still exists and there is much to do to attack it. There are serious inadequacies in our legal aid system, which should also be addressed.

I believe we should have a different definition for crime. In this respect, let me refer to a speech by the Hon. Member for Burnaby (Mr. Robinson), the NDP justice critic. During his speech at second reading of this Bill in the House on November 19, 1987, he gave a very interesting definition of victims of crime. He said, as reported at page 10981 of Hansard:

> I want to note that the definition of victims of crime is far too narrow. I suggest that we examine the nature of victimization in our society today. When we do that examination, we will see that there are many victims who are left uncompensated by this Bill. What are some of the examples of that, Madam Speaker? The victims of corporate crime and white collar crime are not compensated by this legislation. The victims of a corporation that pollutes and destroys the environment, that poisons a lake or river and victimizes people in a community, receive no assistance from this legislation. The victims of a corporation which in its greed for profit produces unsafe and hazardous goods resulting in injury or death receive no compensation whatsoever.
>
> A corporation or a mine, which is not prepared to take the basic steps to protect the health and safety of men and women who work in a mine who, as a result, experience injury or death, will not be required to pay any restitution under the terms of this legislation. The crimes of multinational corporations in the Third World and elsewhere are not dealt with by this legislation. Racially motivated crimes and other organizational crime is left untouched. I hope the Government will recognize that there are victims in this area as well.

Maybe that broader definition can be used in future legislation. After the second reading debate on the principle of this Bill, it proceeded to committee consideration where the real action takes place. Several witnesses appeared before the legislative committee dealing with this Bill, and the committee received many written representations.

The submissions to the committee focused on three principle areas, all of which the NDP responded to by amendments that were defeated by the Conservative members of the committee. I would like to outline briefly the three key areas in which the NDP proposed amendments. Perhaps the Government will consider these amendments in the future.

The first area is victim-offender reconciliation programs. This was a major area of concern for witnesses who appeared before the committee and groups who submitted briefs. It was proposed that judges should have the option of accepting as the basis of restitution to a victim of crime an amount arrived at following mediation between the victim and the offender. This amendment had very strong support from those who made the submissions to the committee. The Government should be criticized for rejecting this suggestion.

Some of the groups which provided written submissions include Victims of Violence from Edmonton, Alberta, and one group from the Minister's own riding in Saskatchewan.

Amendments were also moved to ensure that funds raised by victims' surcharge would be directed to new programs and would not simply go into general revenues. We believe that these funds should not be used to supplant existing victims' programs in the provinces or indeed used in other areas. There is concern that the Bill as it is presently worded allows the province to take federal money and spend it without any assurance that new programs for victims of crimes will be created. For example, it could go into existing criminal injuries compensation programs which come under provincial jurisdiction.

Professor Irvin Waller is a leading expert on victims in Canada and a Professor of Criminology at the University of Ottawa. He raised strong concerns about this point. Let me explain, because we are very familiar with this in British Columbia. The federal Government gives money to the province, and the province blacktops a road or puts it into a coal project in northern British Columbia. It may not be quite so gross as in those cases, but the province could take the money and put it into existing programs for aid to victims of crime, and there is very limited aid in a province. What would happen, of course, is that the good works in this Bill, the idea in this Bill to compensate victims, would be virtually dissipated. That is why we proposed these amendments to restrict the provinces and we are sorry the Government did not accept them.

• (1540)

The third area is that funds should be dispersed consistent with the federal-provincial statement of principles. At present there are very uneven standards for programs for victims of crime across Canada. This is understandable because it is a fairly new concept of the Government helping the victims. The normal concept in common law was that the victim sued privately. Often, of course, it is very hard to get money out of those people who perpetuate a crime. We proposed an amendment to ensure that funds raised by the fine surcharge in this Bill should be dispersed in accordance with the statement of principles for victims of crime, which was agreed upon in March, 1988 between the federal and provincial Ministers of Justice. Again, I regret to say, the committee rejected this amendment.

I just want to put the principles on record in my remaining time, so that the Hon. Minister of Justice will make it an even better Bill the next time since he agreed to them with his provincial Attorneys General. I hope they will find some way

of getting these principles up front. Funds should be dispersed in a manner consistent with the following principles: First, victims should be treated with courtesy, compassion and with respect for their dignity and privacy and should suffer the minimum of necessary inconvenience from their involvement with the criminal justice system. I have already told Members about my experience as a Crown Attorney and as a defence counsel. Looking back, I think that while we had a fair system, we could have improved the way in which we treated victims and witnesses. That is the "people" part of the justice system, and it is something worth looking at.

Second, victims should receive, through formal and informal procedures, prompt and fair redress for the harm which they have suffered.

Third, information regarding remedies and the mechanisms to obtain them should be made available to victims promptly. It is useless to have this legislation if no one knows about it or how to take advantage of it. Fourth, information should be made available to victims about their participation in criminal proceedings and the scheduling, progress and ultimate disposition of the proceedings. Many people who are victims or witnesses will ask what happened. They are told the Crown stayed the charge or the accused pleaded guilty and the original charge was dropped and they were charged with another charge. Victims would not even know about that. They are not even considered important in the system.

Fifth, the views and concerns of victims should be ascertained and the appropriate assistance provided throughout the criminal process. If the Crown would just consult with the victim where the accused intends to plead guilty and there will be a sentence, that is a help to a victim of a crime, because they will feel they are part of the justice process and are receiving justice for the wrong done to them.

Sixth, where the personal interests of the victim are affected, the views and concerns of the victim should be brought to the attention of the court, where appropriate and consistent with criminal law and procedure. In other words, it should not be just the judge and prosecutor. If possible, the victim should get a chance to express his or her opinion to the judge before sentencing.

Seventh, measures should be taken, when necessary, to ensure the safety of victims and their families and to protect them from intimidation and retaliation. I think that speaks for itself.

Eighth, enhanced training should be made available to sensitize criminal justice personnel to the needs and concerns of victims, and guidelines developed, where appropriate, for this purpose. Again, that is humanizing the system of justice.

Ninth, victims should be informed of the availability of health and social services and other relevant assistance so that they might continue to receive the necessary medical, psychological and social assistance through existing programs and services. I recall the programs for women who have suffered violent assault such as rapes.

Ten, victims should report the crime and co-operate with law enforcement authorities. So there is an obligation on behalf of the victim.

Those are some important amendments that could have been included in the Bill. By and large, as I said, we in the New Democratic Party support the Bill. We have said that on a number of occasions. I will just conclude by saying that some two thousand and five years ago, the great Athenian, the Greek legislator Solon, said that there can be no justice until those of us who are unaffected by crime become as indignant as those who are. For too long victims have been forgotten by those in the criminal justice system. This has to stop. This legislation is long overdue and I am pleased to support it in principle.

Mr. Jack Harris (St. John's East): Mr. Speaker, it is also with pleasure that I rise to speak in support of this legislation. As the preceding speaker, the Hon. Member for Vancouver—Kingsway (Mr. Waddell), I have experience in the criminal justice system, not as a Crown prosecutor, but as a defence counsel, for a number of years. One thing, I suppose, is obvious to anyone involved in the criminal justice system, and that is that in the course of events there are essentially two players or two sides. On the one hand there is the Crown prosecutor and the law officers of the Crown who represent Her Majesty the Queen and whose purpose is to prosecute offences. The concerns of the Crown attorney are to ensure that the proof is available, that he or she has sufficient evidence to present to the court so that it is aware of all the legal implications, and that witnesses are available at a particular time.

All of those things go together in ensuring that all of the evidence is put before the court in such a way as to convince the court beyond a reasonable doubt that a crime has been committed and it has been committed by the person against whom the charge is laid.

Quite often in a very busy court system, although this is less true at the higher levels of courts, but certainly at the provincial court level where 95 per cent or more of the crimes in this country are tried, there is a very great crush in terms of numbers of offences, numbers of accused and numbers of witnesses involved. I think it is clear to anyone who has practised law that the prosecution side of the justice system is taken by someone not representing the victim, but the justice system, Her Majesty the Queen. On the other side of the equation is the accused and the representative of the accused. The job of the representative is to ensure that the individual who is accused is given a proper defence. A person ought not be be convicted of any crime unless it can be proven beyond a reasonable doubt that a crime was committed and that it was committed by that particular accused. That is the adversarial system that has grown up over the last 700 or 800 years from the British justice system we inherited, and I hope improved on, in this country.

• (1550)

What is obvious, as I mentioned, to those who have been in the practice of law is that in the adversarial system there is no one set up to represent the victim, the victim's family or the witnesses. Indeed, one can rightfully say that there is no victim until there is in fact a conviction. That side of the justice system has to continue unaltered, in a sense, because one cannot assume that, because an allegation has been made, there is indeed a victim from the beginning of the trial process. What there is, I suppose, is a complaint from the beginning. Once a conviction is entered there is a person who is a criminal and a person who is a victim.

While we all have compassion for the victims of crime, we have to understand that the process takes place in the context of a trial, a process which attempts to discover whether indeed a crime has been committed and whether the person charged with the crime is the person who is guilty of it. Inevitably, that process has left out complainants, the ones who are the victims of crimes proven to have been committed. We see them every day as witnesses in courts. We see them being told, quite often after the fact, why it is that they have to come back another day, or why it is that the trial has not gone ahead on the particular day on which they have been called, often without explanation as to what is going on. Frankly, it is often difficult to explain in detail why a particular trial has to be postponed, or why a trial cannot continue to its completion on a particular day. However, that effort has to be made. It is important that there be a concentration of effort by, in particular, Crown counsel to ensure that the victims of crime, the witnesses who are called before the courts, are aware of the role that they play and of their importance in co-operating with the authorities.

Prior to my election I saw an awareness by the courts and by the judges of that concern. They took the time to explain to witnesses and to complainants how the court system works and the importance of their co-operation. They are told about the fact that sometimes it is an inconvenience to come back and forth. They suffer the loss of property which may be used in evidence for a period of time. These are difficult matters to explain to someone who does not know the intricacies of proof and the requirements of proof in a criminal case.

I welcome the streamlining of some of the activities contained in this Bill. For example, with respect to a theft, if someone broke into your home, Mr. Speaker, and stole a stereo, a TV set or a VCR, there is no reason why that item ought to remain in police custody for six months or longer to prove that, yes, it is the VCR that was stolen from your house. However, that has been a factor in numerous cases in which property was stolen and the evidence happens to be or has to be kept by the justice system in order to be used as evidence to prove that in fact it was stolen.

The ability in this legislation to streamline that process and to allow the return of those goods makes the process more reasonable. It is now possible for a photograph to be taken of the goods and to allow that photograph to be used in evidence. All these matters streamline the process and make it more reasonable and practical. Yet it still preserves the rights of an accused person to be able to know what evidence there is against him. That has not been lost in this particular provision of the Bill.

Further, there are provisions for the taking of affidavits to verify ownership and requirements for reasonable notice to be given to an accused or to the counsel of the accused with respect to the contents of an affidavit. For example, if a victim of a break-in loses a video tape recorder and wants to make wild claims that he also lost a TV set, a valuable diamond watch and some other things, particularly if he wants to claim compensation for them under other parts of the Bill, then that can be brought to the attention of an accused person. Further, that person can be brought before the court, be cross-examined and be required to prove in the ordinary way that the goods as indicated were stolen. Again, I am commenting on some favourable aspects of the Bill.

With respect to determining restitution, the Bill requires that there be an ability to pay on behalf of an accused. If someone in the Chamber wanted to go out to commit a crime for the sake of committing a crime, for the sake of stealing something to which they were not entitled, for example, they could quite properly be considered to be a pure criminal. They can be treated with the type of serious and unequivocal breach of the law that would require them to compensate totally what they had stolen. Anyone who has practised criminal law in Canada knows that many of the people who perpetrate and commit crimes, particularly petty property crimes, break-ins and thefts, are themselves somehow victims of society. On quite a number of occasions it is not possible for them to make any form of restitution at all.

I give one example of a 12 or 13 year old boy who was a client of mine and who was charged and convicted of stealing a bicycle. The bicycle was stolen from a well-to-do family. The young boy eventually pleaded guilty in youth court. As part of the sentencing process the boy was required to make restitution. The criminal justice system, in this case under the Young Offenders Act, was used to require a young boy, who had no money and who came from a broken home, a single-parent family, who, along with a couple of other lads had been lured into grabbing kids' bikes, to make restitution. As a result of being convicted of his crime he was required, as part of the court restitution, to pay money which he did not have to this wealthy family who lived several blocks away across a street that separated their two neighbourhoods.

One can argue in many ways about this matter. However, to me it seems that this boy, who himself was a victim of a broken home, perhaps a victim of inadequate parental guidance and inadequate support from the school system, was somehow failed by us as well. To say to him that he should compensate someone to whom the loss was not particularly great and who was perhaps covered by insurance is not necessarily the route that we have to go. This is not of course the case in all cases.

Quite often there are people who perpetrate crimes and as a result of those crimes or other crimes have plenty of money or the wherewithal to make restitution and repay. It is quite proper that this Bill require that payment to take place.

• (1600)

We do see a major step forward in recognizing that those who commit crimes have a responsibility, not only to society, because society can exact its penalty by putting someone in jail, by depriving them of their liberty, or by forcing a fine to be paid to Her Majesty the Queen, but they also have a responsibility to the victim. It is an important step forward in this legislation that the justice system not only berates, punishes, or seeks retribution from an individual towards society, but that there is recognition that the victim of that crime is entitled to restitution. The victim mediation program mentioned by my colleague, the Hon. Member for Vancouver—Kingsway and the victim criminal reconciliation program can be effective, not in all cases, but in some cases to bring about some type of understanding on the part of the criminal as to what effect his or her acts have upon the victim. Not all people who are convicted of offences are aware of the consequences of their action.

In the same vein, the victim impact statements can provide the basis for that type of understanding. When considering sentencing matters, the courts have always taken into account the effect or the consequences of a particular crime. If one looks at charges such as assault causing bodily harm, certainly the extent of the bodily harm, whether the victim ended up in hospital, whether the victim lost time from work as a result of a particular assault and hospitalization, and to what extent the injuries were caused and aggravated by the nature of the assault, have always been taken into consideration by a court when imposing sentence. They are important consequences of the crime and give an idea of the seriousness of it. Under this new Bill the provisions institutionalize that in a manner that is perhaps more acceptable.

One has to be careful that we do not allow victims of crime to get carried away with personal retribution or revenge, to exaggerate or overblow the consequences of a particular incident, which may well be horrendous to an individual, but has to be recognized in a balanced way by the court.

I have not seen the types of procedures that might be established in the various provinces for the preparation of these victim impact statements. I would hope that great care is taken to ensure that the victims of crime who are making victim impact statements are encouraged to elaborate on the factual circumstances and the emotional reaction in a measured way, and not in a way that may be designed by them personally to seek revenge against the individual who has perpetrated the crime.

It is unfortunate that more attention and consideration was not given to the suggestions made in committee and that the victim/criminal mediation services were not considered more seriously as a first step to bringing the criminal and the victim face to face. Again, this would not be appropriate in all circumstances. In some circumstances it would be totally inappropriate for that to happen and would not be wished by the victim in any manner whatsoever. But it may be appropriate in certain circumstances. We must recognize that the most important point in our justice system is that there be justice, and that recognition of the rights of the victim do not prevent justice from being done to those who are accused of crimes and who may not be guilty or fully cognizant of what it is that they have done.

I say that as a defence counsel who practised for many years and have seen that we have a very good justice system. We do not have a perfect justice system, and we cannot be complacent. I have seen instances where the treatment of individuals as victims prior to any conviction being registered has affected the handling of a particular case. I would not want to see our justice system swing the other way and pay too much attention to victims during the course of a trial. The most important thing is that we have a system of justice that is just. For too long the victims have been ignored. Finally, we are giving recognition to them in this Bill. I welcome it, but I urge caution and balance. I look forward to seeing the implementation of this Bill in a proper and balanced manner.

Mr. Waddell: I would like to thank the Hon. Member for his speech which was very thoughtful, and I learned a lot from it. I wish to pursue the question of victim/offender reconciliation programs mentioned by the Hon. Member. I know that our colleague, the justice critic, the Hon. Member for Burnaby raised this matter in the legislative committee and proposed amendments in this area.

Could the Hon. Member for St. John's East (Mr. Harris) comment on some of the representations made to the legislative committee in the area of victim/offender reconciliation?

Mr. Harris: I thank the Hon. Member for his question. The Hon. Member for Burnaby did indeed propose several amendments in that area in the legislative committee. Unfortunately, all of the amendments were defeated by the Tory majority.

On the specific question of victim/offender mediation and reconciliation services, I wish to point out that there are many groups that made representations in this area both to the committee and to the Minister of Justice (Mr. Hnatyshyn). It is an important point, and I briefly referred to it in my speech. Perhaps I could quote from a letter sent to the Minister of Justice from a group in the Minister's own riding in Saskatoon. The letter is from Carol Riekman, the Executive Director of the Saskatoon Community Mediation Services, and she states:

> On behalf of the board and staff of Saskatoon Community Mediation Services (SCMS), I would like to congratulate you on your work with Bill C-89. As an organization that works with victims of crime, we are pleased with the changes that this amendment promises for victims. However, it is our opinion that the proposed Bill C-89 as presently written falls short of its potential and, therefore, request your consideration of an additional amendment.

> It has been the experience of our program and others like it that in selected cases, victims benefit from the experience of meeting with the offender as such a program allows the victim the opportunity to be personally involved in a safe and controlled process. Mediation programs that provide this option to victims and offenders of crime have become increasingly recognized over the past two decades as a legitimate option for police departments and crown attorneys in dealing with cases.
>
> Studies in both Canada and the United States have indicated high rates of victim satisfaction with such programs because they meet the needs of victims to confront the offender . . .

This is an important point. Confronting the offender is something that one often hears victims talk about.

The letter continues:

> . . . to reconcile with the offender (especially in those situations where there is a pre-existing relationship) and to personally set a payment schedule for compensation. A secondary benefit of mediation diversion programs is the relief of pressure on already overloaded court systems.
>
> Although we are aware that Bill C-89 is well on its way to being adopted, we request that an additional change be included that recognizes victim/offender mediation programming. We offer ourselves as a resource to your committee should you require further comments or information.
>
> Sincerely,
> Carol Riekman
> Executive Director

It is an important point that this organization is sponsored jointly by the Mennonite Central Committee in Saskatchewan and also the John Howard Society of Saskatchewan. It specifically calls itself an organization that works with victims of crime. It is proposing here, and it proposed to the committee, this very valuable tool of reconciling victims and offenders, providing for payment schedules and victim and offender involvement through properly set up mediation services. This is a valuable tool, not in all cases, but obviously in certain cases.

• (1610)

The Acting Speaker (Mr. Edwards): I recognize the Hon. Member for Vancouver—Kingsway (Mr. Waddell) on a question or comment.

Mr. Waddell: It is my understanding that a number of new fines will result from the passage of this legislation. It is also my understanding that the moneys so generated are intended to assist in new victim assistance programs. Fines levied against those found guilty of a crime are to be used in the funding of new victim assistance programs.

In my speech on this measure, I raised a concern about provincial Governments spending such funds on new programs. I would ask the Hon. Member for St. John's East (Mr. Harris) to comment on the need for such programs and, more important, on the need to ensure that any moneys generated as a result of the fine schedule set out under this legislation and the Criminal Code in general, are in fact used to fund new programs in respect of victims of crimes.

Mr. Harris: I thank my colleague for his question. While the Criminal Code is a federal statute, the administration of justice is carried out by the provinces, and any fines to be paid under this legislation will become part of the general revenue fund of the province in which that fine is levied. Victim assistance programs will be innovative and, as such, will be expensive to develop, and provincial Governments that are hard strapped, such as my own Province of Newfoundland, often have difficulty in raising funds for such innovative programs.

Under Bill C-89, the federal Government will put in place a regime that will result in increased revenues for the provinces, and certainly it should insist that any funds so generated be used in establishing mediation services, victim-offender reconciliation, where possible, and other such innovative programs in the criminal justice area. Certainly, it should be looked upon as a forward step in the criminal justice system in this country; it should be looked upon as a step to involve victims in the process. Once a conviction has been achieved, the victim is to be given a role in the process.

This is a new step in the criminal justice system in Canada, and any funds generated as a result of the surcharges to be levied against offenders in respect of certain crimes should be allocated to those programs which help this whole process become more effective, as opposed to going into the general revenues of the provinces for use in other areas.

Certainly, the provinces face very great demands in terms of educational funding, highway maintenance and construction, and so forth. Funds should be raised specifically for those purposes. Any moneys flowing into the coffers of the Crown in right of a province as a result of fines levied under the Criminal Code should not be used for such general purposes.

The Acting Speaker (Mr. Edwards) There is sufficient time for one brief question or comment, and response.

Some Hon. Members: No.

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

Some Hon. Members: Yes.

Mr. Waddell: No.

Mr. Grisé: On debate, Mr. Speaker.

The Acting Speaker (Mr. Edwards): The Hon. Parliamentary Secretary, on debate.

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would like to comment briefly on Bill C-89, and I would also like to take this opportunity to thank colleagues from the other Parties and Members of the Committee, some of whom proposed amendments and who all did their share to have this Bill adopted as quickly as possible. It is an excellent piece of legislation, introduced by our excellent Minister of Justice (Mr. Hnatyshyn) and it will provide victims of crime with better protection than is now the case.

I would like to give a short summary of the amendments to the Criminal Code contained in this Bill. They provide, among other things, for a victim fine surcharge; the victim's participation in determining the sentence through the court's use of a victim impact statement; the use of photographs and affidavits as evidence in order to accelerate the return of recovered property to the victim; a requirement for the judge to consider restitution in all cases where appropriate; and finally, an extension of the authority to ban publication of the identity of victims and witnesses in cases involving sexual offences and extortion offences.

[*English*]

Mr. Speaker, I could go on and explain in more detail the principles of Bill C-89. However, it was my understanding that there was an all-Party agreement that there be one speaker per Party. Certainly, that was something that was agreed to by the Liberal Party. As far as I can tell, the NDP does not seem to be in agreement. Therefore, in order to permit the members of the socialist Party to speak on Bill C-89, I move:

> That the House continue to sit beyond the ordinary hour of daily adjournment, for the purpose of continuing consideration of third reading of Bill C-89, an Act to amend the Criminal Code (victims of crime).

The Acting Speaker (Mr. Edwards): It is moved by Mr. Grisé, seconded by Mr. Vincent, that the House continue to sit beyond the ordinary hour of daily adjournment, for the purpose of continuing consideration of third reading of Bill C-89, an Act to amend the Criminal Code (victims of crime).

Will those Members who object to the motion please rise in their places.

And fewer than 15 Members having risen:

The Acting Speaker (Mr. Edwards): Fewer than 15 Members having risen, pursuant to Standing Order 9(4)(b), the motion is adopted.

* * *

PROCEEDINGS ON ADJOURNMENT MOTION

MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Edwards): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Cochrane Superior (Mr. Penner)—Finance—Northern tax allowances—Geographical delineation of affected communities/Request that regulations be amended; the Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley)—Excise Tax Act—Farm fuel rebate—Alleged delay in passing Bill C-117; the Hon. Member for York East (Mr. Redway)—Energy—Low sulphur western coal—Proposed use by Ontario Hydro.

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-89, an Act to amend the Criminal Code (victims of crime), be read the third time and passed.

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I am pleased to rise to speak to Bill C-89. When the federal Department of Justice, in the early 1980s, instituted a study on the question of victims of crime, I carried out the Yukon section of that national study. Given that history, it is an area in which I have a particular personal interest.

We in the NDP consider Bill C-89 to be an important piece of legislation, and certainly we support it in principle. In fact, we agreed, on second reading, to put forward one speaker only, thus enabling the Bill to be quickly referred to committee for detailed consideration and amendment.

The issues today in respect of victims of crime are not much different from those I encountered when participating in the national study conducted in the early 1980s. It is the view now, as it was then, that the lack of enforcement of restitution provisions among others, tended to undermine the community's confidence in the criminal justice system. A large area of concern centred around the treatment of victims, both as a result of the crime itself and the criminal justice process. Whether they were victims of property offences or of bodily offences, many of the people to whom I spoke were very concerned that they had not really received respect from the system nor the kind of support from the system that a Canadian citizen should expect.

• (1620)

We have in Canada, quite justly so, I feel, having been involved in this field myself, put a lot of emphasis on the rights of the prisoner, on improving the correctional system, though not to the extent some of us would like to see it improved. However, it has been improved substantially. It is certainly long overdue that we give very special recognition in law to the rights of victims of crime. Much of the credit for this must go not to politicians but to those people and their families who have been victims of crime and have lobbied long and hard for justice.

I would like to talk about a couple of parts of this legislation that I think are very good and about several that I hope will be worked on in the future in order to improve the legislation. The first is the issue of restitution.

I found out one thing when interviewing some 400 people in the Yukon about their experiences as victims of crime. The majority of the offences involved, of course, in any jurisdiction, are property offences and not personal offences. The recommendation people consistently made was not to send everyone

to jail, and in a way, this surprised me. I thought we might hear from the victims a very hard-line attitude: "Let's put everybody in jail". However, they did say that they simply wanted their property back or some compensation for it. They feel that the perpetrator of the crime should have a responsibility to rectify the situation with the victim.

There have been many programs in Canada which have worked on the principle of the criminal making restitution in some form to the victim for what has happened. There are clauses in the Bill which will, I hope, enhance and develop more services for the provision of restitution.

What has happened over and over again, not just in my jurisdiction of the Yukon but in others, as I found because this was part of a national study, is that the people would go to court, would make their cases, and an amount would be awarded for property damages, however, they would never see a thing. In many cases, the person who had perpetrated the damage was ordered to pay restitution, everyone would leave the courtroom, the victim would feel that at last there is some justice, the criminal will have to pay, but would never see a cent of it, not one cent.

This kind of thing sadly undermines the confidence in the justice system. It makes people very cynical about the process. I would say, therefore, that the restitution provision is a very important one and I hope we will address this issue. In probably about 60 per cent of the cases studied in which restitution was ordered, the people involved never saw a cent, and that is not a fair and equitable justice system.

People are generally very fair-minded. I found that they are willing to accept that justice has been done if there is redress. It was heartening to learn that.

In talking to many victims of crime, one of the things that was mentioned consistently was the trauma that is felt when going to court. It is an extremely difficult thing for many people to do. I think lawyers, Crown attorneys, social workers and others who are involved in the process every day really forget what a traumatic experience it is for someone to have to go to court. Therefore, victims groups have placed a great emphasis on providing assistance to people who have to go to court.

One thing which is not included in this legislation which would have been very important, and my colleague from Burnaby made this recommendation which unfortunately was not accepted by the committee, is a victim reconciliation program. I have some considerable familiarity with such programs. Marvellous work is being done by the Mennonite Central Committee which, in about 1974, began programs like this in the Kitchener-Waterloo area. These programs were very, very effective.

We now see a great emphasis on the part of the current Department of Justice on mediation. This has grown out of the victim reconciliation programs. Mediation programs are very prevalent throughout Canada. These programs attempt to get the victim and the criminal together in a negotiating process outside the court in order to resolve the issues in a way that will be fruitful for the victim.

Through these victim reconciliation programs and the mediation programs, the criminal is actually faced and has to sit down in a room with the victim. This has a great impact. It is very different from being in court where victims and criminals are separated by lawyers. Under these programs, they sit down in a room and work out solutions.

Having seen this done with juvenile delinquents as well as with adults, I have found that it has an impact far beyond that of simply resolving the issue. It has a personal impact on the victim who perhaps comes to understand some of the things which led the criminal to commit the crime, but, more important from a criminal's perspective, he or she has to deal face to face with the person from whom he or she has stolen or whom he or she has assaulted. It is very unfortunate that such a program has not been included in this legislation.

The issue of personal assaults is probably the most difficult one. People have the most concerns about the court procedure when personal assaults are involved. Certainly, studies have shown that both the elderly and women feel extremely threatened in society. Studies have indicated as well, however, that statistically, women and the elderly do not constitute the largest number of victims of assaults. It seems that their fear is somewhat disproportionate to the actual number of offences committed against those particular groups. However, in certain areas, and particularly in domestic violence, women are over-represented.

Certainly the statistics on this are very frightening. I remember when I first came to Ottawa last fall, I was walking down the street at night and I saw a group of women marching with banners. I could not understand what this was all about, and someone told me it is something that groups of women do in many urban areas and it is called taking back the streets. Women march to show solidarity in that they can walk the streets at night. It is a very sad comment on society that it is felt that this is necessary. Many of these groups have fought long and hard for victims' assistance.

Certainly, the statistics indicate as well that there are about 17,000 sexual assaults in Canada every year, and that about 90 per cent of those are on women. We see also that women as victims are over-represented in family-related assaults, some 77 per cent. In assaults between spouses it is 90 per cent. In assaults between ex-spouses it is 80 per cent. Generally speaking, women in the justice system are under-represented. However, I understand that the number of women lawyers registering in law school has increased considerably. Many more women are going into law, but the justice system is seen by many female victims as a very male and sometimes unsupportive system.

• (1630)

There have been many programs and organizations which have been helpful. Victims of Violence, for example, is a very good organization which I understand receives some funding from the federal Government. It is extremely vocal and has done some good work in bringing to the attention of Members of Parliament and the public generally the personal experiences of individuals. It is very easy to think or talk about victims of crime, but it is very different when you have to go through it yourself. Going on the stand and being interrogated about your personal life or lifestyle is an extremely difficult thing to have to go through. Many voluntary groups such as the Salvation Army have very good programs for assisting a victim to deal with both the administrative matters that come up involving the court, how to present evidence and that kind of thing.

Let me say just as an aside that of all the victims of crime that I interviewed as well as those interviewed by my colleagues involved in the study, the thing people were most surprised about was that they thought, when they went to court as the victim, that the Crown attorney was their lawyer. We know that in our justice system the Crown attorney is the prosecutor for the state. People had a tremendous problem with this because they felt that the criminal's lawyer is out there fighting for him or her and their lawyer, whom they saw as the Crown attorney, is not doing that much for them in representing their interests. People felt that somehow that their personal interests were not being represented. That is not to say that is entirely the case, but that was the perception people had.

This legislation is particularly important in that respect because it indicates that the state has a particular interest in the victim, and many of the sections in this legislation will support the victim and tell him or her that we are giving them specific support. Yes, the Crown attorney represents the state in our system of justice, but here are extra supports that we give to the victim, acknowledging that they have already been traumatized by the crime itself and we will assist them to deal with the process so that they are not traumatized a second time.

I mentioned the efforts of a number of organizations such as the Mennonite Central Committee, Victims of Violence, and the Salvation Army. They have brought the concerns of victims to the fore. The families of victims have of course been extremely important. The emphasis on drinking and driving that we have seen over the last several years was the result of the efforts of either victims of that offence or their families.

I think this legislation will greatly enhance two things, respect for the justice system and acknowledgement that the victim is deserving of special consideration and concern. I know these are federal-provincial or federal-territorial agreements so they will be largely administered by the territorial and provincial Governments, and I hope the kind of services that are really needed will be implemented through this legislation. Certainly the other jurisdictions will have a large say in how they do that, but it is extremely important that the principles embodied in this legislation are reflected in the actual service.

I can certainly say from my own experience in speaking with many victims of crime that there is a tremendous and traumatic effect on people even in coming home to find that their residence has been robbed. The invasion of the personal security of a person cannot be measured simply through the court process. Again, those groups I mentioned earlier, the elderly and women who feel particularly vulnerable, feel that trauma even more. In a just and equitable society we have to make sure that our citizens feel secure and that they can see that justice is being done.

In principle we support this legislation. There are several points which, we feel, would have made it somewhat stronger and better, but in principle it will begin to acknowledge the rights of victims of crime.

The Acting Speaker (Mr. Edwards): Questions and comments.

Mr. Harris: Mr. Speaker, I listened with great interest to the Hon. Member for the Yukon (Ms. McLaughlin). When I spoke it was from my own experience as a defence counsel, and you have to perform your job as defence counsel to the best of your ability. The Hon. Member spoke from her vast experience in dealing with victims of crime.

As she quite properly acknowledged, the Crown attorney is not the victim's lawyer but the state's lawyer. There ought to be some institutionalized system which provides counselling, advice, and understanding for the victim as to what the process is and what might happen, not necessarily to act as an advocate in the trial process but to make perfectly clear to the victim of crime what support services are available, what is going on and what it will be like. I know we have rape crisis centres, which are supported sometimes for other reasons, but we do not have any general system like this. Perhaps the Hon. Member would care to comment on the desirability of an institutionalized system through either legal aid or the various provincial justice systems separate from the police. They have a role in the prosecution, collecting evidence and so on, and are in a sense involved in one aspect only of the justice system.

We have a role for the Crown attorney and police to play in investigating and prosecuting the crime. We have a role for the defence counsel to play in legal aid in making sure that justice is done for those accused of a crime. However, we do not appear to have any institutionalized system which will make certain that those who are truly defenceless and truly vulnerable are not ignored by the system. Would the Hon. Member care to comment on that?

• (1640)

Ms. McLaughlin: Mr. Speaker, my colleague from St. John's East has hit upon a very important point. There have

been such programs as he mentioned, including crisis centres. I know that the Province of Manitoba had, and may still have, a good victims' assistance program. In the Yukon we have had a victims' assistance program separate from the courts.

In my study, 80 per cent of victims of crime saw the police in a favourable light. People felt that the police had been helpful. However, as my colleague mentions, the police can go only so far. My colleague is quite right that there is a need for a second organization which provides assistance, even in such basic things as helping those people to find their way around the court-house. In some instances the Crown may help out with that, but in the larger courts they do not. Even in the smaller court systems in my own constituency there is simply not the time to do that.

Victims' assistance would show that the state does care. It need not be expensive. It could include things like telephone hot lines to which people can call to ask for advice about what they should do and where counselling is available. Studies have indicated that even victims of property theft, which may not seem as serious to some of us, can be very traumatic, especially if it has been in your own home. They may be afraid for years every time they walk over the doorstep. I have heard people say many times that that is a very traumatic experience.

We could provide assistance in resolving the emotional effect on them personally, with administration, and with the technical details of how they go through the system and what information they are allowed to have. People just do not know these things and many prosecutors do not have the time to spend a number of hours with them. That is where an imbalance comes in. The defence lawyer is being paid by his or her client and can take the time to explain all the procedures and exactly what is going to happen. The experience of many victims has been that no one has been able to take the time to explain to them what is happening.

In the victims' assistance programs which I have seen, whether run by governmental organizations such as in the Province of Manitoba and in the Yukon Territory, or by voluntary organizations like the Salvation Army and others, they have tried to do this. It has had a tremendously beneficial effect on individuals. Being so removed from it it is probably hard to comprehend how beneficial this is. Unless victims of crime feel that they are being treated fairly in our justice system they will have no respect for the system and, in my view, the system then begins to break down.

Therefore, I would certainly agree that victims' assistance programs which offer concrete counselling and assistance with the process must be in place, not only before the court trial but after the trial as well, because there are often things arising from the trial in which they need to be involved. We are dealing with a group of people who have, through no fault of their own, been involved in a crime.

In addition to the victims' assistance programs, which my colleague mentioned, there is the area of prevention about which I did not have the opportunity to speak. It goes hand in hand with victims' assistance because, obviously, we want to prevent more crimes. In my discussions with the police I learned that they are often able to counsel people briefly—and I think a victims' assistance group could do it more fully—on how to prevent a crime. Many crimes are repeat crimes and many victims have been the victims of many crimes. Counselling services in transition homes for battered women and in rape crisis centres often focus very much on that kind of counselling.

I am sure we would all agree that crime prevention is important and should be a major focus. Every year there is a Crime Prevention Week during which all police departments emphasize crime prevention. However, it must be done all through the year, and I think that working with victims can facilitate that.

Mr. Waddell: Mr. Speaker, I have a brief question. I enjoyed the Hon. Member's comments made from a different perspective. They were very interesting. Could she comment on the area of adult victims of child sex abuse? Can they get help which may stop them from committing similar types of crimes?

Ms. McLaughlin: Mr. Speaker, this is also an area in which I have had considerable experience. This is a large area, and 10 to 15 years ago the issue of adult victims of sexual abuse and child victims of sexual abuse was not a topic that was even discussed. There is now a move by many adult victims to start self-help groups. There is certainly a need for funding to assist them to do that and to get professional counselling. It has a profound and long-lasting effect, as my colleague says, not only on them but on those with whom they deal in their own families and others.

The Acting Speaker (Mr. Edwards): I regret that the time for questions and comments has expired. Is the House ready for the question? The Hon. Member for Essex—Windsor (Mr. Langdon) on debate.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, it is a great pleasure to be able to speak on a Bill of significant importance to my constituency and to millions of people across the country. We as a Party have supported this legislation from its introduction in the House in November, 1987. It has been given a fairly thorough going over in committee. Various amendments were made to it before it was brought back to the House at the end of March. We certainly intend to support the Bill.

However, those of us who come from parts of the country which have experienced serious difficulties with problems of crime across our border—

Mr. Riis: Mr. Speaker, I rise on a point of order. I enjoy seeing you in the Chair today, Sir. We are wrapping up debate on the very important justice Bill before us. However, it is unprecedented that we are debating a justice Bill when the Justice Committee is travelling. In other words, the members

of the Justice Committee are travelling throughout Canada on justice business and the Government has brought a justice Bill before the House. There is no precedent for this. This has never happened before and, as a matter of fact, there was an understanding that it ought not to happen.

The Acting Speaker (Mr. Edwards): I regret to inform the Hon. Member that that is not a point of order. It may be a point of debate if the Hon. Member has the opportunity to participate in the debate. The Hon. Member for Essex—Windsor has the floor.

Mr. Langdon: Mr. Speaker, I am certain that my colleague will be able to find occasion to make that point in debate in the future.

• (1650)

From our perspective in Windsor, across from Detroit, which is one of the highest crime centres in North America, the principles in this Bill are important. They are important to many people in our city who have been victims of crime, sometimes from within our community and sometimes from those outside our community who cross our borders. Since this Bill recognizes the concerns of victims of crime, it gives a greater sense of security to those not directly involved in law enforcement that they will be able to look to some recompense and responsibility on the part of the Government and the community for the suffering which has been caused by crime.

I represent a mixed constituency of urban and rural sections. One might think that the problems of victims of crime would be most evident in the urban sections of my constituency. However, I have found, in our community meetings across Essex—Windsor and in discussions I have had with my constituents, that many of the small towns and villages within my constituency have also been subject to pressures from crime to which they often feel tremendous helplessness to respond. That is why I believe this Bill is welcome.

During the committee hearings witnesses made several suggestions for amendments. Unfortunately, these amendments were defeated because I think they would have made this Bill more beneficial to people in my constituency of Essex—Windsor.

For example, one amendment sought the provision of victim offender reconciliation programs. A number of witnesses before the committee and groups who submitted briefs recommended such a program.

It was also suggested that funds raised by victims' surcharges be directed to new programs and not simply go into general revenues. It was also suggested that funds be dispersed consistent with a statement of principles on victims that was recently agreed to by federal and provincial representatives of the Departments of Justice. Frankly, I believe this Bill would be much better if some of those amendments had been accepted.

There are three important aspects to dealing with crime in a community like Essex—Windsor. First, citizens and citizens' groups should be drawn into the process of assisting police and the community at large in dealing with crime. We have had a very active Crime Stoppers program, which has involved careful surveillance of different neighbourhoods that are subject to higher levels of crime than other parts of our community. There is also a system by which those who have information about a particular crime could make confidential reports to the police to help solve these particular crimes. That kind of public approach is an important step forward in dealing with a very serious problem in my community and others.

Other citizens in our community who are concerned about the problems of victims of crime have organized groups to deal with child abuse. Last year, an important conference was held in Essex—Windsor in which the various difficulties which afflict victims of child abuse were outlined, not just in the immediate instance of the abuse being suffered but in terms of the psychological damage that goes on far into the future.

Such child abuse is at the very heart of an attempt to respond to victims of crime in our society.

Finally, I want to speak about problems of public awareness and the difficulties that are brought to bear on victims of crime in our community. Public awareness must be pushed as vigorously and actively as possible in order to achieve a sense of community caring for those victims of crime and those who wish to reduce crime levels within our cities. May I call it five o'clock, Mr. Speaker?

Some Hon. Members: Question.

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

Some Hon. Members: Question.

Mr. Harris: Point of order.

The Acting Speaker (Mr. Edwards): The Hon. Member for St. John's East (Mr. Harris) rises on a point of order.

Mr. Harris: Mr. Speaker, it was agreed that the Hon. Member for Essex-Windsor (Mr. Langdon) would be our last speaker on this matter. However, I want to put a comment on the record on behalf of the Hon. Member for Burnaby (Mr. Robinson) who called from Montreal.

• (1700)

The Acting Speaker (Mr. Edwards): I think I would ask the Hon. Member to come immediately to his point of order.

Mr. Harris: Mr. Speaker, there is room for questions and comments at the end of the Hon. Member's speech. I would like to make a comment on the record before the question is called.

The Acting Speaker (Mr. Edwards): If the Hon. Member for Essex—Windsor (Mr. Langdon) still has the floor, he has the floor until five o'clock, and will continue to have the floor at six o'clock, then there will be time for questions and comments.

Mr. Waddell: In order to facilitate the business of the House, we are prepared to allow this debate to transpire now, to finish it off now, then have the Private Members' Hour so this Bill can pass. What we are trying to point out is that our justice critic is in Montreal with the Justice Committee, and yet the Government called this Bill. That is hardly fair ball. We want to put that on the record, but we do not want to hold up the House. If you would call the vote on this Bill, Mr. Speaker, if that is possible, I think you will see that the House is prepared to pass third reading of this Bill and then we can move on to Private Members' Hour.

Mr. Grisé: Mr. Speaker, we would like you to put the question, but we, of course, do not accept that the Hon. Member for St. John's East (Mr. Harris) should be allowed at this time to put any questions or make any comments. We on this side would agree to have the question put right now.

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

Mr. Harris: Point of order.

The Acting Speaker (Mr. Edwards): If there is not consent to put the vote now, we will proceed to Private Members' Business.

Mr. Harris: Point of order.

The Acting Speaker (Mr. Edwards): On the issue of Private Members' Business, the Hon. Member for St. John's East (Mr. Harris).

Mr. Harris: I have a point of order. We have gone until five o'clock. The Parliamentary Secretary who spoke interrupted. There is one comment I wish to make on behalf of the Hon. Member for Burnaby (Mr. Robinson) who worked very hard in this debate—

Mr. Clark (Yellowhead): You are out of order.

The Acting Speaker (Mr. Edwards): I do not accept that as a point of order. The Hon. Member for Western Arctic has the right to present his Bill in the hour for Private Members' Business.

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

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

APARTHEID

ADVISABILITY OF RESCINDING SOME SANCTIONS AGAINST SOUTH AFRICA

Mr. Dave Nickerson (Western Arctic) moved:

That, in the opinion of this House, the Government should consider the advisability of rescinding two categories of sanctions against South Africa namely (a) those which impact most less well off citizens (b) those rendered inapplicable by recent progress towards the dismantlement of apartheid.

He said: Mr. Speaker, this is a motion which has been on the Order Paper for well over a year. During that time, as I reflect upon it, I became more and more convinced of the rightness of this approach. I think the Government of Canada ought to reconsider its policy with respect to South Africa. The imposition of the present sanctions, in my opinion, are having quite the opposite effect to what was intended. They are not helpful at all.

The policy initiatives to date are negative. They are negative in effect and negative themselves. They are based on a lack of complete understanding of what is a particularly complex situation. They are certainly having the opposite effect of what was intended. In my opinion, the policy of sanctions ought to be reversed. They ought to be replaced with positive and constructive initiatives. Canada ought not to be scared of doing that which is right and just, just because we might be criticized on that account by countries and people who have some other axe to grind.

I compliment the Secretary of State for External Affairs (Mr. Clark) for the way in which he has been speaking out rightly and justly on controversial issues in the recent past. I would hope he would extend that also to the situation as it exists in South Africa. What I think is needed is a friendly approach to assist the people of South Africa in solving their problems. They have made remarkable progress over the last few years. It has necessitated a whole change in people's thinking. People who were brought up to think one way have had to reverse that thinking in the space of just a few years, and they have adapted remarkably well.

South Africans do not need us kicking them when they are down, which is what sanctions do. They need a helping hand to raise them up. The stated rationale of the Government of Canada for the imposition of sanctions is—and I will try to paraphrase the words of the Secretary of State for External Affairs—to demonstrate to the people and to the Government of South Africa a repugnance for the apartheid policy, to let them know that such a policy is unacceptable internationally and that they must change it. If this was the reason, then the sanctions should be lifted immediately. South Africans know this already.

The stated policy of the Government of that country is to dismantle apartheid— we applaud them for that—and to find a system of government where all South Africans can play a

full role. Their country is a country like ours which has a parliamentary system, and it takes time to make these changes. It is very difficult to do it overnight.

I know that a fantastic amount of intellectual effort has been put into this problem by the Government at various levels, the academic and business community and people on practically every street corner of the country. I would suggest something we could do as an experiment. Whenever we meet a South African, and it does not really matter what colour, race, or whatever else he or she might be, we should sit down with that person and try to talk about the weather or anything other than the apartheid policy and the initiatives to change it. We will find we cannot get past five minutes because within five minutes that person is going to tell us what they are doing to change it and what his or her ideas are and all about the debate going on in that country. If the stated reason for the imposition of apartheid ever existed in the past, it certainly does not exist today. South Africans themselves are well aware of the problem and are well on the way to a solution.

In looking at some of the sanctions we have imposed, it is not too difficult to see a certain air of selfishness about them. We continue, for example, to import some of the materials, such as chrome ore from South Africa, which is our cheapest source of supply, but on the other side, we will not buy its coal or steel. Perhaps there is an element of protectionism for our own industry in that. I sometimes wonder about the ban on the krugerrand, and to what extent that was put on to help the sales of the Canadian Maple Leaf gold coin rather than to effect any social change in that country.

• (1710)

What are the effects of the sanctions? What they do is to impose economic hardships on the people of that country. They create unemployment. They increase the cost of living and reduce the standard of living. Most, of course, can be avoided one way or another. It is not hard to figure out ways to get around them. But there is a cost to this, and this cost is borne by the consumers in that country.

The increase in cost has the most effect on those who already have the lowest standard of living. That is always the case, and it is the case there. We also have to remember that South Africa is the economic giant of southern Africa. The health of the neighbouring countries is very much dependent on the economic health of South Africa itself. So sanctions against that country also have a negative effect. They hurt people in countries such as Zimbabwe, Mozambique, and Zambia and the surrounding areas.

Just as an aside, it is interesting to note the number in very many cases of illegal immigrants or refugees coming in to South Africa from countries such as Mozambique and these others what one might call international basket cases surrounding this area. If it were not for South Africa, those countries would be in an even worse state than they are today. It is probably the mineworkers' earnings that just manage to keep Mozambique partially afloat. If the mineworkers were all told to go home, then that country would be in a worse state than it is now.

From where does the main opposition with respect to the process of dismantlement of apartheid come? Generally speaking, it comes from that sector of the white population which is in the lowest economic bracket. It is not the president of the bank or the insurance company who wants to keep apartheid. He is going to keep his job regardless. The same thing is true with respect to the chief geologist in the mine. He can go anywhere in the world to make a living. He is still going to be chief geologist before or after. It is the locomotive driver and the union member at the bottom of the economic ladder who see the jobs being taken away from them. They see themselves being left destitute or not enjoying the present advantages. That is where the opposition comes from. Sanctions, by lowering the employment rates, creating unemployment, and making it difficult for people to maintain those jobs and that standard of living are exaggerating and exacerbating this problem.

When times are good and the labour force is expanding, that does not have to be bothered with so much, one's job is secure and there is less resistance to change. But sanctions have had exactly the opposite effect. They have generated more opposition to change and the policies that the South African Government would like to pursue.

It is an observation that unequal employment practices are concentrated in the older industries, the railways and the mines. It is the new industries, petrochemicals and plastics, that very often have been financed by outside capital where people have been treated equally in the job place. Disinvestment therefore again has a negative effect.

Just one aside to what disinvestment has done. It has enabled the South Africans to take control of their own economy at a few cents on the dollar. They have been able to buy their industries back cheaply, which was not the case in Canada under the regime of the previous Government when we had to pay something of a premium to regain control of certain of our industries, such as the petroleum business.

In my motion I refer to sanctions which have the worst effect on those who we are presumably trying to help the most. I would like to cite two examples of this. First, there is our discouragement of tourism. The hotel trade and the tourist industry in South Africa, just as is the case in Canada, is an intensive employer of labour, very much of which is unskilled and semi-skilled. How many chambermaids and how many kitchen staff have been laid off as a result of our policy? I just wish that when our Minister went to that country he would have had the opportunity to speak to some of the chambermaids. Undoubtedly, they would have told him what their view with respect to sanctions are.

Another example is with respect to farm products, apples, grapes, wine, et cetera. Most of these come from the fruit growing area of Cape Province, the home of the coloured

people, the people who are officially designated as coloured. They are a mixture between white and the indigenous Hottentot population. Most of these people work on farms, either permanently or seasonally. They badly need the income that is generated from that activity. With our sanctions, in the worst cases, they will go hungry as a result of what we have done to them. I cannot believe that Canadians would willingly and knowingly use hunger as a weapon. There are too many of our people who have had first-hand experience with this type of policy in Ukraine and elsewhere. I cannot see how we would ever deliberately use that tactic against somebody else.

Our policy is misguided, in my opinion, and probably stems from listening to the few self-appointed spokesmen who themselves will not be affected by sanctions. We have not listened to the vast majority of South Africans who want the same things of life as we do. They want jobs, education for their children, a decent standard of living and opportunity for the future. I do not know of one single elected leader, somebody who is responsible to the people who elected him—

Mr. Manly: Who the hell has a chance to vote there? They don't even have a chance to vote!

Mr. Nickerson: —either municipally, nationally, or tribally—or people of any colour or religion—who approves of these trade sanctions. It is not necessary to burn South Africa to the ground. It is not necessary to destroy it so that magically some new Phoenix-like society can arise from the ashes.

Nearly all the petty segregation has already been set aside in that country. There are still remaining problems, such as with respect to the Group Areas Act that has to go. But already more and more grey areas are appearing.

Second, there is the constitutional challenges. Municipally, there are now mayors and councillors of all colours. Nationally, there is a tripartite Parliament, albeit without black representation. That has to change, too.

Measures have been taken to ensure a role for all South Africans in the executive branch of government, witness the national council that has been established. This is admittedly imperfect but it is not a lot different, say, from the situation that existed in the United States a generation ago.

I have never met a South African of any colour, and I have met many, whom I did not like. I have a great admiration for the people of good will of this embattled country who are trying to resolve their problems while having to put up with terrorism at home and misguided sanctions imposed from abroad, not to mention the existence of certain unfriendly neighbouring states liberally supplied with Soviet weaponry.

In Canada, we should be encouraging visits and exchanges between ourselves and South Africa so that we can learn more about each other and each other's problems. We should trade with and invest in South Africa. That will make change come about easier in that country. We should set a good example by putting our own house in order. There is some room for improvement on that score, even in Canada.

• (1720)

I find some issues difficult to understand, for example, the Japanese treatment of its citizens of Korean origin who were originally brought over there as slave labour during the war. We are remarkably quiet on that issue. When the Government of France sends troops to New Caledonia, we do not hear too much from the Government of Canada. When there is a slaughter of 1,000 Dinka tribesmen in the Sudan, there is a small write-up of one paragraph on page 16 of the newspaper and there is not much said by the Government of Canada. Yet it seems that there is no condemnation too severe when it comes to South Africa. That is something that I cannot understand. This country has made a great effort to put things right, an effort that has not been made in other parts of the world.

With this presentation this afternoon, I do not expect to change everyone's view overnight, because there is a lot of learning to be done. There is too much misinformation around. What I hope will come out of this debate today is that people will start to think a little more than they have in the past. I hope that they will think positively and constructively in order that we can take the action to ensure that South Africa can be welcomed back into the family of nations as soon as possible.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I welcome the opportunity to speak on this most misguided motion. The misguided nature of the motion was only equalled by the misguided speech that we just heard. The motion itself speaks about the concern for the less well off citizens. The people whom we are most concerned about in South Africa today cannot be regarded as citizens, because they do not have the rights of citizens. The laws in that country deny them the rights of citizens. Therefore, the motion itself is badly worded as well as misdirected.

The Hon. Member for Western Arctic (Mr. Nickerson) talks about the hardships that sanctions will impose upon poor people. He talked about the discouragement of tourism. The question that perhaps we should face is, does tourism help the poorest of the poor in Third World countries, or rather does it not encourage an elite to scoop up the beauty and the wealth of those countries and make them available to wealthy people from the first world who can take advantage of it, and a few people from the Third World who are lucky if they can get those jobs mentioned by the Hon. Member as chambermaids or servants, servants to others in their own country? I do not think that tourism is the answer for Third World countries. That is not the type of development that is needed.

The Hon. Member talked about agriculture. What type of agriculture did the Hon. Member talk about? Agriculture producing food for other peoples rather than themselves; producing food on farms and ranches that are not owned by blacks but by a white supremacist class that has put apartheid

in place and is keeping it in place. They are the people whom the Hon. Member purports to be concerned about in this motion.

The motion itself is most ill-advised, and it reflects a tragic misunderstanding of the real situation in Africa. It reflects the very real success of the past two ambassadors from South Africa to Canada. Last September, the present Ambassador, Johannes De Klerk, said in an interview that South Africa is "in the process of abolishing the last remnants of apartheid". What a lie that is. He stated that that would come "the day we decide on a new constitution, because the Government has already said all the black people living in South Africa must have political rights". The Government does not state what political rights. It does not say that blacks will have the same political rights as the white minority. The Government just states that they will have a few specific political rights.

Mr. De Klerk also said, "Neither the details of how minority rights—with whites making up one of those minorities—will be protected nor how they will affect the political rights of blacks have been worked out". The details have not been worked out. It is just a minor thing, Mr. Speaker. Mr. De Klerk also stated, "We've acknowledged that racial discrimination based on the colour of somebody's skin is wrong, and that white political domination must disappear". He was reluctant, however, to put any kind of time-frame on when it could happen. It will happen sometime in the 21st or perhaps the 22nd century. There are people in South Africa today who are violently opposed to any change.

As the Hon. Member has stated, it is wrong to say that sanctions propose opposition to change. It is the very suggestion that there should be change that has aroused that opposition to change. There are people in South Africa who have put those vicious apartheid laws in place, and will do everything they can to maintain them. Far from South Africa moving to dismantle apartheid, a couple of months ago we saw this Bill of theirs that was euphemistically entitled "The Promotion of Orderly Politics Bill". It banned within South Africa all organizations that were seeking to work against apartheid, and all organizations that were seeking to work non-violently. As the Reverend Allan Boesak of the World Alliance of Reformed Churches stated: "This is an illegitimate Government that deserves no authority and does not have it, that deserves no obedience and must not get it".

The Reverend Khoza Mgojo, President of the Methodist Church of South Africa, stated: "The South African Government wants no non-violent actions. That was proved today. The South African Government is the enemy of any non-violent or peaceful demonstration in this country and that will be the message to the people".

When South Africa banned the 17 non-violent organizations that were working against apartheid, leaders from the major Christian churches stated in a letter: "We believe that the Government, in its actions over recent years, but especially by last week's action, has chosen a path for the future which will lead to violence, bloodshed and instability". These are the leaders of Christian Churches who for years have been attempting to work within that system to get some change that would grant those political rights for the blacks talked about by the Hon. Member.

This is the time when we should be stepping up sanctions and not downgrading them. We can look at the actions of South Africa in destabilizing neighbouring countries of Mozambique and Angola where our best efforts to try to provide some type of development assistance for Mozambique, one of the poorest nations on the face of the earth, is destabilized by a South African financed rebel organization that is fighting a war against development.

If the Hon. Member and other Hon. Members want to know the real situation in South Africa, I encourage them to read a March 8, 1988 column by Michael Valpy published in *The Globe and Mail*. The article states:

> What is the reality of South Africa?
>
> The pillars and foundations of apartheid remain firmly in place. Its pillars are the Population Registration Act, the Group Areas Act, the constitutional mechanisms that ensure white control over all key areas of national political life, and the national disfranchisement of blacks.
>
> The Population Registration Act requires all South Africans to be racially classified at birth. It determines where they may live, be educated, be treated when sick and buried at death.
>
> The Group Areas Act specifies what residential districts may be occupied by which racial groups. The act is not fading away through lack of enforcement.
>
> South Africa's National Party Government has vowed repeatedly that it will never be abrogated. The group areas police have recently been reactivated and are again busy at work in the cities, looking for people of the wrong race living in the wrong neighbourhoods.

The article continues:

> There is no national political power for blacks. The Government takes visitors—from Canada, among other places—to meet members of municipal councils in black townships, introducing them as elected representatives who can speak for black South Africans.
>
> It is seldom, if at all, explained to visitors that only about 5 per cent of the municipal electorate goes to the polls, that the councils have virtually no power, that they are widely believed to be corrupt and collaborators of Pretoria, that forthcoming elections to racially mixed regional councils have been strongly criticized as sham political vehicles for blacks.

• (1730)

Mr. Speaker, the situation in South Africa has not improved; it has deteriorated. There have been a few "sham" changes made on the facade of apartheid, but the structure of apartheid remains intact. Canada should be taking a stronger position against it, not a weaker one, and I know that all Members, once they have had a chance to think about this, will want to vote against that vicious system.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, apartheid is an odious system of racial discrimination that is an integral part of the very constitution of South Africa. Apartheid not only determines where people may sit in the bus, which bench

they can use or which movie theatres they can go to. It is the systematic repression, under-development and exploitation of the majority of the population of South Africa. It forms the basis of national policy on education and health, and it also has the effect of regrouping a large number of citizens in geographical areas that are, for the most part, arbitrarily designated. It is also characterized—and this is the most important point—by the way it totally deprives the majority of all political rights, so that the majority cannot use the political process to change the situation.

South Africa is the only country where this repressive system of racial discrimination is legislated. Canada raises its voice in protest whenever and wherever human rights are violated, but South Africa has put itself in a different class altogether. Since its citizens espouse values that are diametrically opposed, Canada has no choice but to take a stand against apartheid with all the means at its disposal.

When it started to exercise pressure with a view to the peaceful dismantling of apartheid, Canada immediately made two decisions. First, if its action against apartheid was to have any real weight, this country had to have a clear view of the position it would take as a last resort. The Prime Minister (Mr. Mulroney) clearly indicated that Canada was prepared to apply total sanctions and to break off diplomatic relations with South Africa, once it had exhausted all other means. Second, it was decided that it would be more effective for Canada to join other countries in intensifying international pressure on apartheid than breaking off, suddenly and spectacularly, its relations with South Africa. Our ties with that country, commercial and otherwise, are not crucial enough for Canada to be able to force a change in policies through sanctions and incidental measures. To exercise any influence at all, Mr. Speaker, we must therefore join forces with other countries.

Sanctions are obviously not an end in themselves. They are only a way to exercise pressure, and that is how they should be evaluated. One can, of course, debate their effectiveness. In fact, a large number of very clear-headed opponents to apartheid in South Africa, as well as discerning public figures in other countries, have some reservations about economic sanctions.

Nevertheless, Mr. Speaker, sanctions are among the only peaceful methods that countries have to clearly express their opposition to apartheid and to demonstrate that they are prepared to go beyond mere speeches.

To the average South African, sanctions are tangible evidence that the world considers his country's system repugnant. They also have a concrete effect. All the sanctions now in place have without any doubt played a role in the growing number of private sector decisions to withdraw investments in an increasingly unstable system. Sanctions add to the costs and difficulties of maintaining apartheid.

Black South African leaders have called for sanctions. Thousands of black South Africans have voted for effective international measures with the only means at their disposal: strikes, rent boycotts and demonstrations. They are also concerned with the immediate and future consequences of sanctions. However, their first priority is freedom.

As for exports, we have forbidden the delivery of products that contribute to apartheid. Regarding imports, we have emphasized products that are most important for the South African business community. These measures have cut in half our trade with South Africa. The other measures we have taken affect the South Africans who can afford to travel abroad, government representatives and large South African corporations.

Nevertheless, we recognize that sanctions do have an impact on the victims of apartheid. Even so, this is a price that many black South Africans seem prepared to pay as part of the pressure to end a system that systematically deprives them of their most basic rights. And this price is very small compared to what the great majority of the country always pays in the form of unemployment and poverty directly related to apartheid.

South Africa sets itself in a different class altogether. Apartheid is a unique system of racial prejudices enshrined in the Constitution. This deliberate inequality under the Constitution is all the more scandalous in a hypocritical society which maintains that it respects the values of Western democracies and free societies. It should be pointed out that South Africa itself imposes on its neighbours sanctions and trade restrictions that have more impact than the obstacles set up against it.

Canada's policy also includes scholarships for poor South Africans, support for NGOs, aid to victims of apartheid, a code of ethics for Canadian companies doing business in South Africa and other measures. Together with the sanctions, they are a package that clearly shows Canada's commitment to change in South Africa. Were they not combined with sanctions, the other measures would be incomplete. We now see signs of a growing malaise in South Africa. That country's government is spending more and more money on propaganda. It is trying to convince the world that it is making basic changes, although they are only superficial. These attempts show that sanctions have an effect.

Mr. Speaker, there is no doubt that economic measures have given rise to a vigorous operation aimed at circumventing sanctions or lessening their impact. This is an understandable and predictable reaction on the part of the South African government. Its activities in this respect should not be ignored.

At a meeting in Canada last October, Commonwealth heads of State adopted the Okanagan action program on Southern Africa. They set up a Committee of Foreign Ministers, chaired by The Right Hon. Joe Clark, to ensure that the program would take off with full force. As far as sanctions are concerned, the Committee will concentrate in the coming months on expanding, tightening and intensifying their application. The Committee held its first meeting in Lusaka last February, and will be meeting soon in Canada this summer.

In Lusaka, the Committee approved the terms of reference and scope of two major studies on sanctions, aimed at shedding light on new trade avenues, accounting practices and delivery routes, and South Africa's relations with the international financial community. The Committee will also try to gather concrete evidence of such practices and will examine specific measures to ensure enforcement of the compulsory embargo on arms shipments.

Sanctions are applied for two reasons, Mr. Speaker: The first is economic and the second is psychological. Measures taken by Canada and other countries have had an impact on both levels. They have sent a clear message of disapproval to the defenders of apartheid and of encouragement to its opponents.

In concluding, Mr. Speaker, I want to say that the objective of the international community is to promote real change that can form the basis for justice and prosperity in South Africa. We are trying to change a devastating social system, not to paralyze an economic power, and we hope the system is changed before violence plunges South Africa into total chaos.

• (1740)

[*English*]

Mr. Dan Heap (Spadina): Mr. Speaker, I am very happy to have an opportunity to speak against this very misleading motion. The motion of the Hon. Member for Western Arctic (Mr. Nickerson) is:

> That, in the opinion of this House, the Government should consider the advisability of rescinding two categories of sanctions against South Africa namely (a) those which impact most less well off citizens (b) those rendered inapplicable by recent progress towards the dismantlement of apartheid.

We have been given by the Hon. Member the standard phoney story, whether he understands it or not, that South Africa, the Government and the people of South Africa, for the most part, are trying to remove apartheid. That is a lot of nonsense.

In the end of the 1940s, about 1948, when the Nationalist Party came to power in South Africa, they brought apartheid in as law. Apartheid did not drop on them from the moon or the sky, something they are struggling to free themselves from. They created it. They are not struggling to remove it. They are struggling to disguise it but not to remove it.

They have got a very good reason for keeping apartheid. Apartheid is the key to slave labour. It is the key to the slave labour of the great majority of the people of South Africa, the black people. Without that, the white people there would have to pay more for their labour. They would not have such an affluent life on the backs of the black people who must struggle in crowded townships, many of them, to get jobs outside the townships, because they are forced by military force, by guns and whips and tanks and tear gas, they are forced to live in those townships. Some of them are allowed to come and work under great restrictions in the cities controlled by the white people at wages controlled by the white people.

We are told it is the poor whites only, like the locomotive driver or the people at the bottom of the union ladder, who want apartheid. That also is nonsense. When people have tried to organize multiracial unions, the Government and the police have smashed them. When the black people have organized their own labour federation, 750,000 workers, the Government has banned it, outlawed it. The Government only believes in unions to the extent that it can manipulate white membership against the black people.

The Member for Western Arctic did not seriously expect us to pay attention to his motion because he did not explain in the motion what were these two categories of sanctions that should be removed. He did get around to it in the last three or four minutes of his remarks, and he talked then about the kind of services that are provided by desperately poor people in Third World countries for the benefit of people from our countries. The export of food in a country where millions of children are starving for lack of food, not because the country doesn't grow food but because they are not allowed to eat it, and the service to well-heeled tourists.

In return for that, what he did not bother to tell us, South Africa wants to import things, and therefore our Government has, for example, banned the sale of sensitive equipment such as computers to the South African police and Armed Forces. If the Hon. Member says that those computers and the Armed Forces impact on the black people, that is true, for sure. They do impact and we could see the impact on television until South Africa banned the freedom of the press and the freedom of the media. We would still see the police, with their computer guided equipment, impacting on the black people if South Africa dared to have freedom of the media there.

There is an embargo on imports of South African arms to Canada. Good. South Africa is becoming far too militarized for the good of its own people, all its people, or the good of its neighbours, and should not be encouraged to be an arms peddlar.

There is a ban on the imports of Namibian uranium. South Africa is an international thief. It has gone in by violence and robbed Namibia of its uranium and many other valuable metals and stolen the proceeds of the sale. The United Nations declared long ago that Namibia should have its independence from South Africa, but South Africa despises the decision of the world community through the United Nations and continues to rob the people of Namibia for the sake of exporting valuable minerals from that country. When the people of Namibia opposed that robbery, South Africa brought in the army, called the Namibian people bandits for defending their own land and killed them or driven them out of the country.

We are asked to believe that the Botha Government wants to dismantle apartheid. They have not said that. They want to dismantle some of the little fringes of apartheid, but they do not want to change the basic purpose and system of apartheid, which is segregated labour so that a black person is not

entitled in almost all cases to have the wages that a white person would have for the very same job, whether man or woman.

We are told that the people will be hurt by our sanctions, and yet those who are leaders in non-violent action, non-violent protest, speaking as black people, like Archbishop Tutu, like the Reverend Mr. Boesak, those people are silenced, as far as the Government dares, by police threats. They are not allowed to speak publicly. Their demonstrations, their public actions, are banned, and these are non-violent leaders, so that the South African Government wishes to create the impression that it is a besieged civilization, opposing invasion by violent people, because it will not permit any movement, non-violent, towards change.

One of the best things that the present Government has done has been its move in the direction of sanctions against South Africa. They have not been successful in bringing down apartheid yet, it is true. For one thing, the Government has only gone partway, in spite of the Prime Minister's promise several years ago to go the whole way. The Government keeps holding off and holding off. It is true that there are trade considerations and that the Government in Canada does not want Canada to go short if other countries are making money by selling to apartheid.

It may be that because of Britain particularly, the sanction movement will not succeed in its direct economic effect on South Africa. But to the extent that the Government of Canada, backed by thousands and tens of thousands of the people of Canada, backed by the great majority of the people of Canada, has supported the idea of sanctions, at least there is a message given of hope to the black people and the coloured people of South Africa that is a message of warning to the white slave owners.

• (1750)

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I am pleased to speak on this topic today. I believe that one of the contentions of the motion is that recent progress towards dismantlement of apartheid has rendered inapplicable some of the sanctions Canada has imposed on South Africa. In spite of the very passionate speech by the Hon. Member for Western Arctic (Mr. Nickerson), I do not believe there have been major reforms in South Africa. However, contrary to what my friend from Cowichan—Malahat—The Islands (Mr. Manly) said, I do believe that the sanctions we imposed impact upon the poorest people in South Africa. I favour a continuance of our policy of moderate sanctions while leaving the door open to be involved closely with South Africa as the situation changes.

It is true that we now have the phenomenon of the Government of South Africa engaging in an international campaign to try to convince the world that it is prepared to let the black majority share in political power. However, it has not addressed the basic issues and has not demonstrated that it is prepared seriously to contemplate negotiations with the majority towards the creation of a non-racial representative Government.

Apartheid is a system which attempts to preserve all political and economic power in South Africa for the 15 per cent of the population who are of European descent. The theory was that the different races should develop separately. By pretending that the non-white majority, 85 per cent of the population, were not really South African, the Government of South Africa attempted to rationalize the operation of a whites only parliamentary system. The Government went so far as to declare approximately six million South Africans to be citizens of totally uneconomic and geographically fragmented "homelands", which it declared to be independent. For all others, the South African Government introduced rigid restrictions based on race to determine where people could live. Similar restrictions were imposed on the use of schools, hospitals and all other public services.

I assume that the motion under consideration supposes that the minor relaxations in the application of some of these race-based restrictions constitutes significant reform. Relaxation of restrictions has, however, been a minor phenomenon, usually in the large cities which are frequented by foreigners. For almost all the population of South Africa, race continues to determine living standards, where one can live, go to school, to work, or be treated for health problems.

On the political level, the assumption may be that a proposal by the Government of South Africa to establish a national council with only a minority from the 85 per cent of the population which is not white somehow constitutes reform. However, we should note that it is only a proposal so far. It also excludes from participation most of the individuals whom most of the population regard as their leaders through a clause which disqualifies anyone convicted of what many regard as political crimes. Additionally, the majority of members would be appointed by the Government, presumably to represent the white minority or its interests. It is not surprising that the proposal has been rejected by all significant black leaders, including Chief Buthelezi who said that he would consider participating only if Nelson Mandela were released and allowed to participate, and if the bans on the ANC and other organizations were lifted.

Indeed, recent messages out of South Africa are negative and appear to be clear evidence of an unwillingness to face the prospects of real change. The Government acted to place even further restrictions on the peaceful political activities of opposition organizations and a number of individuals. It acted to detain church leaders who tried to deliver a letter to the President asking him to rescind these political bannings. It introduced legislation that could put in jeopardy international funding of organizations that oppose apartheid. I do not believe these are the actions of a Government which is serious about facing fundamental change. The majority of South Africans remain without political rights and continue to suffer gross economic and social inequities.

In Nassau, in 1985, the Commonwealth heads of government identified five criteria by which South Africa would be judged. The authorities must declare that apartheid will be dismantled and take specific and meaningful action to do so. They must terminate the existing state of emergency. All those imprisoned and detained for their opposition to apartheid, including Nelson Mandela, must be released unconditionally. The political bans on the ANC and other political Parties must be lifted. Finally, in the conditions these actions would create, and in the context of a suspension of violence, a process of dialogue must be initiated across lines of colour, politics and religion, with a view to establishing a non-racial and representative government.

Action towards satisfying these five conditions are the criteria of progress and the test of any claims by the Government of South Africa that it is serious about reform. While I am aware of the major problems that can occur as they proceed towards dismantling apartheid, I am concerned that some regard as substantial movement the minor tinkering which has so far taken place. The basic realities of the situation in South Africa are so stark, however, and the fundamental injustices so clear, that I am confident Canadians will continue to demand a policy in South Africa which reflects Canadian values.

Now is the time for the Government of South Africa to act to bring about a peaceful settlement. Progress remains possible while there remains some willingness to compromise. If more time is lost, inevitably the passions of racial hatred will continue to grow and the future of South Africa may be too grotesque to contemplate. The goal of Canadian policy must be to continue to press for real reform and real negotiations now, while a prosperous, humane and just South Africa remains an attainable goal.

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, in the few minutes remaining I would like to make some comments about Motion No. 89 moved by the Hon. Member for Western Arctic (Mr. Nickerson).

The Government of Canada's policy on South Africa is to do everything possible to help avert a disaster. South Africa is a bitterly divided and violent country which risks a devastating conflagration. The security clamp-down on the vast majority of the people, the inequalities based on race, and the refusal by the Government of South Africa to accept the requirement for fundamental change, have created hardship, disaffection and discontent. If not positively dealt with, the frustrations arising from these conditions will sooner or later spill over again into ever escalating violence.

Canada has been at the forefront of international efforts to pressure South Africa to change course and chart a new future in which all South Africans can play a full role in the nation's social, economic and political life. It is a new future that will also allow Namibia its rightful independence, and South Africa's neighbours a chance to develop unhindered by South African military and economic destabilization.

To impress upon South Africa our conviction that real progress must be made urgently in achieving fundamental change, we have imposed a series of strong economic and other sanctions unilaterally and in concert with the Commonwealth and the UN. These measures are important and they are working. They are also a concrete expression of Canada's strong condemnation of the system of apartheid and the repressive actions taken to maintain that system. Those actions include the imposition of Draconian additional restrictions on the peaceful activities of anti-apartheid organizations and individuals, introduction of legislation that could restrict foreign funding of anti-apartheid activities, detention without trial of thousands of South Africans for their opposition to apartheid, and the increasingly repressive censorship regulations.

Equally important in Canada's policy are positive measures which we take to assist the victims and opponents of apartheid. Programs to provide support, both psychological and material, to help overcome additional suffering imposed on those who dare to speak out and try to bring about change, are essential for humanitarian reasons. Even more important, they are a practical demonstration to those involved in the struggle to change South Africa that the world supports their cause and cares about their faith.

I see the time has expired, Mr. Speaker. Thank you.

• (1800)

The Acting Speaker (Mr. Edwards): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the Order is dropped from the Order Paper.

Pursuant to an order made earlier this day, the House will now resume consideration of third reading of Bill C-89, an Act to amend the Criminal Code (victims of crime).

GOVERNMENT ORDERS

[*English*]

CRIMINAL CODE

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hnatyshyn that Bill C-89, an Act to amend the Criminal Code (victims of crime), be read the third time and passed.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is a pleasure to comment on this important piece of legislation before the House. Before I get into the text of my speech I want to comment on today's process. The Minister of Justice (Mr. Hnatyshyn) was very gracious in his comments. He indicated at the outset that he appreciated the co-operation which the opposition Parties had given him and the Government in the development of this Bill. Today we are debating

the last stage of the Bill, third reading, before it goes to the Senate.

Having said that, the Minister of Justice went on to introduce the final stage of the Bill knowing two things. First, the House traditionally recognizes that Members of Parliament carry on their duties and responsibilities not only here in the Chamber but also in other jurisdictions, not the least of which are the standing committees of the House of Commons. One of the most active standing committees and one of the most critical in the administration of justice is, of course, the Committee on Justice and Solicitor General. That committee is travelling today and holding hearings in other parts of Canada on important matters.

There is an understanding among Members that you cannot be in a committee and in the House of Commons at the same time. It is a physical impossibility. There has, therefore, been an understanding that a committee will not sit when a Bill in which it would normally be interested is before the House. In the alternative, there would be ample notice given to allow the spokespersons from the various political Parties to have a chance to be in the House to participate in the debate.

That is one tradition or common courtesy which was broken in this case. There is a second. The Hon. Member for Burnaby (Mr. Robinson) worked hard with the Minister of Justice and his colleagues on the Standing Committee on Justice and Solicitor General. He worked to develop a piece of legislation in the best interests of victims of crime. We are debating that Bill today. The Minister of Justice recognized that co-operation. The Hon. Member for Burnaby is recognized by Canadians from all parts of the country as an outstanding Justice critic.

He was unable to be here today because he was participating in a committee of the House of Commons, and the Government knew that. Nevertheless, the Government decided to bring before the House legislation which he had worked hard to develop in co-operation with the Minister of Justice, in spite of the fact that he could not be here for this last stage of the legislative procedure.

I am not complaining particularly or saying that this is terribly unfair. However, it certainly indicates an insensitivity and indicates that the Government is prepared to ignore tradition, procedures, and practices. I simply wanted to make that case.

The crime victim in Canadian society is victimized first by the offender and then by our justice process. Remedial action is long overdue. Every year almost 700 Canadian families are victimized by a murder, 2,500 lose someone to a drunk driver, and 100,000 other Canadians suffer lasting emotional trauma as a result of crime. Many more lose property or have their homes entered.

I understand that process, having been subject to a break and entry in my own home recently.

For these Canadians there is rarely any assistance to recover from the shock, fear, and anger. They experience delays in return of property—if there is any return at all—a lack of information about the investigation, and occasionally a summons to a court room where they are considered to be virtually a nobody.

Only one in 50 victims of violence receives any form of compensation at all from the state. Only one Canadian community in 100 has practical and emotional assistance organized for victims of common crimes. One in 25 has a rape crisis centre or shelter for battered wives.

This is not news to federal and provincial Ministers responsible for justice. Few have denied it, most have lamented it, and all have studied the recommendations of numerous reports. However, legislation has not been introduced or basic services established.

• (1805)

One Justice Minister was not content with this talk. Manitoba's former Justice Minister, Roland Penner, introduced a justice for victims of crime Bill which would have provided a coherent response to victims' needs for assistance and recognition. The Bill would have placed Manitoba among world leaders in recognizing the plight of victims of crime. Manitoban crime victims would have been informed promptly about remedies such as counselling, restitution from the offender, and compensation from the state.

I only hope, Mr. Speaker, that the change of government in Manitoba will not hinder the implementation and progress of this incredibly outstanding initiative taken by the former Government in Manitoba.

Victims would be kept informed of the investigation concerning the crime of which they were a victim. They would have their property returned when recovered and told how to prevent further victimization. Services would be created to help them cope with the longer-lasting problems of fear, anger, and sleeplessness. Judges and lawyers would consider the victims' needs, particularly when ordering restitution.

The Bill introduced by Manitoba's Roland Penner would achieve this by establishing a permanent committee which would use a victim assistance fund to promote specific principles of justice for victims. The inclusion of two victims on the committee would keep the innovations focused on the victims' needs.

You will recall, I am sure, Mr. Speaker, that in 1985 the United Nations General Assembly unanimously adopted a detailed declaration on victims' rights, calling on countries for more effective measures to prevent crime and basic programs to assist victims.

The General Assembly, like other international bodies of which most of us are aware, stresses that victims have personal interests that are affected by decisions of the criminal courts. Victims must be given access to justice and fair treatment.

Reparation from the offender to the victim must be given priority. Services must be provided to help victims recover.

Officials concerned with national policies on victims in Britain, Switzerland, and India are already studying the Manitoba Bill to which I referred earlier, which is the first to implement the United Nations resolution in a local jurisdiction with a committee which has real teeth. In other words, it would have real powers to act in this very critical matter dealing with victims of various crimes. However, it covers only those principles that relate to provincial jurisdiction, and even then it does not deal with crime prevention or state compensation.

This leads us to ask what the federal Minister can do besides talk on the initiative which we are discussing here today. Most victims first contact the police when in a serious situation. Any action to help victims should start there. The federal Government's responsibility for the Royal Canadian Mounted Police gives it direct influence over one in three police officers in Canada in the best regarded police force in the world.

There is no question that the RCMP is the most respected police force anywhere in the world and one of which all Canadians can feel very proud. As a western Member of Parliament I know that it is traditional to have the Royal Canadian Mounted Police represent us in terms of law and order. Whenever there is a special event to honour an officer who has carried out his or her duties above and beyond the normal call of duty, the response from the community is overwhelming. I am proud to be able to say that and to be part of a Parliament which has seen fit to have such an outstanding police force.

The federal Government could set an example of how police should respond to victims by establishing public guidelines for the RCMP. These might specify how the officer would give the victim information on services and remedies available as well as how the victim will be informed as the investigation continues.

At the National Police College, where senior officers from Canada and abroad are educated on strategies for the future, the police leaders for the next decade could be committed to treating victims as people, too.

In 30 U.S. states, the judge is required to consider restitution and usually will study a report on the losses suffered by the victim.

One could go on and on to talk about the need for seeking ways and means of offering justice for the victims of crimes. This legislation is a step in the right direction.

As the Hon. Member for Burnaby (Mr. Robinson) has said on a number of occasions, it is a step in the right direction, and we are pleased to be associated with it.

The Hon. Member for Burnaby was a master of the content of the Bill, having been part of the drafting process. He was almost intimately knowledgeable about every aspect of the Bill. He indicated to me that had he been here it would have been quite appropriate to have one Member speak this afternoon. Since he was unable to be here, some of my colleagues have seen fit to make appropriate comments with regard to the development of the legislation.

With that, I will simply say that we are in favour of the Bill and believe it is a useful step in the right direction. We support it enthusiastically.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the third time and passed.

Mr. Deputy Speaker: It being 6.12 p.m., this House stands adjourned until tomorrow at two o'clock.

The House adjourned at 6.12 p.m.

HOUSE OF COMMONS

Wednesday, May 4, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

HEALTH

DEATHS AND POISONINGS CAUSED BY DRUGS AND FOOD

Mrs. Lucie Pépin (Outremont): Mr. Speaker, during the past weeks, there have been reports in the media on deaths caused by the freon contained in food products packaged in aerosol containers, and also about babies born with congenital defects attributed to Accutane and anti-psoriasis drugs, prescribed by dermatologists and general practitioners.

Mr. Speaker, Canadians are concerned. Their fears are justified because they wonder whether they should trust their doctors when they prescribe their medication, and they also wonder whether they should trust their supermarkets to sell them food that is safe to eat, and they wonder whether they should trust the Government that is supposed to protect them with its legislation and thus prevent food poisoning or serious illnesses as a result of ingesting medication or food products.

Mr. Speaker, how long will Canadians have to wait for the Government to react with stricter directives on food and drugs? Do we need a higher rate of birth defects before the Government decides to react?

* * *

• (1405)

[*English*]

HEALTH

MULTIPLE SCLEROSIS—VOLUNTEERS' WORK TO ASSIST RESEARCH

Mr. Albert Girard (Restigouche): Mr. Speaker, this week thousands of Canadians are banding together to fight multiple sclerosis, a potentially crippling disease of the central nervous system. At least 50,000 Canadians have MS, a disease which, as yet, has no known cause, no cure, and no effective treatment.

Some have called MS "Canada's disease" since our prevalence rate is among the highest in the world. Recognizing this, Canadians, through the Multiple Sclerosis Society of Canada, are working to conquer MS. All across the country this month volunteers are joining forces to raise $2.3 million for MS research and services for those who have MS.

MS research is making progress and Canadian researchers are among the world leaders. Researchers at the University of British Columbia, under the direction of Dr. Donald Paty, are pace-setters in using a device called MRI to diagnose and follow the progress of MS. In Toronto, Drs. Roder and Dunn have cloned the gene for a substance that may be extremely important in understanding how the nervous system works.

The contributions that Canadians make during this month-long campaign will be vital to continuing this very necessary research. I urge the Government and all Canadians to support the MS carnation campaign generously.

* * *

CHEMICAL WEAPONS

UNITED STATES' PRODUCTION OF BINARY AGENTS

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, the use of chemical weapons in the Iran-Iraq conflict has once again focused world attention on the horrific consequences of their use. Canadians will not soon forget the terrible images of men, women, and children lying dead, of mothers and fathers huddled over the frozen bodies of their children, all victims of a silent and unseen weapon.

The Secretary of State for External Affairs (Mr. Clark) recognized the true nature of these weapons when he told this House last Friday, "There are hideous weapons in the chemical weapons field on which we are trying to make progress". In light of the Minister's remarks I urge the Government to reconsider its misguided and unqualified support of the United States' production of a new regime of chemical weapons, namely, binary agents.

Real progress toward an international convention banning chemical weapons will be encouraged if the Government of Canada now takes a strong stand against these new agents of death.

S. O. 21

NATIONAL FOREST WEEK

IMPORTANCE OF FORESTRY SECTOR TO ALBERTA ECONOMY

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, this week marks National Forest Week in Canada. When people think of Alberta they think of oil, cattle, agriculture, and now forestry. For two years the forestry sector of Alberta has attracted over $1 billion in projects being considered.

In 1985 there were 59 large firms employing 18,200 people. The Alberta Government plans to double the output of the forestry industry by 1991.

Western diversification is working. It has funded several forestry projects in the West.

We now have the Canadian Exploration Incentive Program for resource industries, an incentive of 30 per cent, up to $10 million a year per company, for exploration expenses by issuing flow-through shares. Mr. Speaker, the Government does care.

* * *

[*Translation*]

EMPLOYMENT

ALLEGED INJUSTICE AGAINST POOR PEOPLE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, on the weekend I had a chance to meet a number of community organizations involved in sports, social, cultural and recreational activities. These groups have been accustomed to submit job creation projects for the Jobs Strategy, Section 38 and the new program that was announced recently.

All were unanimous, Mr. Speaker, in condemning the federal Government's attitude.

Mr. Speaker, the federal Government provides, in its criteria, that a person receiving welfare benefits will be allowed to work only once in these Jobs Strategy programs. After six months, that person is not entitled to be hired a second time under these programs and is put back on welfare.

Mr. Speaker, everybody condemned this injustice and lack of sensitivity to the needs of the poorest and neediest in this country.

* * *

[*English*]

FINANCE

NORTHERN TAX DEDUCTION

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I rise today to express my pleasure with the announcement of the establishment of a commission looking into the problem of border communities seeking the northern or isolated deduction. For most of the people in border communities it is very important that whatever changes are recommended be retroactive. For people in areas most affected it is very important that any eventual benefit be applicable to the 1987 taxation year.

Given that the essence of this problem of northern deductions has been the perceived absence of equity, it is important that every effort be made to restore equity. As a critical step I urge the commission to look favourable upon retroactivity so that no one feels they have lost.

* * *

• (1410)

NATIONAL FOREST WEEK

NORTHWESTERN ONTARIO FOREST FIRE—EVACUATION OF RESIDENTS BY CABOOSE

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, this is National Forest Week. Unfortunately, however, it is also a week in which forest fires are tearing through regions of Manitoba and northwestern Ontario.

With respect to northwestern Ontario, the fire known as Kenora 14 proceeded through an area where many people in my riding have camps, Malachi, Ontario and Ottermere, Ontario. I want to say how pleased I believe they were with the way the Ontario Ministry of Natural Resources handled the fire, and the way CNR co-operated in evacuating people from Malachi and Ottermere.

I might also mention that CN used a caboose to evacuate these people. I have been asked by those who would like the railways to keep the caboose to let the House take note of the fact that in this instance, and some others where people have been injured, cabooses have made possible the evacuation of people from these areas and from difficult situations. It is one more reason to keep the caboose.

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[*Translation*]

SOCIALISTS

PHIL EDMONSTON OR BOB WHITE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, I would like to ask the leader of the socialist party how he can reconcile statements by Phil Edmonston, the defender of car owners' interests in Quebec, who is upset about the position taken by the big labour unions who are against foreign car imports. Bob White, vice-president of the socialist party, is also against foreign car imports. On the other hand, Mr. Edmonston who is

also a member of the socialist party, is in favour of foreign imports because it is better for the consumer.

Is the leader of the socialist party going to ask Mr. Edmonston to keep quiet? That is what we would like to know. Who is the socialist leader going to smother with the smoke from the Cuban cigars he smokes when the blinds are drawn: Bob White or Phil Edmonston?

* * *

[*English*]

CONFLICTS OF INTEREST

BILL C-114—PRIME MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, on February 24, 1988, the Prime Minister (Mr. Mulroney) introduced in the House Bill C-114, the conflict of interest Bill.

I know it is extremely unfair to quote the Prime Minister by using his own words, but I will do it anyway. In a press release he sent that day, he said:

> The Bill, which represents the Government's proposals in respect of conflict of interest, affects the rights and privileges of all Parliamentarians. It is a landmark piece of legislation . . .

He further added in a letter to the Leader of the Opposition (Mr. Turner):

> I believe it is in the public interest that consideration of these proposals should proceed expeditiously so that the Bill may be enacted and proclaimed as soon as is prudently possible,

Two months later, the Bill has yet to be debated in the House. So much for expeditious, so much for the Prime Minister's words.

* * *

POLITICAL PARTIES

INCLUSION OF PROPERTY RIGHTS IN CONSTITUTION—POSITION OF NEW DEMOCRATIC PARTY

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, the right to own property is fundamental to millions of Canadians who were disappointed when the former Liberal Government ignored property rights during the 1981 constitutional debate.

Now the House of Commons has passed a Private Member's Motion which calls for the inclusion of property rights. This is a victory for those of us who have supported this proposal. It is also encouraging for the Prime Minister's (Mr. Mulroney) parliamentary reform proposals that new status and importance can be given to Private Members' Motions. I hope this resolution will now hasten the constitutional reform process.

However, one fact must be observed by all Canadians. Because the New Democratic Party favours nationalization, state farms, and intervention in the economy, the NDP is opposed to the right to own private property.

This week, every NDP member in the House rose to vote against property rights. Is this in the best interest of farm families, small businesses, and of ordinary Canadians? No, it is not. For the NDP, common sense appears to have taken a back seat to philosophic socialism. Now we see the NDP for what they really are, pathetic—

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

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[*Translation*]

ELECTORAL DISTRICTS

LAC-SAINT-JEAN—NOMINATION OF JEAN PARADIS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, a by-election has just been called in the electoral district of Lac Saint-Jean. I would like to announce that the New Democrats are ready. Our candidate was chosen on March 13—Mr. Jean Paradis—and I have the honour of drawing the attention of the House to his presence in our gallery today.

Mr. Speaker, the Conservative candidate has announced . . .

[*English*]

Mr. Speaker: I am afraid the Hon. Member, although swift, is nonetheless out of order.

* * *

NORTHWESTEL

SALES OF COMPUTERS—EFFECT ON DEALERS IN WESTERN ARCTIC

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, computer dealers in my constituency are concerned about what they consider to be unfair competition in the field of micro computer sales from the Crown corporation NorthwesTel which is really in the telephone and telecommunications business.

They feel particularly vulnerable when sales to other Government Departments or Crown agencies are involved.

It is interesting to note that in Alberta the provincial Crown corporation Alberta Government Telephones, following similar complaints, has stopped selling "stand-alone" computers and peripherals.

Perhaps NorthwesTel ought to take the lead from AGT in this matter.

• (1415)

AIRPORTS

SYDNEY AIRPORT—RECLASSIFICATION OF CATEGORY LEVEL

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today to bring to the attention of the House a matter which concerns the Sydney Airport in Nova Scotia. The Department of Transport has reduced the CFR level of service at the Sydney Airport from a category 6 level to a category 5 level. The Department believes there is not enough air traffic to justify a category 6 level.

The downscaling of the airport will mean there will be a downscale of employees at this airport. These employees include firefighters and safety personnel. I call upon the Minister of Transport (Mr. Bouchard) to assure the House that this downscaling will not result in the loss of any jobs to those workers at the Sydney Airport, as well as to ensure that safety standards at this airport will not be affected in any way.

ORAL QUESTION PERIOD

[*English*]

FILM DISTRIBUTION INDUSTRY

INTRODUCTION OF LEGISLATION—REQUEST THAT REGULATIONS BE TABLED

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, it is clear the Minister of Communications is prepared to sacrifice Canada's film industry and cave in to the demands of U.S. movie mogul, Jack Valenti, in order to save the Prime Minister's trade deal.

As this legislation is pointless without the regulations, and as the Americans say they have a secret deal with the Minister, can the Prime Minister remove the cloak of secrecy around this entire film legislation deal? Will he insist that his Minister, to save his face, table not only the legislation but all the regulations that will attend that legislation, and indicate that we intend to capture part of our Canadian market?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Minister of Communications fully responded to this question, and others like it, yesterday. She is going to be discussing the new film distribution policy with representatives of the Canadian film industry, I think it is tomorrow. An announcement is going to be made at that time.

There is no secrecy involved. The secrecy was that during the last 40 years the Liberal Governments of those days did absolutely nothing—

Mr. Gauthier: Sit down!

Mr. Crosbie: —in connection with the motion picture industry in Canada, absolutely nothing, whether it was secret or was not secret. That is the problem.

Mrs. Finestone: Mr. Speaker, if this Minister was less facetious and a little bit more honest, and would stop trying to rewrite history—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member will put her question.

Mrs. Finestone: My Tory colleagues agree in this instance.

Some Hon. Members: Oh, oh!

CANADIAN FILMS' SHARE OF MARKET

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Minister knows that Australian films take up 20 per cent of its market, British films take up 26 per cent of the British market, Italian films, take up 44 per cent of the Italian market and French films take up 46 per cent of the French market. Canadian films take up only 3 per cent of our market. Historically, this is a sad situation.

I wonder if the Minister, who is responding to the question, will ensure on behalf of the Minister of Communications that there is the potential and that he will ensure the potential for recapture of 15 per cent of the market for Canadian film distribution.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, certainly the Canadian film industry is an industry that needs assistance and we have established a $165 million fund to assist the Canadian feature film industry. Prize winning films are being produced with those funds. It is quite possible they might get the scenario for another film from last week's activities, which certainly would permit another epic, something like *Gone With the Wind*, which is what the Hon. Member and her colleagues seem to want to have happen with respect to the Right Hon. Leader of the Opposition.

• (1420)

MINISTER'S POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am so glad that the Minister of—what are you, international funny?

Some Hon. Members: Oh, oh!

Mr. Rossi: International clown.

Mr. Speaker: The Hon. Member will put her question.

Mrs. Finestone: Mr. Speaker, the Minister has just brought to our attention the importance of the development of the film industry. He forgot to add that the Minister of Finance just cut the wings out from under it with the cutting of the capital cost allowance.

The Minister said that she plans a tailored in and made for Canada film distribution policy, just like she said she planned a made in Canada protection for the cultural industries, which she did not do—she broke her promise.

What is the Minister doing today—not tomorrow, Mr. Minister—selling out the Canadian film distribution industry like she sold out the Canadian cultural industry before? She is meeting them today. What is she selling them out on?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. Member should reconsider. The Minister has said that she is meeting with the Canadian film industry tomorrow—

Mrs. Finestone: Today.

Mr. Crosbie: —today or tomorrow, whichever—

Mr. Gauthier: You don't know, John, sit down.

Mr. Crosbie: It is tomorrow; once again I am right. She is meeting with the industry. She is making an announcement then. If the Hon. Member then has any questions, surely she can put them about the policy.

I can give the same details that were given yesterday with respect to the $165 million fund; in publishing we increased assistance by $65 million. We established a public lending rights program. There is a $25 million sound recording development program, and copyright legislation which has been stopped by Liberal Senators in the Senate, and interfered with.

Our record is a good one. We are not afraid to defend it. In fact, we are delighted to have the opportunity.

* * *

HAZARDOUS SUBSTANCES

FREON—REQUEST THAT PAM BE REMOVED FROM STORE SHELVES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, in the absence of the Minister of National Health and Welfare I direct my question to the Minister of Labour who, I believe, will respond on his behalf.

The Minister will know that three Ottawa area teenagers have died in the past four months after inhaling cooking sprays from the product Pam which contains freon. Yesterday an expert in the field of medical toxicology, Dr. Robert Peterson, Director of the Provincial Poison Information Centre at the Children's Hospital of Eastern Ontario, stated that this oil spray is too dangerous to be sold to the public.

Will the Minister now act to have this product removed from the shelves, thereby lessening the hazard for Canadian consumers?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, as I indicated yesterday, these deaths were caused by the abuse of the product which, if it had been used according to the usual practice, would not have caused any harm to the consumers.

That being said, I have met with officials of the Department of National Health and Welfare. I have been informed that they have communicated with the manufacturer in order to see what can be done about the problem caused by the misuse of this product. I am informed that discussions are being planned in order to accelerate the reformulation to exclude freon.

REQUEST THAT MANUFACTURER STOP INCLUDING FREON IN PRODUCT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is for the same Minister who will know that the issue here is not one of use but one of abuse. The fact of the matter is that the Government of Canada is allowing a highly toxic substance to be sold on the market and that children looking for a cheap high have easy access to it.

Will the Minister do one of two things? Will he either remove this product from the market in its entirety? Or will he now do what is done in the United States, which is to order the manufacturer of this particular product to stop using the ingredient freon? Will the Minister give us an undertaking to do that forthwith on behalf of Canadian consumers?

• (1425)

Hon. Pierre H. Cadieux (Minister of Labour): As I have just indicated, Mr. Speaker, there are some technical discussions that are being planned with the manufacturer in order to accelerate the reformulation of the product to exclude freon. On top of that, the manufacturer has a pamphlet which indicates the dangers of misuse of such products as Pam. As the Hon. Member and other Hon. Members in the House know, there are a variety of other products that, if misused, can also cause death.

In this case the unfortunate incident was caused by misuse by teenagers, and differently from what was indicated yesterday, they could read the warning on the label of the can that indicated that if it was misused it could cause death.

* * *

FILM DISTRIBUTION INDUSTRY

PROPOSED LEGISLATION—MEMORANDUM ISSUED BY UNITED STATES PRESSURE GROUP

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is addressed to the Prime Minister. Yesterday on a CBC news report an official from the Minister of Communication's Department was alleged to have said that the proposed compromise Bill on film legislation was a necessary compromise that had to be brought in as the price to pay for the trade deal.

In the memo that the U.S. lobby sent out that I referred to yesterday, and the Minister acknowledged yesterday in the House that she had read, in talking about the legislation and in collaborating with the Government, this group of American lobbyists in Canada say: "This would assist the Prime Minister with respect to the sovereignty issue in the free trade debate, the Canada-U.S. relationship issue, and the over-all question of his leadership".

Does the Prime Minister think that his Government ought to be so intimately connected to a U.S. pressure group that sees itself as aiding in his re-election?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the weakness of the position of my hon. friend was in the preface to his question where he quoted an unidentified official who, he says, was "alleged to have said". That is the preface or the premise of the hon. gentleman's question. The preface is, of course, fragile and misleading, and the conclusion is false.

We will see who needs whom in an election campaign. We will stand on our policies and with our candidates, as I am sure my hon. friend will. But I think my hon. friend has more to do than raise unsubstantiated allegations from anonymous and unidentified people. If he has a complaint or a statement to make, let him make it to an attributed spokesman, and then we will deal with it.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I sincerely wish the Prime Minister would listen to the whole question and not just the preamble.

Some Hon. Members: Oh, oh!

Mr. Broadbent: It may be funny to the Prime Minister, but in my question I was quoting from a document that the Minister has. I will quote the words again, and I ask the Prime Minister to respond. This is a document prepared by a U.S. film lobby in Canada. They say they are supporting the proposed legislation because it will aid the Prime Minister in his leadership, and it will further their interests in getting the trade deal accepted.

My question to the Prime Minister is the following. Forget the alleged official, deal with the issue that the Minister has, which is a document. Does the Prime Minister of Canada believe the Conservative Party ought to be actively collaborating with the U.S. pressure group that is working against the Canadian film industry for its own political gain? That is the question.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I cannot comment on a document that comes from a third party or a lobby somewhere for which I am not responsible. I believe that that document was the one that was brought to the attention of the Minister yesterday, and the Minister indicated that it was inaccurate and misleading. That is my information.

• (1430)

Perhaps more important than that, the Hon. Member asks me to forget the preamble to his question, to pay no attention to the preambles. The preambles are argumentative, vexatious, and misleading, and I can understand why he would not want Canadians to pay any attention to them.

Some Hon. Members: Hear, hear!

[*Translation*]

ALLEGED PRESENCE OF AMERICAN LOBBYISTS IN CANADA—PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is very straightforward. According to this document—it isn't my document, it is a document the Minister has in his possession—there is a group of lobbyists here in Canada, a U.S. group, that wants to work directly on this legislation to help the present Government, and this against the interests of the Canadian film industry. The question is very simple: Does the Prime Minister agree that the present Government should co-operate with a group of U.S. lobbyists?

Right Hon. Brian Mulroney (Prime Minister): What a frivolous question! I am asked whether I approve of the present Government co-operating with a U.S. lobby group, while there is no proof of any link between this lobby group and the Government. I said so in English and I repeat it in French: Such statements are false, vexatious and designed not to obtain information in the House but to get you your 30 seconds in English and French on the networks this evening. I say those 30 seconds are equally false in English and in French!

* * *

HEALTH

PRESENCE OF FREON IN PAM—MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, in the absence of the Minister of National Health and Welfare my question is directed to the Minister of Labour and it concerns the news that over the past four months, three young people died after inhaling the fumes of the oil contained in the product Pam. The Department of National Health and Welfare has revealed that six more youths had died previously. Let me tell you their families are not very pleased with the Minister's reply.

Considering the fact that the Government is now aware of the problem, and in order to prevent the disaster we had when the Government reacted to the mussel affair, and before any more people die, could the Minister promise the House that he will ask the manufacturers to remove the freon from this

product, since it is a health hazard and may be fatal? Will you make a decision to protect the lives of our children?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, I believe I said yesterday that the deaths of these teenagers are something we cannot tolerate. However, we must still look at the facts of the matter, even if those facts are not necessarily pleasant. What we have here is improper use of a product that, if it is used for the purpose for which it was intended, does not constitute a hazard for the consumer. However, Mr. Speaker, because we realize this is a dangerous situation, I met officials from the Department of National Health and Welfare, and I was informed that discussions are already taking place with the manufacturers to accelerate the removal of freon from the product in question.

REQUEST THAT PRODUCTS BE PLACED OUT OF REACH OF CHILDREN

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, I have a supplementary. We are trying to get the Minister to be a little more aggressive in his approach to this question. Before we get reports tomorrow or the day after, that more children have made improper use of this product—and we know the problem exists—could the Minister make a formal request so that, in a matter of weeks, these products are shelved in such a way that children cannot get at them? Other hazardous products are strategically placed so that children cannot reach them. Could the Minister take action and immediately ask to have these hazardous products, which are now on the shelves, put away where children cannot get at them?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, as I said before, it is unfortunate that the incident occurred. The fact remains that it happened as a result of improper use of a product by three teenagers. I agree that we cannot tolerate this kind of thing happening, as I said before, and discussions are already under way with the manufacturer to accelerate the removal of freon from the product in question.

* * *

[*English*]

FILM DISTRIBUTION INDUSTRY

EFFECT OF CANADA—UNITED STATES FREE TRADE AGREEMENT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question, which is directed to the Prime Minister, concerns the fact that not only are the Americans rewriting Canadian film distribution policy but also the fact that there have been sell-outs throughout the trade deal in terms of our cultural sovereignty, namely, Articles 2004, 2005, 2006, 2007, and 2012, as well as Articles 401 and 1607.

An Hon. Member: Is this the preamble?

Ms. McDonald: Throughout the free trade negotiations our cultural industries have been on the bargaining table, despite everything that the Prime Minister has said to the contrary. Perhaps the worst of the many features I have in mind in making that assertion is that contained in Article 2005, paragraph 2, which states:

> Notwithstanding any other provision of this Agreement, a Party may take measures of equivalent commercial effect . . .

In other words, retaliation.

Some Hon. Members: Question.

Mr. Speaker: I would ask the Hon. Member to refrain from quoting extensively, and to put her question.

Ms. McDonald: My question is the following. Does this retaliation feature in Article 2005 not make it possible for the Americans to retaliate against any film distribution policy that is going to establish an independent film industry in Canada, as well as make it possible for retaliation in other cultural industries?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I cannot see the connection between the question the Hon. Member is asking and the situation. There are a number of clauses in the agreement. She quotes Article 2004, Article 2006, and Article 2010, none of which have any relevance to the question she is asking. The free trade agreement has not yet been adopted by either country, with the result that any U.S. interests wishing to secure a change to the agreement, or wishing to block the agreement in its entirety, bring to bear on the U.S. Congress whatever lobbying pressures they can.

That is the way the system works in the U.S. It has been working that way since 1789.

EFFECT OF AGREEMENT ON CULTURAL INDUSTRIES

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, again my question is directed to the Prime Minister, and it is one that concerns the general position this Government has taken in respect of our cultural industries, that being that they were not on the bargaining table.

My question, which I would ask the Prime Minister to answer, is this. Would he not agree that the articles I have cited show very clearly that all kinds of cultural industries were bargained away; that it was not just film, but included the print media? As well, the tariff elimination in this sector will also affect sound recordings.

Will the Prime Minister not come clean with Canadians and admit that we will suffer a serious loss of our cultural sovereignty through this trade deal?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, these ridiculous fabrications and misconceptions are touted around the country by the Hon. Member and members of her Party, and the labour movement, and repeated

time and time again. But that does not make them true. The answer is categorically "no": N-O.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

METROPOLITAN TORONTO—CONSTRUCTION OF CO-OPERATIVE HOUSING UNITS

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister responsible for Canada Mortgage and Housing Corporation.

Would the Minister advise the House why, when there is a severe and growing affordable housing crisis in Metropolitan Toronto, CMHC would actually reduce the number of co-operative housing units allocated to Metropolitan Toronto, from a modest 458 in 1986, down to only 126 in 1987?

What is going on at CMHC? Will the Minister go back to his Department and read the Riot Act to his officials?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, when this Government took office it undertook the most massive consultation in the housing industry since CMHC began business, and the direction we unequivocally received, from all groups, including co-ops, social groups, bankers, and builders, was to direct our funds toward those most in need. At this time, 99 per cent of our budget goes to those most in need. Compare that to only 40 per cent under the previous Government. That resulted in 2,400 social housing units in Toronto last year, including co-op units.

* * *

• (1440)

CONFLICTS OF INTEREST

BILL C-114—DELAY IN PASSAGE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Prime Minister. Two months ago amidst much pomp and fanfare the Prime Minister introduced Bill C-114, the new conflict of interest Bill for cabinet Ministers, MPs, and Senators. Since then not one minute in this House has been spent on the Bill which the Prime Minister called landmark legislation.

Can the Prime Minister tell this House why the Government is stalling on this Bill? Is it because the PC Spouses' Association has been lobbying against it? Who is in charge over there, the Back Bench Committee, the PC Spouses' Association, or the Government?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that is a very inviting question.

One of the reasons we have not been able to deal with the conflict of interest legislation and other pieces of legislation, such as the lobbying Bill, which I understand has been reported out of committee, is simply because the Opposition has been filibustering important Bills, for example, the Environmental Protection Act, the Western Diversification and the Atlantic Canada Opportunities legislation. These are the kinds of things that are holding the House up. They are very important pieces of legislation and should be dealt with.

The Deputy House Leader will be meeting later today, I believe, with representatives of the other two Parties to deal with the priority pieces of legislation that we must deal with before the summer. I can assure the Hon. Member that the legislation to which he has referred will be in that priority list.

Mr. Boudria: Mr. Speaker, the Deputy Prime Minister has just admitted that he does not control the agenda of the Government in the House. He can bring the Bill in this afternoon if he likes.

[*Translation*]

REQUEST THAT BILL BE ADOPTED QUICKLY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister, since he has chosen to answer. In a letter sent to the Leader of the Opposition on February 24, the Prime Minister said, "I believe that it is in the public interest for Members of Parliament to act quickly so that the bill can be passed and enacted as soon as possible." What has become of this bill? Why have the Prime Minister and the Government changed their mind? Do we need to act quickly or don't we?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Senate has been holding up very important legislation for over a year. I can assure the Hon. Member that if he has any influence with the House leadership of his Party, and if there is an agreement to put some limitation on the time that we can debate this issue in the House and get it on to committee for full study, we will be very happy.

Mr. Gauthier: Bring it in.

Mr. Mazankowski: The Deputy House Leader will be meeting this afternoon with the House Leaders to work out a program whereby all this important legislation can be dealt with before we break for the summer.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF NOVA SCOTIA MINISTER OF MINES AND ENERGY

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of the Hon. Ken Streatch, Minister of Mines and Energy, of Nova Scotia.

Some Hon. Members: Hear, hear!

* * *

OFFICIAL LANGUAGES

COMMITTEE PROCEEDINGS ON BILL C-72

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Minister of Justice with whom I spoke briefly last night on the matter of Bill C-72.

The Minister is aware that the legislative committee dealing with the multiculturalism Bill is being forced by the Government to conclude its deliberations on that Bill at a much earlier stage and to conclude its hearing of witnesses in order to begin clause by clause consideration. Does the Minister plan to express the Government's support, indeed, the support of all three Parties for the official languages Bill, by taking similarly decisive action in the legislative committee dealing with this Bill?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I do not quite understand the premise of the Hon. Member's question. Is he suggesting that we use the oppressive power of Cabinet to force our Members with respect to matters within committee? Is that what the Member wants us to do? If that is the case, then he should check with his Leader because he is always complaining or alleging that something like that has happened, which never does.

If the Member is asking us whether we are going to pass Bill C-72, you are darn right we are, Mr. Speaker.

[*Translation*]

REQUEST THAT HOUSE GIVE IMMEDIATE CONSIDERATION TO BILL

Mr. Ernie Epp (Thunder Bay—Nipigon): Is the Minister prepared to have the Official Languages Bill considered by the House as soon as the Committee has finished its deliberations?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker. the Government intends to adopt this Bill as quickly as possible.

RESEARCH AND DEVELOPMENT

PURCHASE OFFER FOR CDC LIFE SCIENCES BY FRENCH COMPANY—MINISTER'S POSITION

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion and Minister of State for Science and Technology, and it concerns a French company's bid for CDC Life Sciences.

CDC owns Connaught Laboratories which has about 700 employees in Canada and is a world leader in developing vaccines. CDC also owns Bio-Research and Nordic in the Montreal region.

Could the Minister give the House the assurance today that the Government intends to keep in this country the research and development, technology, production and jobs that are part of the CDC Life Sciences group?

Hon. Robert de Cotret (Minister of Regional Industrial Expension and Minister of State for Science and Technology): Mr. Speaker, I informed one of my hon. colleagues last week that the Government is very concerned about the attempted acquisition by Mérieux of shares in CDC Life Sciences. As the Hon. Member is no doubt aware, an injunction was granted, at the request of the Minister of Consumer and Corporate Affairs, to delay any transactions on the stock market to acquire these shares.

Following the injunction, I personally met the president of Mérieux to explain in detail the Canadian Government's position on foreign investment and the Canadian Government's concerns with respect to the developments mentioned by the Hon. Member.

[*English*]

EFFECT OF TAX REFORM ON MEDICAL RESEARCH

Mr. David Berger (Laurier): Mr. Speaker, I have a supplementary question for the Minister of Finance, if I may. A Connaught official revealed last week at a conference on university research in Edmonton that, as a result of the Minister's tax reform measures, it had to abandon plans to raise $60 million in Canada through an R and D limited partnership. Research to develop an innovative therapy to control diabetes, done at the University of Toronto, has been transferred to a large offshore multinational.

Will the Minister review his tax reform measures which are damaging the ability of companies like Connaught to do research and keep jobs in Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it clear that we have done a study on tax treatment of research and development in this country in relation to all the other industrialized countries. There is no question that the tax treatment by Canada is better than other countries, and by quite a margin. What the Hon. Member is suggesting that we do here is to recreate a tax shelter. Out of one side of their mouths the Liberals say we should be doing away with

tax shelters, while out of the other side they say we should be recreating them.

The Prime Minister just announced in January $1.3 billion of additional spending on science and technology.

Mr. Foster: That is recycled.

Mr. Wilson (Etobicoke Centre): The Hon. Member says that it recycled. That is not recycled, Mr. Speaker. It is new money to be spent on research and development. We have a good record here in direct spending by the Government of Canada where $4.2 billion, plus the $1.3 billion, is being spent. In addition to that there is a fine tax treatment for research and development.

* * *

• (1450)

INVESTMENT CANADA

LAPP INDUSTRIES—COMMITMENT TO GOVERNMENT—ESTABLISHMENT OF INQUIRY

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister responsible for Investment Canada. The Government supported Lapp Industries purchase of Canadian Porcelain Industries in 1985 over a workers' co-op. The Minister knows that company has not met its commitment to the Government. He said the Government will establish an inquiry into the whole business of the company not meeting its commitment, closing the plant and leaving people without work. I would like to know when the investigation is going to take place and when he will report to the House.

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as the Hon. Member said, I asked for an inquiry into this matter. It concerns me very much. The inquiry is under way and I expect to have the results very soon. It is very difficult at the moment to give the Hon. Member a specific date, but I can assure her that the review by Investment Canada is under way at my request and should be completed in a very short time.

ASKING PRICE FOR PLANT

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, "a very short time" is very innocuous. I would like the Minister to tell the House if he looked at the outrageous price of $11 million that Lapp asked for the plant, which means the plant will not be operating, and has he included this in his investigation?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Hon. Member says "a very short time" is a very innocuous answer. As I indicated very clearly, the review is under way. I told my officials in Investment Canada that I wanted the report as soon as possible. They assured me I would get it in the very near future, and I will be very happy to report to the Hon. Member and this House as soon as I do.

* * *

INDUSTRY

GOODYEAR CANADA—USE OF TAXPAYERS' MONEY

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, my question is also directed to the Minister of Regional Industrial Expansion and concerns the continuing reports of discussions between Goodyear Canada and the federal Government about financial assistance for a new tire plant in Napanee.

Given the fact Goodyear just got a remission order from the Government worth up to $50 million over four years, and a $32 million interest-free loan from the Ontario Government, and then got instructions from head office in the U.S. to send an additional $25 million to $30 million a year to the American parent, will the Minister confirm that not a single cent more of Canadian taxpayers' money will be paid to Goodyear Canada?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the Government has been working very closely with the tire industry since 1986 to encourage it to restructure and modernize. Duty remission obviously is available to all tire companies in Canada that are taking steps to meet the objective the Government set. Goodyear is planning to restructure its operations in Canada and that would make it eligible for duty remission if it does the restructuring.

I recognize that it is unfortunate that some people may remain unemployed as a result of the Lakeshore plant closure. I believe there are some 40 people involved. However, on the other hand the new plant investment which Goodyear is contemplating involves the creation of 800 new jobs. It is in that spirit that we are trying to help the industry and Canada, and create new jobs.

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AGRICULTURE

DROUGHT IN WESTERN CANADA—USE OF SOIL CONSERVATION FUNDS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. He knows the drought situation in western Canada is worsening every day with topsoil blowing away and dug-outs dry which have never been

dry in history. Earlier this week the Minister indicated he was going to take funds from the long-term conservation and degradation soil program to deal with emergency water supplies for wells, dug-outs, pipelines and so forth.

Can the Minister indicate whether he is willing to provide the full $75 million if that is necessary this year, and can he also explain why he is not bringing in new money rather than taking funds from a long-term three-year program, I understand, for soil conservation and degradation?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, as usual, the Hon. Member is assuming a little too much. As usual, he is getting a bit ahead of himself. He said the other day that funding for soil and water conservation had been slashed. That is false and misleading. In fact it has not been reduced or slashed but has increased from about $42 million in 1983-84 to $55.6 million in 1989. If we take into consideration other activities during that same period of time we have an increase from $44.7 million to some $64 million. That is not a decrease, it is an increase in that general area.

I said in response to the Hon. Member on Monday that we are working hand-in-hand with provincial Governments and providing assistance in the form of technical and engineering advice, making available equipment we have in western Canada through PFRA, and providing assistance with respect to moving water to locations where there is none. We will continue to work over the next 10 days in the same manner.

REQUEST FOR HELP IN MOVING LIVESTOCK FROM AFFECTED AREA

Mr. Maurice Foster (Algoma): Mr. Speaker, I will debate the Estimates with the Minister in the Standing Committee on Agriculture, but he knows one of the most urgent matters is the fact there is not adequate water for herds of cattle. There is no feed in many areas. Is the Government prepared to provide funding for moving livestock herds out of the drought area or bringing supplies of feed into the area? As he knows, many community pastures are not accepting cattle herds because there is no feed or grass for them.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, common sense dictates that, if the situation continues, those would be options. We are receiving the advice and information on a day-to-day basis, and these are, at this point in time at least, options. Again, I hope Mother Nature looks favourably upon us and these options do not become reality. However, common sense would dictate, and because of the priority this Government places on agriculture, that if those options become reality, then naturally we will, as in the past, be quite prepared to do what we have to do to assist in any way possible.

FINANCE

NORTHERN TAX BENEFITS—SITUATION IN NELSON, B.C.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Minister of Finance regarding tax fairness. The question involves those areas designated as eligible for northern benefits. The Minister is likely aware of the situation in Nelson, British Columbia, where a suburb was designated to receive northern benefits but not the city itself.

Will the Minister explain the fairness of this approach where someone on one side of a road is eligible but on the other side is not?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, that is precisely the reason we appointed a commission under the chairmanship of René Brunelle to review and study the conditions which have led to this kind of inequity. We recognize there is a problem, but it must be dealt with in a global way. We cannot just deal with one community or another, or a group of communities; we have to review the whole matter on a nation-wide basis. That is the mandate of the commission and we hope they will be able to report quickly. However, we recognize it is a complex issue which we have asked them to deal with.

DESIGNATION OF SUBURB AS QUALIFYING AREA

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, could the Minister explain, since the community of Nelson is only a 25-minute drive from the U.S. border, how the situation developed? It was his Government which approved this designation in the first place, and why would it approve a suburb receiving northern benefits but not the city itself?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member is incorrect in what he just said. The designations for these isolated communities have been built up over the years by Treasury Board, going back well before we took office. We adopted the designations they had in place and have since found there have been difficulties, to which he alluded. That is what we are trying to deal with through the commission.

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AIR CANADA

ACQUISITION OF NEW AIRCRAFT—INDUSTRIAL BENEFITS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Transport and concerns the much discussed plans of Air Canada to make a substantial procurement of aircraft, in the order of $1.5 billion according to reports. We know that Airbus, with the assistance of Frank Moores, and Mcdonnell Douglas and Boeing are all bidding for this major purchase. Has the Government made any effort to ensure that this big order by Air Canada will result in

industrial benefits and the creation of new jobs in the aerospace industry in Canada?

• (1500)

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, we have always said, and repeat today, that this decision belongs to Air Canada and not to the Government. The company has to take into consideration what will benefit the company. That is why we are waiting for the decision. Once again, I do not want to interfere in Air Canada's decision in any way whatsoever.

BOEING CORPORATION—PRODUCTION OF DASH 8-400

Hon. Bob Kaplan (York Centre): Mr. Speaker, de Havilland, which is now owned by Boeing of Seattle, has indicated that it is on the verge of making a decision about whether to proceed with a very important development, the Dash 8-400.

Has the Government taken steps to ensure that the decision to proceed with this aircraft, which is very important for jobs in my riding, will not be tied to whether or not Air Canada buys planes from Boeing?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, if I remember well, the Hon. Member was against the privatization of de Havilland. I am sure that with the lesson he has learned today he will be in favour of the privatization of Air Canada.

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CANADA MORTGAGE AND HOUSING CORPORATION

METROPOLITAN TORONTO—POSSIBLE USE OF FEDERAL LAND FOR HOUSING PURPOSES

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, my question is for the Minister responsible for CMHC. The average house in Metro Toronto is now selling for $200,000 which is well above the means of the average person. Part of the problem is the excess of demand over supply. The fact is that there is some federal land in Metro on which housing could be constructed.

What progress is being made toward using some of that federal land for housing?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, last year in Metro Toronto there was a 57 per cent increase in housing starts, a record for the previous 10 years. There is a problem in Toronto. We are trying to determine whether there are any federal or provincial Crown lands available which might be utilized to respond to this situation. I have previously given undertakings to my friend who has insistently inquired about what progress is being made. I congratulate him for that, and I hope we can respond reasonably soon.

ROUTINE PROCEEDINGS

[*English*]

CANADA-U.S. SOFTWOOD LUMBER

TABLING OF AMENDMENT TO MEMORANDUM OF UNDERSTANDING

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, under the provisions of Standing Order 67(2) I have the honour to lay upon the table, in both official languages, copies of an amendment to the Softwood Lumber Memorandum of Understanding between Canada and the U.S. signed in December, 1986.

* * *

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 17 petitions numbered as follows: 332-4327, 332-4328, 332-4330, 332-4355 to 332-4360 inclusive, 332-4377, 332-4378, 332-4451, 332-4467 to 332-4469 inclusive, 332-4475 and 332-4486.

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COMMITTEES OF THE HOUSE

TRANSPORT—PRESENTATION OF FORTH AND FIFTH REPORTS

Mr. Pat Nowlan (Annapolis Valley—Hants): Mr. Speaker, I have the honour to present, in both official languages, the fourth and fifth reports of the Standing Committee on Transport.

[*English*]

PUBLIC ACCOUNTS—PRESENTATION OF TWELFTH REPORT OF STANDING COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I have the honour to table, in both official languages, the twelfth report of the Standing Committee on Public Accounts.

In the spirit of parliamentary reform, a new budget committee is proposed to examine departmental Estimates. The Public Accounts Committee further recommends that reducing Estimates should not be considered a non-confidence matter. Standing Committees now tend to concentrate on policy questions when considering the Estimates. While the Public Accounts Committee reviews audit findings after the fact, effective management does not depend on audit alone.

We consider that the establishment of a special budget committee with powers to change or reduce Estimates and to do a more careful examination of expenditures before the fact would add significantly to parliamentary accountability.

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

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HOUSE OF COMMONS

PROPOSED ADDRESS BY QUEEN OF THE NETHERLANDS—BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the Parties with respect to the visit of Her Majesty Queen Beatrix next week. I think you would find unanimous consent to pass the following motion:

> That, notwithstanding Standing Order 3(1), on Tuesday, May 10, 1988, the House shall meet at two o'clock p.m.;
>
> That, for the purpose of the operation of the Standing Orders, such sitting shall be deemed to be a Wednesday, except that Private Members' Business shall be taken up between five o'clock p.m. and six o'clock p.m.;
>
> That, the address of Her Majesty Queen Beatrix of the Netherlands to be delivered in the House Chamber on Tuesday, May 10, 1988, at eleven o'clock a.m., before the Members of the Senate and House of Commons, together with all introductory and related speeches, be printed as an appendix to the *House of Commons Debates* of that day and form part of the records of this House; and
>
> That, Her Majesty's address, together with all introductory and related remarks, be made available to the media for transmission in the usual way by the House of Commons broadcasting system.

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

Some Hon. Members: Agreed.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to confirm that there have been consultations and that there is a disposition on the part of the Official Opposition, both to give leave to have this motion presented and to agree to it.

However, I do want to ask the Deputy Government House Leader whether he can confirm that the Government is aware of Standing Order 22(2) which says:

> Government Orders shall be called and considered in such sequence as the government determines.

I ask that question because during Question Period the Deputy Prime Minister (Mr. Mazankowski) seemed to suggest that the Government could not call certain pieces of legislation until certain other pieces were completed by this House. As far as I know, the Standing Orders make clear that the Government has complete control over what measures it calls and when it calls them during government time.

If necessary, Mr. Speaker, I will raise a point of order to ask you to confirm that this Standing Order is still part of our Standing Orders and is as much a part of them as any other portion, so that any argument by the Government that it is being held up by the Opposition and prevented from calling something on the Order Paper which it wants to call, is completely inaccurate.

Mr. Lewis: Mr. Speaker, if it would help my hon. friend, we could start each day by confirming that the Standing Orders are still in effect. The Deputy Prime Minister (Mr. Mazankowski) said that we have consistently followed a practice of trying to move legislation through the House. We are now being stymied by the Opposition and have had to bring in time allocation on a very important initiative for the Western Diversification Fund.

In view of the depleted number of Members in the Opposition, we have tried not to jam up too many things in one area. My hon. friend knows very well that the same people who considered the lobbying Bill will probably consider the Bill to which he refers. We have simply tried to manage the business of the House and the committees. He will find that it very soon goes to committee.

• (1510)

Mr. Speaker: Perhaps Hon. Members could assist the Chair. If there is a need to proceed with this, which is really a point of order, I will see Members in a few minutes.

I think it is probably procedurally more tidy to deal with one thing at a time. There is a motion before the House. I understand from the Hon. Member for Windsor West (Mr. Gray) that there is agreement with respect to that motion which was put by the Minister of State (Mr. Lewis). Perhaps the Hon. Member for Kamloops—Shuswap (Mr. Riis) could assist the Chair with respect to whether or not there is agreement to the motion.

If it is necessary to continue with a point of order, I will hear Members a little later.

Mr. Riis: Mr. Speaker, on behalf of the New Democratic Party, let me say that there have been complete and thorough consultations. In an effort to expedite the business of the House, we are prepared to enthusiastically lend our support to this order.

Mr. Speaker: I thank the Hon. Member for Kamloops—Shuswap and the Hon. Member for Windsor West. Does the Hon. Minister of State have unanimous consent to move his motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would just like to remind the House that the Government has the obligation and even the duty to deal with this matter of the order of business and to determine what the Members will consider in the House. Standing Order 22(2), which my House leader is referring to, reads as follows:

> Government Orders shall be called and considered in such sequence as the government determines.

Mr. Speaker, based on our experience of the last two or even three weeks, the Government does not trust the Members of this House. It prints an agenda, a *Projected Order of Business*, regularly changes it at the last minute and expects that Members of the House of Commons can react to the way the Government wants the debate to go. Mr. Speaker, if the House is to function in a correct, orderly fashion, we must know what plans the Government intends to present to us under *Routine Proceedings*.

So if the Government cannot decide before the day itself on the order in which it will bring forward bills, be they on abortion, capital punishment or anything else, on official languages—God knows we could talk about that!—the Government is the only one responsible for the disorder. It sets the order of business and decides what the House will discuss. We in the Opposition can only deal with what the Government presents.

We deal with it democratically, after debate, and we hope that the Government will not stifle the debate with delaying tactics such as those used regularly in the House by the Parliamentary Secretary, who always has a petty point of order to find out whether the House could not sit during lunch hour. Of course we can sit during lunch hour! That happens regularly. We want to work! But the Government knows very well that in doing so, it prevents the Opposition from preparing for question period and Members from attending committee meetings. It knows that it disturbs the Opposition and that is why it does it, Mr. Speaker, because it wants to have the country believe that there is a crisis in the House, but that is wrong! The Government has been going through a crisis for a long time—we know that! It is in a crisis because it does not know where it is going. It has no direction.

Take official languages for example: I see the Parliamentary Secretary to the Justice Minister behind; he is there looking at us attentively... Where is he on the committee to give direction to the back-benchers, the gang of dinosaurs who have fun by always delaying Bill C-72? Where is he to stop them?

Mr. Speaker: I am very sorry to have to interrupt the Hon. Member. I think that the argument may be very interesting. I well understand that it is most important, but we have a point of order here and I think that the speech by the Hon. Member for Ottawa—Vanier (Mr. Gauthier) is perhaps... He has made a point. I understand the problem exactly and I am sure that the Hon. Minister of State can perhaps answer and after that, I think that it will be necessary to continue with other business.

[*English*]

Does the Hon. Minister of State (Mr. Lewis) wish to respond?

Mr. Lewis: No.

Mr. Riis: Mr. Speaker, I have a very short intervention on the same point of order. The Deputy Prime Minister (Mr. Mazankowski) suggested during Question Period that somehow he was unable to introduce legislation because of something the Opposition Parties were doing. Let me make it clear that the Government has a right to introduce legislation whenever it wants. It can introduce any legislation it wishes.

In an effort to make the House of Commons work more effectively, would the Deputy House Leader be more consistent? When the Deputy House Leader states what will be the business of the House at one hour, and we are prepared to make our thoughtful contribution, but then changes the order of business, it makes it very difficult for us Members in the House and makes it very difficult to conduct the business of the House in a proper way.

* * *

PETITIONS

NORTHERN TAX ALLOWANCE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, once again it is an honour to present a petition pursuant to Standing Order 106 on behalf of a number of constituents from western Canada who are very concerned about the way the Government is handling the designation for northern benefits for tax purposes. Some communities are designated and others are not.

As I indicated earlier, there are situations where half a community is designated and the other half across the street is not. It is a complete boondoggle and makes a mockery out of our tax system. It certainly flies in the face of any just, fair, non-discriminatory tax system.

The petitioners are asking the Government to consider declaring all communities in Tier 3 ridings as eligible for the northern residents deduction.

IMMIGRATION—REQUEST FOR CLOSER CO-OPERATION WITH VIETNAM

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour to present a petition from some 70 residents of Spadina and other parts of Toronto nearby. They point out that a goal of the Canadian immigration law is to facilitate the reunion in Canada of Canadian citizens and permanent residents with their close relatives from abroad.

Nevertheless, they are concerned that many Canadians from Vietnam find that it takes months, often years, to bring relatives from Vietnam to Canada as immigrants, partly because of the delays caused by the Vietnamese Government.

Therefore, the undersigned call on the House of Commons to ensure that the Canadian Government negotiates actively with Vietnam to secure an agreement providing for closer co-operation on immigration, including quicker action on Canadian sponsorships.

IMMIGRATION—REQUEST FOR EARLY HEARINGS FOR REFUGEE CLAIMANTS

Mr. Dan Heap (Spadina): Mr. Speaker, I have a petition from some 50 residents of Spadina who point out that Canada has established standards of refugee status determination but the existing procedures have broken down under unexpected strains. Therefore, with the support of many Canadian groups, including the Canadian Council of Churches, the Bar Association, Jewish Congress and other individuals, they ask Parliament to ensure that the Government will enact legislation that will embody the principles of fair and quick oral hearings of refugee claimants before a refugee board that is independent of the Immigration Commission, universal access to these hearings for every claimant in Canada, and adequate opportunity to arrive in Canada to make this claim.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, I have a petition from about 200 residents of Canada and Toronto. They point out that the Government of Canada, that is to say, the Prime Minister of Canada, has been negotiating a trade treaty with the United States for which he had no mandate from the Canadian people in the last election. It is a treaty which will reduce Canada's ability to plan the economic, social and cultural programs we need. Furthermore, contrary to what many people apparently wish, it would integrate Canada further into the North American defence industrial base.

• (1520)

For these reasons, the petitioners ask the House of Commons to ensure that a national debate takes place on the Mulroney-Reagan trade deal and that this debate result in a national general election before an agreement is signed.

PROTECTION OF RIGHTS OF THE UNBORN

Mrs. Jennifer Cossitt (Leeds—Grenville): Mr. Speaker, I have the duty and honour to present a petition signed by some 3,200 constituents from my riding, and from people outside of my riding. It states that wherefore the undersigned, your petitioners, humbly pray and call upon Parliament to pass legislation to protect unborn Canadian children from conception onward, and as in duty bound your petitioners will ever pray.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I have the responsibility and privilege to present a petition signed by many residents of Quesnel, British Columbia, and the following communities in New Brunswick, Fredericton, Macnaquac, Temperancevale, Melville, Canterbury, and Truro, Nova Scotia and in Ontario, Thorold, Hamilton, Toronto, Brampton, Sudbury, Willowdale, Guelph, White Fish, and Stratford.

The petitioners claim that this Conservative Government had no mandate from the Canadian people to conclude a trade agreement with the United States. In fact, the Prime Minister (Mr. Mulroney) promised in the course of the so-called bilateral trade negotiations that Canadian sovereignty would not be compromised. They claim, in fact, that the proposed trade agreement would deny Canada the policy freedom to determine its own economic and cultural future and would indeed undermine its ability to build a society distinct from that of the United States.

Mr. Speaker: The Chair has great respect for the Hon. Member for Nickel Belt (Mr. Rodriguez) in presenting this petition, but I have been listening carefully and I think we are to be reminded that the statement given at the time of presentation is to be brief and not to be necessarily argumentative. I would ask the Hon. Member to conclude his remarks.

Mr. Rodriguez: The petitioners call upon this Government, since it does not have a mandate to implement this agreement, to dissolve Parliament and call upon the people of Canada, giving them the opportunity to accept or reject the proposed free trade agreement with the United States in a general election.

OPPOSITION TO BILL C-72—OFFICIAL LANGUAGES

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have the honour to present a petition prepared and sponsored by Mr. and Mrs. C. A. Wyndham of Acme, Alberta. The petitioners, mostly from Acme, humbly pray and call upon Parliament to cancel Bill C-72 so that unilingual speaking people will have a chance for a position in Government. As in duty bound, your petitioners will ever pray.

[*Translation*]

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Gaston Isabelle (Hull—Aylmer): Mr. Speaker, pursuant to Standing Order 106, I have the honour to present a petition on behalf of some 706 constituents in Hull—Aylmer who humbly ask Parliament to pass a bill granting all unborn children full legal protection from the moment of conception.

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 297 and 298.

[*Text*]

HUNTING OF BOWHEAD WHALES

Question No. 297—**Mr. Nickerson:**

1. To the knowledge of the Government, are Alaskan whalers killing bowhead whales travelling to their calving areas in Canadian territorial waters?

2. Has the Government received requests from Canadian Inuit for similar bowhead quotas and, if so, what has been the response?

3. During 1986, did the Government receive a request from the Eskimo Whaling Commission to conduct joint research with the United States into the number and habits of bowhead whales in the Beaufort Sea and, if so, what has been the response?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): 1. Alaskan Inupiat hunters take bowhead whales during migration to and from Canadian waters. However, Canadian territorial waters of the Beaufort Sea are a primary feeding area, not a primary calving area.

2. The Inuvialuit of the western Arctic and Inuit in the east have requested permits to take bowhead whales in Canadian waters. These requests have been refused on the grounds of conservation.

3. The Department has received informal requests from the Eskimo Whaling Commission to conduct joint research on bowhead whales with the U.S. We have assisted U.S. research in U.S. and Canadian waters through issuance of permits for tagging studies, aerial surveys and associated feeding studies, and provision of scientific advice. Large scale studies contracted by LGL Consultants of Toronto have been supported by funding from the U.S., DIAND, and bridge funding through DSS.

INTERNATIONAL WHALING COMMISSION

Question No. 298—**Mr. Nickerson:**

Has Canada withdrawn from the International Whaling Commission and, if so (*a*) for what reasons (*b*) is any consideration being given to rejoining?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): (a) Canada withdrew from the International Whaling Commission (IWC) in 1982 following an intensive review of our whaling policy that concluded that we no longer had any direct interest in the whaling industry or in the activities of the IWC related to the whaling industry since the Canadian Government banned commercial whaling in 1972. The 1946 Whaling Convention, which Canada signed in 1946 as a whaling nation, was intended to "provide for the proper conservation of whale stocks and thus make possible the orderly development of the whaling industry."

(b) Although we are not considering rejoining the IWC, Canada continues close co-operation with the Commission's Scientific committee and support international co-operation for the conservation of the world's whale stocks.

[*English*]

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all Notices of Motions for the Production of Papers be allowed to stand.

Mr. Speaker: Shall all Notices of Motions stand?

Some Hon. Members: Agreed.

* * *

PRIVILEGE

HURTIG ENTERPRISES COURT ACTION

Mr. Speaker: I have a question of privilege from the Hon. Member for Athabasca (Mr. Shields).

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I have a question of privilege which I believe goes to the very heart of a Member's privilege in this House to ask questions in a free and unfettered way either by way of Question Period or by way of tabling of questions on the Order Paper.

If you will bear with me, Mr. Speaker, on October 14, 1987, I placed the following question on the Order Paper:

Question No. 207

Since April 1968, have (a) grants (b) loans (c) loan guarantees (d) contracts been provided by the Government to Hurtig Publishers of Edmonton or other Hurtig enterprises and if so, how many and, in each case (i) on what date (ii) in what amount (iii) for what purpose?

The answer was tabled in the House of Commons on January 27, 1988.

So that you have a full understanding of the implications of my breach of privilege, Mr. Speaker, I would like to briefly go over the answers with you.

Several Departments and agencies reported that government records for these fiscal years are not retained by the Public Archives in Canada in accordance with the General Records

Disposal Schedule of the Government of Canada directive. However, in some instances the Department was able to provide information. The following Departments provided information: Canadian International Development Agency indicated that there was $1,625 for expertise in connection with the Country Program Director Training Program. The Department of Communications listed the grants or contributions from the Department's Book Publishing Industry Development Program. In 1979-80, $131,793 for sales and marketing assistance, 1980-81, $169,555, sales and marketing assistance, $2,760 for a feasibility study, $4,837 for a feasibility study, for a total of $177,152.

In 1981-82, $146,613 was granted for sales and marketing assistance, $4,797 for computerization study, $49,947 for computer purchase, for a total of $201,357. In 1982-83, $94,659 for sales and marketing assistance, $10,233 for computerization implementation, for a total of $104,892. In 1983-84, $96,440 for sales and marketing assistance, for a total of $96,440. In 1984-85, $110,527 for sales and marketing assistance, $33,939, company analysis for a total of $144,466.

I just have a couple more, Mr. Speaker, if you will bear with me. In 1985-86, $227,324 sales and marketing assistance, $1,307 international marketing assistance for a total of $228,631—

Mr. Speaker: I know the Hon. Member has probably been anticipating some concern on the part of the Speaker. This information is, of course, available and may very well be very pertinent to the question of privilege the Hon. Member brings to the Chair, but I am having a little difficulty in seeing exactly where the point of privilege comes and I would ask, in the interests of brevity in argument, that the Hon. Member conclude whatever it is the Chair needs to know and then argue the point of privilege. I have tried to be very patient here.

Mr. Shields: Thank you, Mr. Speaker. What I am trying to point out—

Mr. Speaker: Perhaps the Hon. Member for Athabasca could just be patient for a moment and I will come back to him. The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have listened attentively for the last four or five minutes and I too have difficulties. If the Hon. Member actually has a grievance with the quality of the answer, he should state so at the beginning of his remarks. I would like to know what the question of privilege is. I would like to know what the question of privilege is. According to Beauchesne's Fifth Edition an answer to a question cannot be the object of a question of privilege.

• (1530)

If the Government has not given the Hon. Member a definitive or satisfactory answer, I refer him to Citation 19 of Beauchesne's which states that a dispute arising between two Members, or the failure of a Minister of the Crown to answer a question may not be raised as a question of privilege. I do not mind sitting here and listening to the Hon. Member's question, but I would appreciate it if he would come to the point.

Mr. Speaker: I know that the Hon. Member would like to get to the point. Clearly, what the Hon. Member has advised the House and the Chair is that over a period of time certain government grants or other forms of government assistance have gone to either the gentleman mentioned or the gentleman's firm. However, I am not clear yet as to whether or not the Hon. Member's complaint, which may or may not be privilege, is in the adequacy of the answers, the fact that a government Department may or may not still have the records, or just exactly where the argument is leading. I would ask the Hon. Member to assist the Chair.

Mr. Shields: Mr. Speaker, I thank the Hon. Member and yourself for the guidance that has just been given to me.

In late February, as a result of the answer tabled in the House, I received a letter from a Mr. A. H. Lefever of the law firm of Reynolds, Mirth, Richards and Farmer of Edmonton stating that he was acting for Mel Hurtig and intended to proceed with a defamation action and would be issuing a statement of claim in seven to ten days.

I ignored the letter because I felt that it was rather silly and vexatious and an attempt, basically, to silence me. We know that Mr. Hurtig had led the charge against free trade. As a former Liberal candidate in Edmonton, he was leading the charge. He became very political.

I then received a second letter in late March which was double registered. It was from a Frans F. Slatter of the law firm of McCuaig, Desrochers of Edmonton in which it was stated that they were acting for Hurtig Publishers Ltd. They indicated that, pursuant to Section 13 of the Defamation Act, their client's intention to bring an action against me for information that I received in reply to my question on the Order Paper of October 15, 1987.

The letter further indicated that the information that I received was inaccurate and misleading as to the amount, nature, source and circumstances of government funding obtained for *The Canadian Encyclopedia* and related projects. Again, I felt that this was an obvious attempt in that the first law firm had dropped the case because, in my view, it felt it did not have one. Mr. Hurtig then approached another law firm and it proceeded with an action.

It is my belief that these two letters were a deliberate attempt to intimidate me from seeking further information with regard to grants given by the Government to Mel Hurtig or Hurtig Publishers.

I then had a phone call a couple of days ago from a Mr. Keith Davidson of Edmonton who is a process server. He indicated that he would like to meet with me for a brief

moment the next time I was in Edmonton. I asked him what it was for. He said: "Well, I might as well tell you. It is to serve you with a statement of claim". I asked him where the statement of claim was from and he said it was from the solicitors for Hurtig Publishers and that I was now being served with a statement of claim and going to be sued.

I am truly surprised that Mr. Hurtig has decided to proceed in this fashion. However, the action by Mr. Hurtig and Hurtig Publishers goes to the very heart of a Member's obligation, a Member's right, a Member's privilege to ask questions in a free and unfettered way in the House of Commons. If we lose that—

Mr. Speaker: I only interrupt the Hon. Member to ask if it is possible to have copies of these letters and the notice of intention. Also, does the Hon. Member have a copy of the statement of claim to which I think he referred? If so, I would like to have those copies as soon as possible.

Mr. Shields: Thank you, Mr. Speaker. Yes, I do have copies of the two letters. I do not have them with me but I will make sure that Your Honour receives them. I phoned my solicitor in Edmonton and asked him to receive the statement of claim on my behalf, which he said he would do.

If a Member of the House cannot place questions on the Order Paper or indeed ask questions in the House without the fear of legal action being taken against him, then the very heart of this institution in my view will be cut out. Individual Members' effectiveness will be destroyed because it is their privilege to speak freely without fear.

I believe that my privilege as a Member of Parliament has been violated by the actions of Mr. Hurtig and Hurtig Publishers. I ask you, Mr. Speaker, that if you feel that I do have a prima facie case of privilege that the case be referred to the House of Commons Standing Committee on Elections, Privilege and Procedure.

I have had assistance in putting my privilege together by the Hon. Member for Peace River (Mr. Cooper) who will discuss some of the technical matters.

Mr. Speaker: I thank the Hon. Member for Athabasca (Mr. Shields), especially for his co-operation brought about by not only my own intervention but by the intervention of the Hon. Member for Ottawa—Vanier (Mr. Gauthier) who, along with perhaps other Members and the Chair, were a little concerned about just exactly what was the point. The Chair has no doubt at the moment as to what the point is.

I might indicate to the Hon. Member that on the basis of what he has said thus far that it is a matter that is giving the Chair some concern. I will hear the Hon. Member for Peace River and the Hon. Member for Ottawa—Vanier in a moment, and other Hon. Members if it is necessary.

Mr. Albert Cooper (Peace River): Mr. Speaker, I wish to take a few moments to intervene on the question of privilege put forward by my colleague, the Hon. member for Athabasca (Mr. Shields). From the information that I have received and from looking at the case very briefly, there appears to be no doubt that the case does apply to the guidelines of a prima facie case of privilege.

I would like to put before the Speaker a couple of arguments that I think will demonstrate why we have a prima facie case of privilege here. The first valid point is that it is a well known rule and recognized fact in the House that the absolute fundamental of any case of privilege is the freedom of speech. I do not need to refer to the various quotations that would apply to that from either Beauchesne's, Erskine May or any other documents.

In addition to that, we know that Hon. Members are also to be free from intimidation or threats that would try in some way to direct their actions. If we look at Beauchesne's Fifth Edition, Citation 67, we see that it states:

> It is generally accepted that any threat to a Member, attempting to influence his vote or his actions as a Member, is a breach of privilege.

After the evidence that I have heard from the Hon. Member for Athabasca, I do not see any doubt that what we are dealing with here is a clear threat or an intimidation, an action that is designed to silence or influence the actions of the Hon. Member for Athabasca.

If we also look at some other references, for example, page 17 of the *Précis of Procedure*, the second edition that has been put out and which has been very useful to Members, we see that it states:

> Every Member may state "whatever he thinks fit in debate, however offensive it may be to the feelings, or injurious to the character of individuals; and he is protected by his privilege from any action or libel, as well as from any question or molestation."

It is very clear that we as Members are free to ask questions, whether they be written or oral, in the House of Commons, no matter what information comes out of them, and no matter how injurious that may be to the character of an individual or corporation. We are then as individual Members protected from libelous action.

• (1540)

If we look further and return to Beauchesne's, Citation 56 very clearly states that any statements made in the House are not to be subjects of court actions, and they are absolutely within the privilege of the House of Commons.

What we are dealing with here is a question put on the Order Paper by the Hon. Member for Athabasca. That question was responded to in the House. That information has then become the basis of this lawsuit. I think it is very clear that the Member for Athabasca should not in any way be involved in this particular lawsuit. The fact that he is involved in one is clearly a breach of his privileges.

I wish to refer to two other citations that are very pointed on this particular subject. In *Erskine May Parliamentary Practice*, Twentieth Edition, at page 159 it states:

> Sending a letter to a Member threatening him with the possibility of a trial at some future time for asking a question in the House . . .

—is described or listed as being a clear case of privilege.

In this particular example there are two such letters which have been followed up by a third action between the lawyers for the Hon. Member for Athabasca and Mr. Hurtig.

There is a further citation in the Twentieth Edition of Erskine May which is applicable to this situation, found at page 162, which states:

> To commence proceedings in a court of law against any person for his conduct in obedience to the orders of either House or in conformity with its practice, or to be concerned in commencing or conducting such proceedings, is a breach of privilege.

On the basis of those citations from Beauchesne's and Erskine May, based on the information put forward by the Hon. Member for Athabasca, I believe it is very clear that there is a prima facie case of privilege.

I would encourage you, Mr. Speaker, to check the references, and give this all serious thought, as I know you do and will do in this particular case. Not only are the concerns of the Hon. Member for Athabasca affected by this particular lawsuit, but also the concerns of all Members of Parliament. We have to function in an air of freedom where we are not concerned about threats of lawsuits or threats of violence, or any of those things that would very much infringe on our rights, actions, and statements in the House.

I believe from the evidence that has been put forward and from the arguments that can be made out of either Beauchesne's or Erskine May, our respected journals on procedure, there is no doubt that we have a prima facie case of privilege.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): I wish to make a few comments. No doubt the Hon. Member for Peace River (Mr. Cooper) has had time to research the question, and I think that he has covered the territory very well. Indeed, I endorse his position, if the facts are as they were related to us by the Hon. Member for Athabasca (Mr. Shields). I believe, as do other Hon. Members, that nothing can impede the privilege of a Member to ask questions in the House, either by written deposition or orally during Question Period.

I do not have anything to add in terms of citations from Beauchesne's quoted by the Hon. Member for Peace River. Perhaps the most important one is Citation 56, which the Hon. Member quoted. Citation 55 is also important. It states:

> The privilege of freedom of speech is both the least questioned and the most fundamental right of the Member of Parliament on the floor of the House and in committee. It is primarily guaranteed in the British Bill of Rights . . .

It goes on to explain that no one should be impeached or otherwise impeded in his work in asking questions of the Government.

I would like to ask the Speaker to take this matter under deliberation. If, in the opinion of the Speaker, there is a question of privilege, I take it the Hon. Member would be prepared to move the appropriate motion.

Mr. Speaker: The Hon. Member for Athabasca (Mr. Shields) indicated that he would be prepared to move the appropriate motion. In case there is any doubt, his colleague from the other side of the Chamber, the Hon. Member for Ottawa—Vanier (Mr. Gauthier), wants to assure that that is indeed on the record, and I ask the Hon. Member for Athabasca to do so.

Mr. Shields: Mr. Speaker, yes, I would be prepared to move the appropriate motion.

Mr. Speaker: As I indicated a few minutes ago, the Chair takes this particular matter with some deep concern. I want to thank the Hon. Member for Peace River (Mr. Cooper) for his contribution. I especially wish to thank the Hon. Member for Ottawa—Vanier who, despite the fact that there may be differences of opinion politically among the different Parties here, on a matter of this importance it is interesting to note that all Hon. Members on both sides of the House recognize what the issue is, and that is the absolute right of Hon. Members to proceed without fear and to be able to speak freely in this place.

The Chair will look carefully at the documentation that the Hon. Member for Athabasca has indicated he will bring to my attention. Assuming that the facts are as related, I will of course return as expeditiously as I can to the Chamber. If there is any need for any further assistance from Hon. Members, I will be in touch with them. I think I have the situation as it has been presented, and again I thank Hon. Members for their intervention. I will return to the Chamber as soon as it is possible.

GOVERNMENT ORDERS

[*English*]

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO ENACT

The House resumed from Monday, May 2, consideration of the motion of Mr. McMillan that Bill C-74, an Act respecting the protection of the environment and of human life and health, be read the third time and passed, and the motion of Mr. Hawkes:

> That this question be now put.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I welcome the opportunity to speak on this very important issue. Unfortunately, the Bill is not as important as the issue. The Bill is a very weak and timid step in the direction of some type of environmental protection, although it has the very pretentious title "Canadian Environmental

Protection Act". An unsuspecting or politically unsophisticated person looking at the title of that Bill might suspect or be led to think that it was going to provide a regulatory framework that was going to give some type of total protection for the environment. When we look at the Bill we see that this is very far from being the case.

The only real emphasis of the Bill is to regulate the introduction of toxic substances into the environment. This is important, but it is far from being the total comprehensive protection of the environment that Canadians need and want the Government to provide through legislation.

For example, the Bill does nothing to deal with the destruction of the environment through logging practices, or the deforestation that occurs, or the soil erosion, and the erosion that pollutes our streams and lakes as a result. It does nothing to protect the environment from the loss of farmland through salinization, over use of pesticides, or urbanization. It does nothing about the clean-up of toxic waste sites. It does nothing about acid rain. The Government has made a lot of noise about acid rain, but it has done very little about it.

This Bill has no power to deal with questions such as pesticides, because they are regulated by the Department of Agriculture and where one Department has regulations that are already in place, Bill C-74 is not effective. It does nothing about polluting forms of energy use. It does nothing about the nuclear industry. There is a whole constellation of problems relating to the environment that are not dealt with by this Bill.

Perhaps I could give one example on Vancouver Island that is very important, that is, the introduction of a new chemical called TCMTB as a replacement for the old PCP type anti-sap stain that was used in treating lumber. Since this new chemical TCMTB was introduced on December 7—Pearl Harbour Day—there have been more than 75 first-aid or medical cases reported to the end of April at Harmac Mill near Nanaimo.

• (1550)

Workers at that mill have complained about nausea, about sore throats, about nose bleeds, sinus problems, and headaches. In some cases, they have suffered from nose bleeds lasting for as long as two weeks. As a result, the workers themselves have asked that a study be carried out on this chemical.

The Workers Compensation Board of British Columbia uses as a guide the level set by Agriculture Canada, that being .5 parts of TCMTB per millogram per cubic metre, and at a level of less than half of that amount, the workers at the pulp mill in question are suffering from severe health problems.

It has become obvious that the Department of Agriculture passed the regulations in respect of the use of this chemical without having had any long term studies in place and completed.

It saw the need to replace the old PCP anti-sap stain type of chemical, given the obvious detrimental effects of that chemical on the environment and on human health, and it rushed through regulations in respect of the use of TCMTB without having conducted adequate studies as to its effects.

When questions regarding the use of this chemical were released in the B.C. Legislature by Dale Lovick, the NDP member for Nanaimo, he was told that there was to be a study conducted by the University of British Columbia on its short term health effects. However, when Mr. Lovick called UBC, he was told that the study was not scheduled to begin until the summer, the reason being that there were not a sufficient number of mills using TCMTB.

Here we have a chemical which is widely suspected, on Vancouver Island, as causing severe health problems for workers, a chemical which needs to be studied, and the entity which is to conduct the study saying that it cannot begin the study until it is in wider use. That is the kind of perverted logic that we face. Here we have a situation where we cannot begin to study the harmful effects on human beings flowing from the use of a given chemical because that chemical is not in wide enough use.

Once the study begins, it will take three to four months to collect the data, and another three to four months for analysis of the data, which means that the results of the study will not be available before the end of the year. In the context of the health of Canadian workers, this is simply not good enough. In raising the example that I do, I simply want to make the point that Bill C-74, the Canadian Environmental Protection Act, would have absolutely no jurisdiction over this particular chemical, given that it is a chemical that is already regulated by the Department of Agriculture. In fact, Bill C-74 is not much more than an updated version of the Environmental Contaminants Act.

When one looks at the pretentious title, the "Canadian Environmental Protection Act", one suspects that it must have been named and baptized by the Prime Minister (Mr. Mulroney) himself. It smacks of his typical exaggeration. He is not able to talk of a light bulb without speaking of it as a huge hydroelectric project. He is not able to talk of a minor Bill that does something that is important and significant without giving it this great pretentious title. Of course, the Minister himself, in speaking of this Bill as being one of the "toughest environmental Bills introduced anywhere in the world", suffers from the same kind of pretention.

Bill C-74 has a declaration and a preamble, most of which is acceptable. But, a declaration and a preamble setting out general goals and desirable objectives is not what Canadians want and need; what the Canadian people want is an environmental bill of rights, a bill of rights which will recognize the right of Canadians to a clean and safe environment, and one which will have sufficient teeth that they can insist that the environment be clean and be safe.

The preamble talks about objectives and guidelines. Yet, the Bill itself does not give the Minister the power to either set standards or to enforce standards. When we talk about the environment, what we want is not simply a recitation of

objectives and guidelines, but standards. What we want is something that will assure Canadians that the environment is going to be protected. It is their environment. The environment is not something that is simply "out there". The environment is the space in which we live, and we need to protect it. It is not good enough to simply have guidelines. This Government brought down conflict of interest guidelines, and we had example after example of Ministers violating those guidelines and then simply shrugging their shoulders and saying: "It is only a guideline".

We are afraid that the same sort of thing is going to happen if all we have are environmental guidelines. What we want are standards, and standards that can be enforced, and this very weak-kneed Bill does not provide us with such standards.

The proposed Canadian Environmental Protection Act would give the Government some desirable powers, including the power to identify toxic substances, and the power to regulate such toxic substances as it identifies. As well, it gives the Government the ability to screen new substances before they are used in the environment. It gives to Canadians the right to complain to the Government when substances have not been identified or regulated to their satisfaction; it allows the Government to ban the export of toxic substances whose use is banned in Canada, and to restrict the export of toxic substances whose use is restricted in Canada. It gives the Government the right to regulate, on the basis of environmental quality, the use of fuels; it gives the Government the regulatory authority over nutrients in water conditioners; it legislates federal authority over environmental matters with respect to federal lands and undertakings. It legislates governmental authority to bring down environmental regulations with respect to federal Departments and Crown agencies.

One very important provision of Bill C-74 is that it would protect "whistleblowers" who report on breaches of Government environmental regulations. As well, it gives the federal Government the authority to protect citizens of foreign countries from air pollution of Canadian origin. In addition, it would establish boards of review, to be created on petition of individuals who are unhappy with the enforcement of the regulations under the Act. In addition to all of the foregoing, it provides for fines up to $1 million for environmental offences, which is more significant than fines have been in the past.

While the powers to be given to the Government under this legislation are desirable, the Bill itself, when one looks at what it does not do with respect to the environment, falls far short of its pretentious title, and falls far short of what is needed to protect the Canadian environment. For example, it does not deal with pesticides. No matter how toxic, pesticides will be regulated by the Department of Agriculture. Bill C-74 specifically excludes substances which are regulated under other Acts of Parliament.

Bill C-74 does not set down any standards for environmental quality. Rather, it has guidelines; it has objectives. It does not have standards. In short, Bill C-74 does not change the kind of perverted logic we have been operating under in terms of the protection of the environment, that being that a substance has to be proved harmful before it can be regulated. Again, we have the example of the pulp mill workers, who are, in effect, human guinea pigs in terms of the harmful effects of TCMTB. Until that substance can be proved to be harmful to human health, it will continue to be used in pulp mill operations. Its use will continue to be acceptable under both the federal regulations and the applicable regulations of the Province of British Columbia.

Before new chemicals are introduced into the environment, there should be some assurance that they are safe. Bill C-74 does not have incorporated in it an environmental bill of rights, a bill of rights that would give Canadians the right, by law, to a healthy environment. It does not do anything for the major issues that I mentioned earlier, such as acid rain and the overuse of pesticides. Finally, when we look at what the Bill is attempting to do, regulating the introduction of toxic substances into the environment, it still uses an outdated and outmoded method of regulation. It still uses a substance-by-substance approach. It is still based on trying to manage toxic chemicals rather than seeking to reduce them.

• (1600)

It has been estimated that there are some 60,000 industrial chemicals in use in North America today. Ross Hume Hall in an essay in *Probe Post* in the spring of last year pointed out:

> According to a report of the National Academy of Sciences, in the U.S., the number of chemicals in industrial use today for which there is a complete spectrum of toxic effects is zero.

In other words, we do not know how any of these really affect us in a toxic way. He goes on to say:

> Of the 60,000 industrial chemicals, 50,000 have never been tested for any toxicological effects whatsoever. For the other 10,000 chemicals, information is scanty.

Of course when we are talking about chemicals such as this, we are not talking about chemicals in isolation from one another, we are talking about chemicals that enter into all kinds of weird and strange combinations that are completely uncontrolled by the people who sometimes release them into the environment and completely unforeseen by the people who claim to be regulating these releases in the interests of a clean and protected environment. Mr. Hall points out that Bill C-74 continues to use the old approach of substance by substance identification rather than taking a more sweeping and comprehensive approach. He points out from 1976 to 1986, a period of 10 years:

> —the Contaminants Control Branch had completed regulations for five chemicals—three of them (including PCBs) no longer manufactured. Five chemicals assessed in 10 years.

We are talking about a total of 60,000 industrial chemicals in use. We have continued that substance by substance approach in the legislation we are dealing with today. In fact, the procedure is dragged out even more. A chemical that is determined to be a toxic threat is now put on a Schedule 4 list

and only after it has been placed on that list are the regulations written. In order to get on that list, there are all kinds of hurdles. Manufacturers of chemicals will be putting all kinds of obstacles in the way of the Government in trying to determine that certain chemicals are toxic and wanting to have them listed. Once a chemical is listed and the writing of regulations starts, the Bill allows the raising of more objections and the convening of a second review board to review the proposed regulations.

How can such a cumbersome process operating on a substance by substance basis deal with the 60,000 chemicals that we are operating with in modern industry? We are dealing here with the problem that Environment Canada is a weak member of the federal bureaucracy. Instead of being a lead agency and instead of being central to all the Government's planning, it is way off on the edge. Instead of requiring that everything the Government does and everything that industry does be environmentally acceptable—we have that kind of an approach when it comes to dealing with money matters which have to go through Treasury Board—the Department of the Environment tends to be a weak member of the federal bureaucracy. It is like the Baltimore Orioles in baseball. I see they won one game last week, but they are still on a major losing streak. Unfortunately that is the way the Department of the Environment is.

When will we have a Government that takes seriously the threats to the environment and that the environment is the space in which we have to live and breathe? When will we have a Government that takes seriously that any threat to the environment is a threat to individual human health, as I showed it was to the workers at the Harmac pulp mill and to other pulp mills? It is a threat to our quality of life when we destroy the environment. One of the things we have going for us in Canada, which they do not have in some large cities of the more built up parts of the world, is a decent environment that we can protect. It adds a great deal to our quality of life. We need legislation that will protect it much more than this legislation does. When will we have a Government which recognizes that destruction of the environment leads to a destruction of our long-term economic welfare? We can take shortcuts with the environment and think that we are saving money, but in the long term it is destructive economically. We need a Government to recognize that. Finally, we need a Government which recognizes that ultimately the total fate of our earth depends upon the protection of our environment. We need a Government that will act.

We will support this Bill when it comes to a vote. It is a step forward but it is a very small step. It does not take the comprehensive view of the environment and the need for regulation that we would have wished our Government to have taken and which the rhetoric of the Government would lead us to expect.

Ms. McLaughlin: Mr. Speaker, I listened to my colleague's very comprehensive review of this Bill. As he says, in principle, it is an improvement. However, it is a misnomer because it is basically a recycling Bill taking into account the old Ocean Dumping Act, the Clean Air Act and the Environmental Contaminants Act. It is not the kind of comprehensive environmental Bill that I think many Canadians have been calling for over a long time.

I would like to focus on one point to which my colleague referred and I will ask for his comments on it. He referred to an article by Mr. Hall in *Probe Post* and the issue of the single chemical approach to environmental pollution. This is a very serious question for consideration. Let us think back to DDT. We recognized the concern for that. We enacted laws to control it but found that it was not controlled internationally—of course, we cannot do anything about that—but there were other equally serious and important pollutants. We have seen other examples of this single chemical approach. There are something like 60,000 chemicals that could be considered industrial chemicals. To try to identify, as my colleague pointed out, and to regulate those chemicals is an almost incomprehensible prodigious task. Mr. Hall in his article gives a good analogy of how feasible the single chemical approach is. He gives the analogy of the Health and Welfare Department where he notes that it is responsible for testing additives and drugs and the quality of those additives and drugs. They number somewhere in the hundreds. It is very difficult for that Department to do that. We are talking, and I reiterate, about tens of thousands. We have neither the resources to test those chemicals in a really credible way that people will feel is a forceful method of addressing the environmental pollution.

• (1610)

Mr. Hall suggests that this approach is simply untenable and unrealistic. The approach should be to simply keep chemicals out of the environment, because testing takes considerable time and the toxicity is often a long-term situation which may not appear in the first test. I would like to ask my colleague what he thinks about this single chemical approach. Certainly it is better than nothing, but is it really the answer?

Mr. Manly: Mr. Speaker, I would like to thank my colleague for the question. Obviously the single substance approach is not going to work. It has not worked over the 10 years since it was introduced. Mr. Hall points out that it is like being surrounded by 60,000 bees and trying to decide which one is going to sting you and where.

Mr. Hall points out that the 19-member team of Contaminants Control Branch took 10 years to assess five chemicals. That adds up to 190 bureaucrat years to write five regulations, or 38 years per chemical. If Environment Canada took all of its 10,000 employees, everyone from the janitors up to the Deputy Minister, and put them to work writing regulations, at 38 bureaucratic years per substance they would be able to write regulations for 260 substances a year when the industry is introducing 1,000 new substances every year.

We are simply falling further and further behind no matter how many people we put into this substance by substance approach. It is not a workable solution. We have to find another approach and I think it has to be that people who are going to be using chemicals have to demonstrate that they are not harmful to the environment.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to rise on behalf of my Party and discuss Bill C-74, the Environmental Protection Act. I believe that the environment issue will crop up in any public opinion poll which tries to determine what is of fundamental concern to Canadians across the country. Concern for preserving and promoting what is essentially a great national jewel is very much a centre-piece of their thoughts. It crosses all lines, be it age, region or cultural background. It strikes a chord in the public's sensitivity to the environment. It is viewed quite correctly as a national heritage which ought to be protected and preserved, not only for our well-being today but for the enjoyment and well-being of those who follow us.

A clean environment is also of great concern because many Canadians perceive pollution as perhaps being irreversible. If it can be corrected, obviously it is going to be at a tremendous cost. Therefore, Canadians think of the environment in a proactive rather than reactive sense. If we react too lightly, not only will it be a great drain on our resources at all three levels of Government, but by the time you develop the political will to combat an environmental problem or hazard, it might be too late. Therefore, the feeling is that now is the best time to do something to protect our environment and correct the problems.

People feel that now is the time to protect the soil which grows our food. Now is the time to protect our rivers and lakes before the damage caused by acid rain, for example, is irreversible. Now is the time to protect our water supply and treat it as a national resource. That is what it is when you compare our water supply with that in other parts of the world.

When they look at our mountains, lakes and forests, Canadians want us as legislators to put in place legislation which will provide effective leadership at the federal level through national standards. Whether you live in British Columbia, northern Ontario, or Atlantic Canada, we must have one standard and one philosophy guiding this great country with respect to the environment. We cannot have environmental legislation which allows the provinces or municipalities to opt out so that you have an environment which is actively protected and enhanced in British Columbia, let us say, and less so in Ontario.

If you accept the premise of my remarks, Mr. Speaker, and I believe you and most Members of this House would, we have to ask ourselves how Bill C-74 fits in with those values and principles which we attach to the protection and enhancement of our environmental backyard. The Minister of the Environment (Mr. McMillan), in presenting Bill C-74, suggested to Canadians that this is the toughest environmental legislation ever introduced in the western hemisphere. Those were his very words, yet over the last number of months he withdrew some of his own amendments and allowed other amendments by government Members which weakened the legislation. In that respect, his words melt like snow on a hot summer's day. If they were ever true, they are no longer true. This legislation should not be heralded as the premier legislation of the western world. That is empty boasting at best. Because of those changes I mentioned it is a weakened, battered and tired piece of legislation. It certainly does not do justice to the press releases being put out by the Government and Minister.

There are a number of different aspects to this situation which give rise to the fragility of this legislation. The first is that this legislation does not—

• (1620)

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I apologize to the hon. gentleman for interrupting him. However, of 282 Members I count seven in the House. I ask that you please take a quorum count.

The Acting Speaker (Mr. Paproski): I do not see a quorum. Please ring the bells.

And the bells having rung:

The Acting Speaker (Mr. Paproski): I do now see a quorum.

Mr. Marchi: Mr. Speaker, I must thank my colleague from the New Democratic Party for inviting more Members to participate in this debate and to listen to my remarks on Bill C-74.

I was just getting to what I think is the first fallacy of Bill C-74, namely, that there is no commitment by the Government or the Minister to try to clean up the current environmental mess. They were prepared to try to regulate toxic materials through industry, but there was no concerted effort or political will to deal with regulatory bodies which in the past have contributed to a number of serious pollution indicators. They are willing to let that go by and try to prevent it in the future.

Our environmental spokesperson, the Member for Davenport (Mr. Caccia), has been an advocate and champion of environmental concerns. His position and that of the Liberal Party is to try to prevent environmental pollution from occurring in the future while recognizing that we must determine now to clean up many parts of our community rather than trying to pass the political buck to future Governments. It is a very serious fallacy for the Government to try to prevent future pollution without acting on existing problems.

The second disturbing aspect of Bill C-74 is that the public was only partially consulted. The provinces closed themselves behind locked doors with the federal Government and the

Minister and worked out a compromise which is not in agreement with the position of all the major witnesses who came before the legislative committee studying Bill C-74.

When the Minister tabled the Bill and made amendments on behalf of the Government, he recognized that in the discharge of its environmental responsibilities the federal Government must not be clouded by any mandatory consulting with the provinces. He recognized the need for unfettered federal leadership in cleaning up the environment and being the leading edge of that reform. It is very disturbing that the federal Government, and eventually the Minister, backed away from that commitment.

The provincial Governments maintained that the federal Government could initiate changes only after they had received provincial approval. That is a very serious step backward. We are not suggesting that the federal Government run roughshod over provincial concerns. That was not the complaint of the witnesses. The witnesses legitimately complained that the federal Government is in essence undermining its moral and legal authority, given to it by the Constitution, to act quickly and decisively when there are environmental issues at stake. It is alarming that the federal Government is prepared to inflict such wounds upon itself. Moreover, the Government did not permit the witnesses an opportunity to discuss that.

In essence, the federal Government was closeted with a number of provincial interests in whose interest it was to push forward this mandatory provincial decision-making in order that they can buy time if a matter arises involving provincial or regional interests. The provinces were, in essence, allowed to write this important clause of the legislation. Those working toward furthering principles of environmental protection, whether in a paid or a voluntary capacity, were left out in the cold.

• (1630)

The Government has essentially retreated from its responsibility toward the environment and the need to act nationally.

This brings me to the third area of concern. The federal Government has given up the right to regulate toxic chemicals federally. There can be no national standard concerning the environment when provinces can either opt in or opt out. That is indeed serious because there will be a checkerboard of standards when it comes to the environment, in which some provinces will be seen to be more progressive than others. That weakens the national fabric in terms of the resolve of Canadians to come to grips with the very serious hazards facing our environment today.

The fourth area of concern to which I want to bring the attention of the House is that the federal Conservative Government gave in to the pressure to change the regulations concerning federal Departments or agencies that pollute. Contrary to the amendments put forward by my colleague, the Member for Davenport, this Bill will require the Minister of the Environment to obtain the concurrence of the Minister whose Department is responsible for the pollution before making regulations to protect health and the environment. That is a very serious concern because it essentially prevents the Minister of the Environment from taking action within his own jurisdiction until he consults with the Minister of Industry, Trade and Commerce, for example, who must regulate some of the firms that are polluting.

The first priority of the Minister of the Environment is to defend and protect his environmental portfolio in Cabinet. The Minister should not have to waste time consulting with another Minister when a firm in another part of the country is contributing to acid rain.

The responsibility of the Minister of the Environment is to stress continually the need to create and maintain a clean environment. A progressive Minister cannot falter in putting the environment first by not only requiring a firm to clean up its act, but by sending a strong signal to his ministerial and government colleagues that there can be no stronger argument than trying to clean up the environment to ensure an environment of which future generations of Canadians will be proud.

I am shocked that the Minister would include in his own legislation a requirement to consult other Ministers from other jurisdictions before attempting to charge a polluter with an environmental crime against our country.

When Bill C-74 was introduced in the House in June, it included a provision to give the Minister of the Environment the power to direct the polluter to pay for the cost of the investigation of the offence. This was a very good provision, in light of the great expense of investigating crimes against the environment. All of the witnesses pointed to this clause as one of the successes of the Bill.

However, the Government caved in to one of its own backbenchers, the Member for Niagara Falls (Mr. Nicholson), who moved to delete this clause. I am sorry that the Minister capitulated because it was a good clause that would have required the polluter to pay the price of the investigation into that environmental crime. It would send a strong signal to other firms and industries that while it is important to create and protect jobs, it is equally important to make the commitment now to protect our environment.

In summary, the Minister withdrew a number of positive clauses from Bill C-74. As well, a number of important elements to the legislation that were offered by our environmental critic were not incorporated into the Bill. I appeal to the Minister to accept some of the amendments put forward by my colleague, the Member for Davenport, in an attempt to strengthen what is an increasingly weaker Bill.

Second, I ask him to reinstate some of his own clauses, rather than distil this legislation by giving more power to the provinces to prevent environmental clean ups. He should ensure that there is a national standard and should reinstate

the clause that would put the onus on the polluters to pay for what they did to the environment.

At least he should try to reinstate clauses that he recognizes are important. I suggest that if he allows this Bill to pass in its present form his credibility as a Minister and his Government's record are clearly on the line.

Ms. McLaughlin: Mr. Speaker, my comment particularly concerns the question of a national standard. That is an extremely important concern that has not been at all strengthened in the legislation, even after the committee review process.

Originally, Clause 37(4) included consultation with provinces and territories. Certainly as one who has spoken often on the need for consultation with the territories and provinces, I do not now speak against that. However, I support my hon. friend in his assertion that there is a need for a national standard because pollutants and pollution do not know provincial and territorial boundaries. There must be at least a minimum national standard in which Canadians can feel confidence if they happen to live in an area where pollution may be occurring.

The Brundtland Commission report, *Our Common Future*, certainly had a great impact on Canadian thinking. It received great support from the Government and the Minister of the Environment (Mr. McMillan). I want to quote the following brief sentence from that report: "National governments should establish clear environmental goals and enforce environmental laws, regulations, incentives and standards on industrial enterprises. This should normally be done at the national level with local governments being empowered to exceed but not to lower national norms".

That is what we are saying about this Bill. The new Clause 33, which addressed this issue of consultation, and the inclusion of Clause 6 concerning the federal-provincial advisory committee not only do not enact a national standard, but even more strongly turn it over to the advisory committee. I would like to ask my colleague what his comments are, since the Minister gave such favourable responses in this House to the Brundtland Commission report, which did just what my colleague has suggested by stating there must be national standards which at least advocate a minimum standard.

• (1640)

Mr. Marchi: Mr. Speaker, I appreciate the question and comments of the Hon. Member for the Yukon (Ms. McLaughlin) who, obviously, because of the region she has the honour of representing, is perhaps as sensitive, if not more sensitive, to environmental concerns, than other Members of Parliament. She is quite correct when she says environmental hazards, pollution and acid rain know no political provincial boundaries. In fact, they know no national boundaries. That is why the opposition Parties, both the New Democratic Party and the Liberal Party, were obviously pushing for more from this administration *vis-à-vis* its good friend the President of the United States. We have to try to clean up our environment from our own perspective, but we also have to begin to educate President Reagan that 50 per cent of the pollution, if not more, and the sulphur emissions with respect to acid rain, come across our borders from the United States of America. Therefore, the Hon. Member's comment about knowing no boundaries is very apropos.

On the question of the Brundtland Commission, I completely concur with my hon. friend that the Brundtland Commission report enjoyed a very positive and enthusiastic reception. Indeed, I had the opportunity of being in the forum of the United Nations when Madam Brundtland tabled her report before the United Nations and, in fact, before the world. There was a tremendously spontaneous and enthusiastic support and reception from various Ministers who were in attendance on this very auspicious day in New York. Perhaps that day heralded a new era *vis-à-vis* the concern about our environment by the international community.

On the question of national standards, I am saddened by the equivalency provisions adopted by the Minister, for example, the ability of the provincial Government to be consulted as a mandatory step before the federal Government can take action. I believe we have weakened the spirit of the Brundtland Commission report, which is to try to have an international code of environmental ethics. When we talk about our own backyard, that is what we are talking about. We are saying we should have a national standard, an ethical definition of what it means to protect our environment.

I believe we cannot simply have a part of the region, or one province, more progressive on environmental concerns than another province. I have a stake in this country. I own the Rockies just as British Columbians own the Rockies. British Columbians own Algonquin Park, just as much as Ontarians do. Therefore, if we accept that we are 25 million shareholders in this one beautiful country, you can see it is in the interests of all of us to have one standard that protects the environment in all regions of the country.

It should be our duty not only as legislators, but as citizens, to protect the environment wherever we live. It is simply unconscionable that I would say I am glad I live in the Province of Ontario where we protect our environment and I really do not care about the Provinces of British Columbia or Saskatchewan. We cannot take that attitude. We have to believe there is one environment, that it is our country, and there should be one law that guides our environmental standards. This Bill does not provide that mechanism. I would hope that the Minister recognizes that because even though the Bill is at third reading, it is still not too late to change it for the better in a way that will protect and nurture environmental protection laws for years to come.

BUSINESS OF THE HOUSE

DISPOSITION OF PRIVATE MEMBER'S MOTION

The Acting Speaker (Mr. Paproski): Before I recognize the next speaker, may I say that I have received written notice from the Hon. Member for Thunder Bay—Atikokan (Mr. Angus) that he is unable to move his motion during the hour of Private Members' Business on Thursday, May 5, 1988. It has not been possible to arrange an exchange of positions in the order of precedence pursuant to Standing Order 39. Accordingly, I am directing the Table Officers to drop that item of business to the bottom of the order of precedence.

Since notice will be removed, the hour for Private Members' Business will be cancelled, and pursuant to Standing Order 39, the House will continue with the business before it prior to that hour until the ordinary hour of daily adjournment.

* * *

GOVERNMENT ORDERS

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. McMillan, that Bill C-74, an Act respecting protection of the environment and of human life and health, be read the third time and passed, and the motion of Mr. Hawkes.

That this question be now put

Mr. Dan Heap (Spadina): Mr. Speaker, I am pleased to have this opportunity to speak on Bill C-74. As has been pointed out, the subject is very important. We have been warned on all sides by national writers, by international critics, by people from many countries and, certainly not least, from people in our own country, that we are in great danger if we do not look after the world we live in. Apart from the damage we may do directly to each other through war or other misbehaviour towards people, there is the damage we do to the earth, the water and the air, without which we do not live. Therefore, the Bill for the protection of the environment is very necessary.

As our country becomes much more industrial, we must take some thought for the protection of the environment, and that will mean spending money. The question of who spends the money is part of the problem. It will cost something to look after the environment. But we certainly know that however much it costs to take care of our environment today, it will be less than what it will cost to clean it up tomorrow. It is for that reason I regret that this Bill is such a weak Bill.

The New Democratic Party will, of course, support the Bill. It is better than nothing. But it could have been a great deal better than it is. Time is running out. If we use only timid methods of correcting our mistreatment of the environment, we may find some day that it is simply too late and the damage is beyond repair.

The main fault in this Bill is that it works basically on the principle of treating each hazardous substance as a sort of court case by itself, in which people who wish to complain against the substance must prove that they personally have been injured physically or financially. They then must show that the injury was caused by that substance. The trouble with that system is that it is too slow. We have heard examples of how long it can take just to test one substance, to write the regulations and put them into effect. We are told that we have at least 60,000 industrial chemicals being put into our environment which have never been tested. We will never catch up with that if we only take them one by one on the basis of complaint, requiring complainants to prove they are injured and the injury was caused by that substance.

It would be far more efficient—not only would it be faster but it would save money—if we used the principle of testing substances before they are released into the environment. Let the producer or the user of the substance do that testing and pay for its cost.

There are some good principles, some good actions in this Bill, and I will mention a few of them. It does give the Government scope to identify toxic substances and to produce a legally effective identification of them. It does give them the ability to screen new substances before they are used in the environment. The trouble is it does not require that. It does give them the ability to ban the export of toxic substances whose use is banned in Canada—that is certainly a good thing to do—or to restrict them if they are restricted in Canada.

• (1650)

Among other things, it protects whistle blowers who find a breach of the environmental regulations and bring it to the attention of the Government. I think that is a very necessary step to take since so many people are subject to intimidation. I am going to come back to that question later, the matter of intimidation.

It also allows the Government to establish boards of review on petition of individuals who are dissatisfied with the regulations. But, as I said, the weakness there is that if it is only a citizen saying: "I think that is harmful", he does not have the right to pursue it in that way until he can prove that he individually or she individually is harmed by that substance. That is far too slow, as I have said.

What the Bill fails to do most notably is to provide standards of environmental quality to say that people shall not be allowed to put certain substances into the air, or put substances in a greater quantity into the air, the water or earth, to set a limit, at least a limit, not a guideline but a limit, a firm limit, and if the person or group is found to violate the limit they are subject to penalty. That is what this law fails to do.

I want to give an example of an extensive experience that I had with the problem of pollution control. As a member of Toronto City Council a few years ago, and Alderman for Ward 6, I was approached by residents of Ward 6 who found

that their homes, their houses, their yards, the air they breathed, the ground their little children played on was being polluted by a lead smelter right next door. It was as close as the space behind the curtains is to the space where we sit in this House. This was an old junk yard which had evolved into a lead smelter for recycling car batteries, which of course is a worthy goal. Car batteries particularly have lead in them which should be recycled rather than just left lying about the city, or wasted by being put into dumps. But they were doing it carelessly. They were doing it in a way that allowed lead dust to escape into the streets around the smelter.

When the residents first came to the Board of Health, the Board of Health said: "We do not have the jurisdiction. Air pollution belongs to the provincial Government". There was a good deal of discussion back and forth about the health effects. There were surveys done. It was found that little children, who are the most vulnerable, had unsafe levels of lead in their blood.

The Board of Health made enough noise about it that finally the Government of Ontario, through its Environmental Protection Department, had to take the matter in hand because it did have legislation dealing with this to some extent.

Then, once the matter started to be investigated, after a year or two of argument and a year or two of continued poisoning of the air, once the provincial Government got into investigating it, enter International Lead Zinc Research Organization, ILZRO. This is an international body supported by the lead and zinc producers. They have a stable of experts who fly around to wherever there is a dispute about lead. It may be in England. It may be in Yugoslavia. It may be in Toronto, Ontario. They will give testimony, sworn testimony, to the effect that a little bit of lead does not hurt, and that really you cannot get rid of the lead out of the world and therefore you should put up with a little bit of lead.

They carried on weeks and months and even years of debate. They ran up quite a bill. They ran up a bill for the provincial Government, for the city Government, even for individual members of the board, because at one point the lead companies, as I say, tried to intimidate us by taking a court action against us. Their court action failed. They withdrew it. But it was a harassment. That is why the idea of a whistle-blower clause is a good thing in this Bill.

My point is that in order to clear up the poisoning of the air caused by one smelter on Bathurst Street, and, as we found, also another smelter on Pape Avenue, at the foot of Pape, it took years of dispute because wealthy companies resisted the clean-up. One smelter was not a wealthy company. The other smelter was part of Canadian Pacific Investments, one of the biggest outfits in Canada, willing to spend any amount of money to prevent the law from being enforced the way it should have been enforced.

This is the kind of thing we are up against. This is why it is unfortunate that Bill C-74 is such a weak law. It does not insist on standards. It talks about guidelines, so that companies will be offered sweet persuasion, which they will laugh at, if it means that they would be required to spend money to clean up. This does not do what many members of the public have asked, to declare a bill of rights. It does not say that people have a right to clean air, clean water and clean earth to live on. It suggests that the polluter may have rights overriding the rights of people whose lives are being polluted, that the polluter should not be required to lose money. That is not what the Bill says, but it is what it implies tacitly by refusing the public request made by many people to write in an environmental bill of rights.

This Bill appears to be ineffective against acid rain in Canada. It does not do much about it.

It is barred from dealing with pesticides, which are a problem, not just in the food producing areas but right downtown in the City of Toronto where it is a question of using pesticides in the parks.

It does not do anything about the nuclear damage to the environment: "Oh, that is somebody else's responsibility". That is being policed by the people, essentially, who make money out of producing nuclear energy and out of producing potential fuel for nuclear weapons. In other words, you put the fox in charge of the hen-house.

It does not do anything about the over production of packaging materials. A paper bag is not a toxic substance. But the amount of garbage, which is mostly packaging, is a very serious pollutant to the environment of our cities. This does nothing to reduce that.

We have a very weak law. It is made even weaker by the fact that the Minister of the Environment (Mr. McMillan) is prohibited from taking action on these matters until he has consulted all the relevant provincial Ministers, and until he is satisfied that there is one or more of them that is not going to take action that would come up to the expected goals of the federal laws. The federal Minister is required to offer that consultation within 30 days, but there is no time limit within which the provincial Ministers must answer. They can delay and delay and say, "We are thinking about it. We are talking with the polluting industries. Give us more time", and the pollution goes on and on. The staff work and the cost of the work goes on and on, but there is no action. There is nothing to require provincial Ministers to answer within a certain time, "Yes, we have done it", or "Yes, we are going to do it within a certain time", or "No, we are not going to do it". Therefore, the federal Minister will find himself tied hand and foot when he wants to take some type of action.

• (1700)

A further problem is that the consultation program as carried on by the provincial Governments, and I give the example of Ontario in connection with the lead and zinc organization, can carry on quite indefinitely. I have mentioned this action that was carried out in the 1970s. In 1973 we began it, and to this day the problem of lead in the soil has not been fully corrected. That is 15 years later. There is lead in the soil

of the houses near those smelters. In spite of the orders of the city board of health and the provincial Government, in spite of lawsuits back and forth, in spite of innumerable tests conducted by provincial officials of the environment, the lead is still in the soil. In some cases where soil was removed and replaced with lead-free soil, more lead has been put into the soil by the same offending smelters.

That is the type of delay and log rolling that wealthy companies will use to prevent a law like this from becoming effective. To give them a two-tiered method of defence that first they can block the provincial Government, then they can force the provincial Government to block the federal Government, is simply asking for inaction in most cases.

We have heard reference to the very good principle stated by the Brundtland Commission to the effect that the standards should be national and they should be enforced nationally. Of course we have a divided jurisdiction between provincial and federal, but in a matter of national importance, which this is, that is no reason for essentially handing over control to provincial Governments and therefore to provincial private corporations that can dominate those Governments. There must be strong action by the national Government to prevent further pollution of the environment.

Of course this Bill will pass and we will support it. If somebody owes you a dollar and they are going to give you two cents, you do not refuse the two cents. This is worth approximately 2 per cent of the type of Bill that we ought to have and could have. We will accept it as far as it goes, but we are saying that it does not go anywhere near far enough to begin correcting the problems that we have with the pollution of our environment. It does not stand up to the industrial corporations that prefer to dirty one part of the world, and when it is impossible to live in or when it has removed everything that it wants, it moves on and dirties another part of the world. This Bill will not protect any part of Canada from that type of international thuggery by the corporations that have no respect for the environment when it comes to making money out of it.

We will be supporting the Bill, but I very much regret that the Government has produced such a weak Bill, and even weakened it a little since it was first written. I hope that the Government will reconsider some of its negative decisions on this Bill.

Mr. Skelly: I listened to the speech of the Hon. Member for Spadina (Mr. Heap), and I certainly identify with the remarks and his very cogent and intelligent analysis of the weakness in the legislation.

In a comment, I would like the Hon. Member to respond to the very real situation of environmental concern where 35 tonnes of concentrated sulphuric acid was inadvertently leaked from a pulp mill in the Campbell River area. This situation pointed to some very serious shortfalls in the manner in which the environment is protected, and certainly it would be our hope that legislation such as this could prevent it. It would provide the tools in order that the federal Government could require those companies to put in place the mechanisms that would prevent those types of inadvertent spills and contamination of the environment. In this particular case, it would be a simple matter of holding tanks and settling tanks where the materials would not escape directly into the environment. That provide people with a back-up to impose a safety situation in this area, and also in the settling tanks would provide additional and more careful treatment of materials that are eventually released into the environment.

The Hon. Member for Spadina may be able to comment on the seriousness of this particular case, or perhaps other Members of the House might add a comment at this particular time. I know the Minister of Fisheries and Oceans (Mr. Siddon), who is present and has been apprised of the situation, might be in a position to give the House a comment on that particularly serious situation.

Mr. Heap: I am not familiar with the details of the incident described by the Hon. Member. There is no question that it is a very serious failure to dump 35 tonnes of sulphuric acid in that manner.

I would compare that situation with the one I have already described in which, after it was well established that lead was harming the little children of the neighbourhood, it has still taken years to force a wealthy company to clean up the lead pollution. There is no question about the harm done. There is no question about the source of the harm. Yet after 15 years it is still extremely difficult to get those companies to spend money. The companies spend some money, but they will not spend enough to keep their operation from poisoning the neighbourhood.

In this case, since the matter concerns the fisheries, I am sure the Hon. Minister of Fisheries and Oceans (Mr. Siddon) is fully aware of the situation described by the Hon. Member for Comox—Powell River (Mr. Skelly), and has given it very careful thought. My colleague believes that the Minister of Fisheries would want to respond. I certainly have faith that the Minister would do that. It has been suggested that I yield the floor to him to do so now.

The Acting Speaker (Mr. Paproski): On another question, the Hon. Member for Regina West (Mr. Benjamin).

Mr. Benjamin: Mr. Speaker, when one looks at the contents of the Bill it calls for consultation with the Premiers. Could my hon. friend give us his view about whether there is any prospect whatsoever of agreement by the Premiers. My experience has been that they do not even agree on the time of day. All one has to do is to look at Newfoundland and Saskatchewan. Is it the view of the Hon. Member that the national Government should be setting national standards rather than attempting to get some type of unanimity out of the provinces? I wish to remind my hon. colleague that the territories are not even mentioned, only the provinces.

The Acting Speaker (Mr. Paproski): Order, please. I would hope that the Hon. Member would address the Chair.

• (1710)

Mr. Benjamin: Certainly. I would also ask my colleague to comment on any differences he might be aware of as between standards put in place by the Province of Ontario, or any other province, and those that are put in place at the federal level.

The Acting Speaker (Mr. Paproski): The Hon. Member for Spadina (Mr. Heap), in response.

Mr. Crosbie: What about the Hon. Member over here?

The Acting Speaker (Mr. Paproski): I shall recognize the Hon. Member for Richmond—South Delta (Mr. Siddon) after the Hon. Member for Spadina answers the question.

Mr. Heap: Mr. Speaker, perhaps I did not make myself clear. I was suggesting that the Hon. Minister of Fisheries deal with the question raised by the Hon. Member for Comox—Powell River (Mr. Skelly); and if it is in order, I would be glad to have him make that response now.

The Acting Speaker (Mr. Paproski): That is not in order. However, it would be in order for the Hon. Minister to comment on your speech now, if in fact he has any questions or comments in relation to it.

The Hon. Minister for Fisheries and Oceans (Mr. Siddon), on questions or comments.

Mr. Siddon: Thank you, Mr. Speaker. I am pleased to have the opportunity to respond—

Mr. Benjamin: A point of order, Mr. Speaker.

Mr. Siddon: —to respond to a matter—

Mr. Benjamin: On a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): We are now at the stage of questions and comments in relation to the speech made by the Hon. Member for Spadina (Mr. Heap)—

Mr. Benjamin: That is right, and the Minister neither put a question nor made a comment.

An Hon. Member: If you would sit down and listen, you will hear a question or comment.

The Acting Speaker (Mr. Paproski): Order, please. I have recognized the Hon. Minister on a question or comment, and I would ask that he be permitted to proceed without interruption.

The Hon. Member for Regina West has been a Member of this House for many years, and he knows the process.

Had I seen the Minister rise in his place before recognizing the Hon. Member for Regina West, I would have given him the courtesy of asking him to proceed first.

I shall now recognize the Hon. Minister on a question or comment in relation to the speech already made by the Hon. Member for Spadina, following which I shall recognize the Hon. Member for Regina West.

Mr. Benjamin: But he is only asking his question now. I have already asked my question.

The Acting Speaker (Mr. Paproski): The Hon. Minister, on a question or comment.

Mr. Siddon: Thank you, Mr. Speaker. I am pleased to have this opportunity to make a comment on the important and exceptional speech made by the Hon. Member for Spadina (Mr. Heap) in respect of Bill C-74, a Bill which will establish, for the first time in Canadian history, an important regime for centralizing the management of the Canadian environment. We risk further degradation of the environment and irreversible damage if we do not soon bring abuse of the environment under control.

This Government, and particularly the Minister of the Environment (Mr. McMillan), attach such importance to the problems of the environment that we have brought forward Bill C-74, the aim of which is to create a more effective regime for ensuring a balance between necessary industrial development and the need to protect the environment.

As was pointed out by the Hon. Member for Comox—Powell River (Mr. Skelly), in responding to the remarks of the Hon. Member for Spadina, there was indeed a serious spill of sulphuric acid, in a fairly concentrated form, into Discovery Passage, near Campbell River, British Columbia. This "leak", as it was called by the offending company, apparently occurred on or about the 20th of March last, but was not reported to my officials until around April 20, with the report coming from a Member of the Pulp and Paper Workers Union. Within two days of that report coming in, a proper account of the incident was given by Crown Forest Products, the company in question, to the B.C. Department of the Environment.

Under the federal Fisheries Act, effluent offences, or alleged effluent offences, are administered by the Minister of the Environment, with the actual task of ensuring adherence to the applicable standards being delegated to the provincial governments. In this case, there appears to have been a serious discharge of something in the order of 31 tonnes of sulphuric acid, not 35 tonnes, as mentioned by the Hon. Member. The incident is under intensive investigation at the present time.

I am very concerned that a discharge of such magnitude could have gone unreported for a full month, and it is a matter in which I am taking a very intense interest. The area in question is a very important one in so far as the fishery is concerned, both recreational and commercial.

Once I have the results of the investigation in hand, I shall take appropriate action at the earliest possible time.

The Acting Speaker (Mr. Paproski): The Hon. Member for Spadina, in response.

Mr. Heap: Mr. Speaker, I wish to respond, briefly, to the point raised by the Hon. Member for Regina West (Mr. Benjamin) in respect of the consultation process.

What I find most discouraging is the fact that, under the legislation, the Minister will not recommend a regulation unless he is satisfied that not all of the Governments of the provinces are prepared to implement, by or under provincial law, provisions substantially the same as those contained in the regulation.

In other words, if the Minister finds that nine of the provinces are doing it but one is not, he may go ahead, or perhaps even "shall" go ahead. But how long is he going to take in consultation with the provincial Ministers? If he gets a less than satisfactory answer from the current Minister, will he await a change in cabinet responsibilities in that province and consult the new Minister? How long will the consultation process take?

That aspect of it is very unsatisfactory. While the federal Minister operates under a time limitation, the provincial Ministers do not. As a consequence, that particular clause of the legislation amounts to an invitation to do nothing at all, so long as the federal Minister finds that at least one province is still hanging in the air on a given question.

The Acting Speaker (Mr. Paproski): The time for questions and comments is now terminated. On debate, the Hon. Member for Chambly (Mr. Grisé), the Parliamentary Secretary.

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I welcome this opportunity to speak to a Bill that is so important to the Canadian people, and whose purpose is to protect the environment, life and health of all Canadians. The Canadian Environmental Protection Act is a very important piece of legislation. In fact, for the first time in more than ten years, the Government has tabled major legislation that constitutes a commitment to protecting the environment for present and for future generations. The Bill deals, of course, with air pollution and the contamination of waterways, land and the oceans. It provides the authority to regulate toxic substances, whether organic or inorganic, animate or inanimate.

Mr. Speaker, this Bill also tells everyone that polluting the environment is a crime punishable by law. And we have our work cut out for us, because once this legislation is adopted by Parliament, its provisions still have to be enforced.

We realize this, and last week, the Prime Minister (Mr. Mulroney), when he met the President of the United States in Washington, was very serious in his discussions about protecting the environment, about acid rain and about other areas of concern as well. We realize this, Mr. Speaker. We have earmarked $37 million for this purpose and set up investigation services in all regions.

Mr. Speaker, there has been a great deal of discussion about Bill C-74. On second reading, twenty-four Members spoke to this Bill. The Legislative Committee met twenty-seven times. One hundred and forty-six amendments were approved. At the report stage, forty-one Members spoke to the Bill, and we are now at the third reading stage and we have already had nearly seven hours of debate. And it seems that we will need more, and that we will have to continue the debate on this important Bill.

• (1720)

[*English*]

Therefore, Mr. Speaker, I move:

That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of third reading of Bill C-74, an Act respecting the protection of the environment and of human life and health.

The Acting Speaker (Mr. Paproski): The House has heard the terms of the motion moved by the Parliamentary Secretary to the Deputy Prime Minister (Mr. Grisé). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): According to the provisions of Standing Order 9(4)(b), if 15 or more Members rise in their places to object the motion is defeated.

Shall the motion carry?

And more than 15 Members having risen:

The Acting Speaker (Mr. Paproski): Since more than 15 Members have risen, the motion is deemed to be withdrawn.

Are there any questions or comments?

Mr. Riis: Mr. Speaker, I have a question for the Hon. Member. First, I want to indicate that out of 208 Progressive Conservatives there are fewer than 20 in the House of Commons at the moment.

The Acting Speaker (Mr. Paproski): The Hon. Member has been a long-time Member of this House and knows why I am rising. He should not bring to the attention of anyone or even the television audience the presence or absence of Members in the House. There are televisions in the lobbies where Members may be watching the debate. I hope the Hon. Member will please not comment on who is or is not in the House.

Mr. Riis: Mr. Speaker, it is unfortunate that the Government does not want to debate the issue of the environment. This is one of the very few opportunities we have had in the last four years for Members from all sides to speak on this issue. I do not think I have heard a single government Member speak on this important legislation in the last few days.

An Hon. Member: They are ashamed of their record.

Mr. Riis: The Government is ashamed of its record, no question. The Government now wants to muzzle and curtail debate and invoke closure.

Mr. Shields: Mr. Speaker, I rise on a point of order. We just moved a motion to extend hours so the debate could continue. The Hon. Member and his Party refused that offer.

The Acting Speaker (Mr. Paproski): That is not a point of order. I believe the Hon. Member for Kamloops—Shuswap (Mr. Riis) was questioning or commenting with regard to Bill C-74. If Hon. Members want to discuss House business, I would appreciate it if they would do so outside the Chamber.

Mr. Riis: Mr. Speaker, it is unfortunate that with such a large majority the Government cannot manage the business of the House in a more productive and businesslike way. That is another problem for another debate, as you have indicated, Mr. Speaker.

One of the proposals which the New Democratic Party originally put forward in 1980 with the previous administration and now with the Progressive Conservative Government was the suggestion that we ought to take steps to move low sulphur coal from eastern British Columbia, western Alberta and Saskatchewan to provide coal for Ontario Hydro.

Mr. Shields: We are working on it.

Mr. Riis: The Hon. Member for Athabasca (Mr. Shields) said the Government is working on it. The Conservatives have been in Government now for almost four years and we ought to have seen some progress.

The trade deal which the Government is about to sign would make it impossible to strike an arrangement that would transfer coal from the West for Ontario Hydro. The thousands of jobs it would create are very important, but today the issue that is important would be the environmental implications of that transfer of coal. If that coal were to be moved from western Canada to Ontario Hydro, it would be lower in sulphur than the present coal that is imported from the United States. Consequently, the creation of acid rain would be significantly reduced as a result of the burning of that western coal

I have a question for the Member who is concerned about environmental issues. When it comes to fighting acid rain—we have not seen a single initiative of any substance by the Government yet—why does not a representative of the Government rise today and say, "We are committed to moving low sulphur western coal which will create thousands of jobs for Canadians and result in a significant reduction in acid rain in Canada", rather than prolonging the discussion year after year after year and taking no action? Eventually a trade deal with the United States will prohibit the Government from ever making that announcement.

[*Translation*]

Mr. Grisé: Mr. Speaker, the Hon. Member for Kamloops—Shuswap (Mr. Riis) is accusing this Government of trying to muzzle the Opposition, while in fact, the exact opposite is happening, because when I personally moved a motion to extend the debate today, fifteen Members of the New Democratic Party rose to object to the motion. There were also six Liberals, Mr. Speaker. Was it . . .

[*English*]

The Acting Speaker (Mr. Paproski): I am going to bring to the attention of the Hon. Member that he should not indicate the number of people in the House. I hope he will just put his question or make a comment.

Mr. Grisé: Mr. Speaker, I am going directly to the point; and I want to thank you for your comments.

[*Translation*]

So I was saying, Mr. Speaker, that we really want to continue this debate, and that is why we moved the motion. As for the most important part of the question asked by the Hon. Member for Kamloops—Shuswap (Mr. Riis) . . .

[*English*]

As far as the transfer of coal from British Columbia to Ontario Hydro is concerned, there is some activity now for the transfer of coal from B.C. to Ontario Hydro, and it is my understanding that this will improve in the coming months.

As for the comments of the Hon. Member for Kamloops—Shuswap (Mr. Riis)—

[*Translation*]

. . . he says he is concerned about the impact of the free trade agreement on the environment. Mr. Speaker, obviously, the only favourable impact the free trade agreement has, as far as the NDP is concerned, is on the electoral district of Oshawa.

[*English*]

There is nowhere else. The only place where free trade is good for the NDP is in Oshawa.

[*Translation*]

Mr. Nystrom: Mr. Speaker, I also have a question for the Hon. Member for Chambly (Mr. Grisé). I too have often spoken from my side against the Reagan-Mulroney Accord. It is not good at all for Saskatchewan and all families where I come from are against it as are all families in Quebec. As the Hon. Member knows, I know Mr. Jacques Proulx, president of the UPA, very well, and he is opposed to the Accord. The Hon. Member for Bellechasse (Mr. Blais) attended a meeting of the UPA only a few months ago. But, Mr. Speaker, that is not at all the debate here; the issue is free trade, it is the environment and our Prime Minister said that he had a special relationship with Mr. Reagan. He often spoke about acid rain. But the Prime Minister suffered a great failure, because he did not at all convince the President of the United States to come up with something positive on acid rain. Perhaps the Hon. Member across the way could explain to the House why the Conservative policy on acid rain, which is so important for Quebec and throughout Canada, was a big failure. Despite the special relationship between the Prime Minister and Mr. Reagan, two very conservative gentlemen, there was a big failure. Why?

• (1730)

Mr. Grisé: Mr. Speaker, I am sure the Hon. Member for Yorkton—Melville (Mr. Nystrom) has not been in Quebec for some time, and if he did so, he probably went straight to the office of the UPA, because if you talk to the people in Quebec ridings, especially in the riding of Chambly, they will tell you they are very much in favour of the free trade agreement with the United States.

As far as environmental policies are concerned, this is the first Government in ten years to introduce a sound piece of legislation on the environment, and not just in Quebec but in Canada. This legislation will benefit the entire population of Quebec which is very concerned about the environment, one example being the damage to our maple stands and the impact on maple products in the Bois-Francs and Beauce regions. This is very important. We also have our waterways. Mr. Speaker, you know how important these waterways are to Quebec. This Government was the first Government to invest $37 million to help clean up our waterways, to protect the environment and prosecute those who pollute the environment in this country.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now expired. Resuming debate. The Hon. Member for Regina West (Mr. Benjamin).

[*English*]

Mr. Les Benjamin (Regina West): Thank you, Sir. *Dai brozja, tovarich.* I want—

The Acting Speaker (Mr. Paproski): That translates into "good luck to you, Mr. Speaker", just in case *Hansard* did not receive the Hon. Member's words.

Mr. Benjamin: I said that because I noted that you were nominated the other day and I wish you good luck in "Redmonton".

I want to begin by reminding my hon. friends on all sides of the House that every time we deal with the matter of our environment we forget that neither we in this House nor any other Canadian has any right to continue to pollute our air, our water, our land, degrade our forests, our wildlife or our fishery. I pose the question: Who the heck do we think we are that we can leave for our children and grandchildren the mess that we have left? The longer we leave it, the more it costs to clean up.

I look upon this Bill as a half measure, half-baked, and I know I have to watch my language so I will have to say, half rear ended. The Government should be laying down a national standard which every province, every municipality, indeed every citizen would have to abide by. Since we have no right to leave that mess for succeeding generations, and because we are all going to have to share in the cost of cleaning it up, it will mean higher taxes for individual citizens, it will mean lower profits for corporations, and it will mean a smaller dividend for shareholders. However, we all must share in the cost because we have no other choice.

That means, Sir, that leadership must come from our national Government and Parliament. If some province or other wants to do less than that, that is too bad. The province that does not want to measure up with the rest of Canada should meet national standards, and I profoundly believe that the overwhelming majority of Canadians would agree with that, no matter what political Party is in power in Ottawa. This concerns the welfare of our country. It is in the national interest, it is for the public good and, most important, it is in the interest of succeeding generations.

I could go through a list of half a dozen things in this Bill which I think are very good. However, when it comes to the crunch, the federal Government is abdicating its responsibility and the responsibility of Parliament. It will leave it up to more studies. It will leave it up to the provinces and consultation. As I said in a question to my colleague from Spadina, the provinces cannot even agree on what time of day it should be. Anyone who thinks they are going to get unanimity on national environmental standards among 10 provinces and two territories is dreaming in technicolour. No matter the political stripes of those respective Governments, you are not going to get it. We need a national Government with the political courage to set down national standards, and anything that moves across a provincial border has to be covered. I do not see how it can be any other way if we are to have any kind of success over the next 15 or 20 years in cleaning up our air and water.

My colleague from Kamloops—Shuswap raised with the Hon. Member on the government side the matter of the use of low sulphur coal. After all the noise we heard from the previous Government and the present Government, the lovey-dovey love-in between our Prime Minister (Mr. Mulroney) and the President of the United States on acid rain, for the fourth time, Canada has increased its own tonnage of acid rain fall-out over the last 20 years. Until 1960, Canada had a far smaller tonnage of acid rain, in fact it had the lowest fall-out. That is because from your province, Mr. Speaker, from mine, and from eastern British Columbia we moved anywhere from five to 20 trainloads of low sulphur western coal a day to Manitoba Hydro, Ontario Hydro, and even some to Quebec Hydro. I do not think there is one coal mine left open in the entire Drumheller Valley where there is a 200 or 300-year supply of low sulphur coal. There may be a very small amount moving out of the Crowsnest Pass coal mines but most of Blairmore, Coleman, and Crowsnest are shut down.

• (1740)

In southern Saskatchewan you need strip off only six to 20 feet of earth to find the lignite coal, but the only coal we are using is for the Saskatchewan Power Corporation. As I understand it, that coal has the lowest sulphur content of any coal in western Canada, and there is a 200 or 300-year supply right there just beneath the surface as well.

Until 1960, the federal Government paid the railroads a subvention. I am sure that my hon. friend, the Minister of State for Grains and Oilseeds (Mr. Mayer), knows about this and understands it. Until 1960 we paid a subvention of up to $5 a tonne, which was really a subsidization of the transportation costs to move that coal from western Canada to central Canada. That has gone by the boards.

With a few dozen coal mines shut down in western Canada we are bringing high sulphur coal up from Kentucky and Virginia which are, of course, closer, which means that the transportation costs are lower. Where are the priorities of Canada? If we want to do something about acid rain, why, in heaven's name, are we burning high sulphur coal in Ontario brought in from the eastern United States when there is Canadian coal lying in the ground?

I see the new Minister for International Trade (Mr. Crosbie) here. I hope he does better with that portfolio than he did with Transport. He is a nice fellow. I know he is competent and capable, but methinks he has a problem. The Minister might want to get up and correct me, and if I am wrong I am sure he will be anxious to do so. However, I suspect that if we provide a subvention of $5, $10, or even $15 a tonne to take western coal to Ontario Hydro, it will be a violation of the Reagan-Mulroney trade deal, it will be considered an unfair subsidy.

Any sovereign nation worthy of its nationhood and independence will not allow the Government of another country to decide what it can or cannot do. We want to do something as essential as reducing acid rain and cleaning up our air, yet we allow another nation to dictate to us, and the Government is dumb enough to sign a trade agreement which prevents us from using coal from western Canada. That is traitorous behaviour in my books. That is a betrayal of our nationhood. We have no excuse for doing that. We have no excuse for being party to an agreement which prevents Canada from using its own coal from the West in central Canada because the Americans do not like it.

Every time we provided transportation assistance on commodities in Atlantic Canada or western Canada it was to take into account our geography, climate, location of population, and location of resources. We tried to provide equitable treatment. We do not want to discriminate against people because of where they happen to live or where they happen to produce a resource. This goes back to the Crowsnest Pass Agreement of 1897 and other programs funded by the national Government in the 1870s and 1880s. We recognized the handicap we have because of our geography, climate, and location of population.

This has now gone by the boards. We no longer have the capacity as a nation to carry out our responsibilities in the name of our own national interests and our own public good. Clean air is a public good from coast to coast and from the 49th parallel to the North Pole.

These so-called Canadians who sit on the government side and on the treasury benches are weak-kneed and lily-livered. I am tempted to buy those nice, thick knee pads that my mother used when she scrubbed floors and send a pair to the Prime Minister (Mr. Mulroney) in case he makes another trip to Washington. I feel embarrassed, betrayed, and outraged as a Canadian that they would be party to something which prevents us from doing things in my province, your province, Mr. Speaker, and in British Columbia, which the whole nation needs. I call that traitorous behaviour.

The Government sits by and relies on the beautiful word "consultation". It has been consulting and consulting. Every time the Government has consulted, whether with the U.S. or the provinces, it comes back to Ottawa and says that since some of the people with which it has consulted do not like the measures, it will water them down.

My hon. friend, who is bellowing like a bull moose in fly time—

Mr. King: At least I am saying something sensible.

Mr. Benjamin: —needs to be reminded of something from the earliest days of the trade union movement in this country, from which ranks I come. It was the trade union leadership of this country which, for over 100 years, stood up for the protection of the environment, for safety and security, for the rights of individual Canadians and for the health and welfare of Canadians. Conservative Ministers of Finance would ask whether we thought money grew on gooseberry bushes. I remind my hon. friends that on September 6, 1939, they found the gooseberry bush containing a whole pile of money. For what? For war.

• (1750)

Why not do the same thing as we did following the declaration of war, except call it a declaration of peace and spend $1 billion a year to clean up our air and water? We would all share in the costs, both directly and indirectly, because we are the ones who should pay, not our children, grandchildren and great grandchildren. That is what should be in this legislation.

There should be national standards. Expert environmentalists, scientists, the Canadian Labour Congress and the NDP are all calling for those national standards.

Mr. King: You will not have to pay for it.

Mr. Benjamin: The Hon. Member asks how you will pay for it. That is the same line we heard in the "Dirty Thirties". Let

me inform my colleague that one of those nuclear submarines will pay for it. Why are their priorities so skewed that they will place greater priority on a nuclear submarine than on clean air and clean water? Who do we think they are?

Mr. King: We live in a real world.

Mr. Benjamin: We have no right to give greater priority to a nuclear submarine than to clean air and clean water. I ask my hon. friend to get up and say who he thinks he is, with that kind of priority. Where has he been? He sounds like the Tory of the 1930s and 1880s: "Where are you going to get the money?"

Mr. King: I didn't ask that. That is your question.

Mr. James: Where were you on property rights the other day?

Mr. Benjamin: My hon. friend's property is not worth a damn when it's being polluted with acid rain. It is not worth a darn when the land is no longer any good and the forests are gone. It is in his best interests to make sure that his property is safe and preserved through national environmental laws and standards that achieve what must be done before the end of this century.

Ms. Dewar: Mr. Speaker, the Hon. Member talks vehemently and passionately about the environment. Yet we hear questions about where we will get the money.

I want to ask him a question about his own province. When talking about generating the necessary power that we need in society, particularly in industrialized areas, the Hon. Member says that it can be provided by non-polluting, low sulphur coal from Saskatchewan. Is this not something that would generate the economy not only in Saskatchewan but in central Canada and the West? While we are trying to protect our environment, we should also try to provide economic development. Has the Hon. Member considered the implications of developing the low sulphur coal in Saskatchewan?

Mr. Benjamin: Mr. Speaker, I thank my colleague for her question. Many of those huge machines that dig coal in Saskatchewan are made in central Canada. If Ontario Hydro used the lignite coal from Saskatchewan, we would probably require another 12 machines. These are monstrous machines that will lift 25 to 50 tonne loads in one scoop.

Furthermore, if they began using low sulphur coal in central Canada for hydro generation and other industrial uses, I suspect that Stelco and Algoma could convert some of their remaining coal-fired furnaces. That would reduce the acid rain fall-out from Canada, which would reduce the amount of money that must be spent by Ontario and the federal Government to clean up the air. That is an example of the multiplier effect.

It creates employment not only in the coal mining industry but in manufacturing and transportation. Of course, there would have to be some conversion of power plants in Ontario back to low sulphur coal.

Incidentally, the use of low sulphur coal would result in less money being spent on scrubbers. The cost of installing the latest technology in plants using high sulphur coal is substantially higher, which Ontario Hydro, hydro users and the Ontario Government will have to pay.

It seems to make sound business sense, sound economic sense, and sound environmental sense. I am amused when socialists have to tell those Tories about sound business practice. I would not let them manage a chicken coop when it comes to environmental matters.

Mr. Hovdebo: Mr. Speaker, I want to change the area of discussion somewhat. One of the weaknesses of the Bill is that it exempts the Pest Control Act from the new environmental protection law. That concerns us on the Prairies because it has the effect of completely neutering the control of agricultural chemicals in the food supply.

Researchers have concluded that 86 per cent of non-occupational exposure comes from food, 11 per cent from drinking water and 3 per cent from air. This legislation does not take into consideration the whole question of how chemicals get into the food chain and cause problems.

The Acting Speaker (Mr. Paproski): Before I call it six o'clock, may I note that the Hon. Member will have four minutes remaining for questions and comments when debate resumes on Bill C-74.

It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock, pursuant to Standing Order 3(1).

The House adjourned at 6 p.m.

HOUSE OF COMMONS

Thursday, May 5, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's response to eight petitions numbered as follows: 332-4185, 332-4187 to 332-4191, inclusive; 332-4211 and 332-4213.

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

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SCRUTINY OF REGULATIONS

PRESENTATION OF NINTH REPORT OF STANDING JOINT COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have the honour of tabling, in both official languages, the Ninth Report of the Standing Joint Committee for the Scrutiny of Regulations.

Pursuant to Standing Order 99(2), the Joint Committee requests that the Government table a comprehensive response to this report.

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

* * *

[*English*]

STATUS OF DISABLED PERSONS

AUTHORIZATION TO VIDEOTAPE COMMITTEE PROCEEDINGS

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there have been discussions among the Parties and I think you would find that there is consent to put the following motion immediately without notice. I move:

That the Standing Committee on the Status of Disabled Persons be empowered to videotape its proceedings of Monday, May 30, 1988 and that an edited version be used solely for educational purposes.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

• (1110)

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty, in accordance with Standing Order 106, to present a petition signed by some 200 residents of the constituency of Spadina and nearby in Toronto. They point out that Canadian sovereignty is threatened by the proposed trade deal between the Prime Minister (Mr. Mulroney) and the President of the United States, for which the Prime Minister has no mandate.

Further, it would reduce Canada's ability to plan the programs we need for economic, social, and cultural needs, and would integrate us further into the North American defence industrial base.

Therefore, they request that Parliament make sure that there will be a debate in a national general election before this agreement is finalized.

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Norman Warner (Stormont—Dundas): Mr. Speaker, it is my honour to present a petition on behalf of many residents of Stormont—Dundas concerning schizophrenia and the amount of money presently being spent. Over one per cent of the Canadian population is affected by this disease, and the petitioners hope that the Government would encourage further research in this area.

Order Paper Questions

PROHIBITION WITH REGARD TO KNIVES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, once again I rise to present a petition with respect to the problem of killings and injuries as a result of people carrying knives.

I have petitions from residents of Burnaby, Surrey, Langley, New Westminster, Vancouver, and Richmond, British Columbia, as well as from other cities across the country. I hope the Minister of Justice (Mr. Hnatyshyn) will respond.

The petitioners state that whereas the incidents of crimes committed with knives, including murder, robbery and sexual assault, are on the increase in all major cities across Canada, and the federal Criminal Code and court decisions allow citizens to carry knives, and whereas the carrying of knives by persons in public places is directly responsible for a variety of crimes, therefore these petitioners call upon Parliament to amend the federal Criminal Code to prohibit the carrying of knives by citizens in public places, except for those where knives are an integral part of legitimate work or carried for religious reasons, such as with the Sikh religion.

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the honour to table a petition in the name of some 200 constituents. They ask the House of Commons to encourage further research into schizophrenia because it is a major illness in Canada affecting about 1 per cent of the population, causes severe mental anguish and suffering to the patients and their relatives, and costs Canadian society more than $3 billion annually.

The petitioners state that recent research findings obtained in Canada have shown the illness to be a biochemical brain disorder, in part caused by genetic malfunction. Schizophrenic patients, their relatives and friends desperately hope that a cure and method of prevention can be found as soon as possible through larger research efforts dedicated to schizophrenia.

Whereas the research effort in Canada dedicated to schizophrenia is very small and not commensurate with the seriousness and cost of the illness in Canada, the undersigned petitioners humbly pray and call upon Parliament to make sure that the research efforts on schizophrenia in the future will be commensurate with the seriousness of this illness in Canada.

NORTHERN TAX ALLOWANCE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, pursuant to Standing Order 106, I am pleased to have an opportunity to present a petition on behalf of a number of constituents. They are concerned about the way the Government has handled the determination of those areas eligible for northern residents tax benefits. They see no rhyme nor reason for which communities are in and which are out, particularly those south of 55.

They are asking that Parliament declare all communities in what it calls Tier 3 ridings across Canada eligible for the northern residents deduction.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CANADIAN ENVIRONMENTAL PROTECTION ACT

MEASURE TO ENACT

The House resumed from Wednesday, May 4, consideration of the motion of Mr. McMillan that Bill C-74, an Act respecting the protection of the environment and of human life and health, be read the third time and passed, and the Motion of Mr. Hawkes:

That this question be now put.

The Acting Speaker (Mr. Paproski): When the House rose yesterday there were four minutes remaining for questions and comments on the speech by the Hon. Member for Regina West (Mr. Benjamin).

Mr. Riis: Mr. Speaker, I listened with interest when my hon. friend was making a delightful presentation on the environmental protection legislation. He has been a Member of the House of Commons for a number of years and has seen successive Liberal and Conservative administrations. In fact, he will be celebrating his twentieth anniversary here in just a few days.

Today we are debating the environmental protection Bill brought forward by the Government. While we plan to support it because it is a small step forward, will he pass some judgment on why we have waited so many years to debate the introduction of an environmental protection legislation? What have successive Conservative and Liberal administrations done in this regard?

Mr. Benjamin: Mr. Speaker, I thank my colleague for his question and his comments about my twentieth anniversary here. I wish I looked and felt 20 years old. My hon. friend is perfectly correct that I have seen Governments and Ministers of Environment come and go.

The main reason there has been slow and inadequate action in Canada is that this Government, like previous Governments, believes that the so-called market forces, free enterprise principles, and business practices should take priority. As long as there is a buck to be made, the control of dangerous and hazardous products will take second place.

For example, this legislation exempts pesticides used on farms. As my hon. friend, the Hon. Member for Prince Albert (Mr. Hovdebo) pointed out yesterday, 86 per cent of non-occupational exposure to pesticides and herbicides comes from our food, 11 per cent from our water, and 3 per cent from air. Obviously it has been apparent for many years that the vulnerability of every citizen to the bad effects of these substances is still very high.

I do not know why this legislation would exclude substances that are regulated by other Acts of Parliament because it should encompass all of them. Emissions from motor vehicles are excluded from this legislation because they are the jurisdiction of the Department of Transport. Pesticides and herbicides are excluded from this legislation because they come under the Pest Control Products Act.

We have a multiplicity of legislation scattered through several Departments, and one does not know what the other is doing. There is conflict among the Departments, the public, and the interests of those who manufacture, distribute, and sell dangerous and hazardous products. It will require some real political courage and determination by any Government to gather all of these laws under one jurisdiction. We can have the best law in the world and the best regulations, but they are only as good as the paper they are written on if they are not enforced. Without adequate inspection and enforcement, the law is meaningless. Inspection and enforcement both at the federal and provincial levels have been woefully inadequate all these years.

• (1120)

While the Bill is fine in principle, it leaves out a lot. I hope the Government is persuaded to move substantial amendments and accept some significant amendments from Members on all sides of the House in order to make this legislation a world leader.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated. Debate.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I must say with all sincerity how delighted I am to participate in the debate today on the Canadian Environmental Protection Act. In just 25 days Canada will begin to celebrate Environment Week, which is set aside to encourage people to reflect on the importance of environmental issues. That will be relatively easy to do, because recent public opinion surveys reveal that 70 per cent of Canadians describe themselves as being more concerned about their environment than ever before.

If there is an issue that brings people out from the comforts of their homes to a public gathering, it is the area of environmental concerns. In my own constituency, when there is a problem of pollution of the Shuswap Lake system, we can be guaranteed that hundreds, if not thousands, of people will show up to hear the issues presented by the various experts. Right now one major issues is whether or not the central part of British Columbia should become a waste disposal area for western North America. I must say that is something that concerns me a great deal. I cannot be very enthusiastic about having our community becoming famous for its waste disposal facilities.

These are the issues we are facing today. We have increased pollution of our soils, our atmosphere, and our river and riverine systems. As a result of various levels of government bringing these problems to the attention of Canadians, we are becoming more and more concerned. I remember the publication that discussed acid rain a few years ago, in the early 1980s. The Government thought it was appropriate that people understand this issue. Most of us had never heard of acid rain. Now it is a household word, I suspect. Young people in particular have a real understanding and appreciation of this problem, which I think bodes well for our future. We have seen this concern develop in the United States over the years, as we have educated Americans to the realities of the acid rain phenomenon.

As we in the House of Commons speak on this subject today, we are all aware that between the rocks of our walls the mortar is falling out and that the stone itself is deteriorating as a result of the acid rain we find around us. When you and I, Mr. Speaker, attempt to go fly-fishing on some of the beautiful lakes surrounding Parliament Hill, we find that although the lakes look clear and we can see right down to the bottom, we cannot see anything in them. There are no bugs, no worms, no fish; there is no life. the lakes have been turned into a lifeless hole. These are the concerns about which we are aware, and today we have an opportunity to discuss the Government's effort at bringing in the Canadian Environmental Protection Act.

I want to say right off the top that we plan to support this initiative, although we feel it is a minute step in the right direction. I really must emphasize that I find it difficult to become enthusiastic about this initiative. I find it impossible to be laudatory in my remarks, but I want to say that at least we have an Environmental Protection Act. At least we have taken that initiative as a Parliament, and I am pleased about it. However, while we certainly recognize that this is a movement in the right direction, we still have a long way to go.

I had the opportunity the other day to read the report of a fellow named Ross Hume Hall, who is a member of the Canadian Environmental Advisory Council, a body which advised the federal Minister of the Environment between the years 1975 and 1982. He is presently a professor of biochemistry at McMaster University in Hamilton, Ontario. He presented us with an incredibly valuable insight into just how

serious the situation is. I think we all recognize that there are something like 100,000 industrial chemicals in existence in the environment today. Each year approximately 1,000 more chemicals are added. It is out of hand. As Mr. Hall points out, almost all these chemicals have never been tested for any toxicological effect whatsoever. Of the other chemicals, we know very little. We are filling up our environment with tens of thousands of new chemicals, one thousand each year, and we know very little about them. Obviously, that causes a lot of concern.

Mr. Hall makes the case that the blame lies not so much with the Department of the Environment, because the officials working for that Department have had some serious handicaps which prevented them from doing a lot of their work over the last number of years. He indicates in his article that we have seen a parade of 11 Ministers of the Environment, when he calls either disinterested or politically feeble, passing through the Department since 1972. He says successive federal Governments, both Liberal and Conservative, have encouraged weak management, so that the Department of the Environment has become a declawed and neutered tom-cat, showy but unaggressive and docile. It is an interesting observation. When we consider that so many Ministers of the Environment have passed through the system, we see how difficult it is for any Minister to take real control and provide strong leadership for the Department. I think that has been one of the problems for the last number of years.

This particular legislation should be worked on in terms of improvement. We made that effort as a political Party. The New Democrats submitted literally hundreds of suggestions and amendments to improve this particular piece of legislation. While the Government accepted some of the amendments, it rejected an overwhelming number of amendments that we put forward. What I believe we are getting with this Environmental Protection Act is not really the Bill Canadians want in terms of protecting the environment of Canada and, indeed, the environment of the world.

I can say without any hesitation that the legislation is quite weak. While it is called the Canadian Environmental Protection Act, or Bill C-74, it is very modest in scope. It is not really an Environmental Protection Act. It is really an update of the Environmental Contaminates Act, with some aspects of the Ocean Dumping Control Act and the Clear Air Act thrown in. In some cases there has actually been a regression in protection because of a weakening in the regulatory power which used to be in some of these other Acts.

To be fair, Bill C-74 gives the Government the scope to identify toxic substances and the scope to regulate these toxic substances once they have been identified. It gives the Government the ability to screen the substances before they are used in the environment. There is one fundamental improvement in the approach, and that is the change in the onus of proof.

Industry could bring in virtually anything it wanted, after the fact people had to go to a great deal of trouble in order to prove that the substance was toxic, and then some regulation would be brought in. In other words, an industry could introduce some chemical into the environment, and unless one could prove it had adverse toxic effects on our environment, nothing was really done. We have changed the onus, and I think that is a major improvement to the legislation. Industry will now have to convince regulators that substances are safe to use. It will have to show the criteria that it used to prove that point, and the substances we presently use in the system will have to be put on a priority list and tested.

• (1130)

We have some means of redressing the mistakes made in the past. However, let us be very clear that this is a very cumbersome and flawed process. Largely, it relies overwhelmingly on laboratory tests of various sorts. Laboratories deal with substances as you well know, Mr. Speaker, one at a time, and they do not take into account the cumulative effects of different kinds of toxic contaminants. Therefore they do not consider what is happening in the real world, or the environment *per se*. It is one thing to test a chemical for its toxic qualities in a laboratory setting and quite another to see what happens in the real world when, in fact, there could be a serious cumulative effect or an intermixing of chemicals from the natural environment. Let us recognize that it is certainly better than what we have had in the past.

Under the Environmental Protection Act Canadians will have the right to complain to the Government when substances are not identified or regulated to their satisfaction. As a Party, we had amendments in this case which would reduce the number of people necessary to complain in order to initiate some action. However, this is another positive aspect of the Bill.

The Bill will also ban the export of toxic substances when the use of the substances is banned in Canada. You might think, Mr. Speaker, who on earth would export a toxic substance that was banned in Canada to another country, often a Third World country. You would be surprised, Mr. Speaker, since there are literally hundreds of cases of not very scrupulous exporters taking advantage of products that have been banned in our country for obvious reasons, that is, because of their harmful effects on the environment, and then exporting those to other countries. That now will be stopped. This is a major step forward that this legislation has provided us.

The Bill will also give the Government the right to regulate fuels on the basis of environment quality. Here again, this is something that we are very pleased to see because emissions from motor vehicles are a prime source of pollution, particularly in our metropolitan areas. Also, it is well known that the emissions contribute to acid rain. This particular element gives the Government an opportunity to act in the future in order to keep down the pollutants going into our atmosphere.

I was encouraged to see the fact that the Bill gives the Government regulatory authority over nutrients and water conditioners. I suppose this is really a relatively minor matter, but, again, it is a step in the right direction. This is particularly important to myself and others because we have seen in some of our very pristine western lakes an element of pollution creeping in through the use of houseboats.

Houseboating has become a very popular recreational activity. On some lakes such as the Shuswap Lake system we have literally hundreds of houseboats floating around. When people are on those houseboats for a few days they have to do certain things. Often those things are not necessarily done in the proper way. I think you will understand what I am referring to, Mr. Speaker.

Not only are those things people end up doing to the environment in a direct way a problem but, more important, is what is called grey water. You are a person familiar with this concept, Mr. Speaker, being a recreationalist yourself. Grey water is the kind of thing from dishwashing and showers, when we use soap and detergents and dump that into the water. That is one problem.

You will remember, Mr. Speaker, an experience I told you about some time back when I was having a chance to do some boating in the Gulf Islands. We tied up in a little cove with about 35 or 40 other boats for the evening. It was very shallow but protected from the wind conditions and other problems to boating. I got up in the morning and jumped in for a refreshing dip, only to notice an awful lot of material floating in the water that seemed to be foreign. Indeed, when I recognized exactly what it was, I wondered what on earth we were doing in this little protected cove. I cannot imagine that we have a country that would allow people literally to flush out toilets from hundreds of people, sitting in a little cove, directly out into the salt chuck. But that is what has happened. It is a bit of an aside, but in a very vivid and personal way it points out how important it is for us to have a Canadian Environmental Protection Act that hopefully will deal with these sorts of horrible situations in the future.

The Bill before us legislates governmental authority to make environmental regulations with respect to federal Departments and Crown agencies. This clarifies something that many of us have been concerned about for some time. I want to draw to your attention, Mr. Speaker, a letter that was sent recently by the Thompson-Nicola Regional District to the Minister of the Environment (Mr. McMillan). It states:

> The Board of Directors of the Thompson-Nicola Regional District considered the following recommendations of the Union of B.C. Municipalities with respect to the Draft Environmental Protection Act:
>
> 1. The liability of local government be more clearly and reasonably defined in line with the tone and substance of our specific concerns.
>
> 2. The Federal Government establish a mechanism whereby potential conflicts between Environment Canada and local government can be resolved in a co-operative fashion.
>
> 3. The Federal Government agrees to compensate local government for any added regulatory costs this legislation may place on it.
>
> 4. The Federal Government take a balanced approach to environmental concerns and make a commitment to fund infrastructure costs.

These are concerns that reflect a region in British Columbia trying to identify clearly who is responsible for what kind of activity. Often in the past when we have seen problems of environmental pollution everyone passed the buck. It was said that it was not a local concern but a provincial concern, or others said that it was not their concern but a federal concern and the federal Government said that it was not its concern but someone else's. As a result the pollution continues, environmental degradation continues, and everyone steps back and blames it on someone else's incompetency. The Bill provides us with an excellent opportunity to take federal leadership on these issues. Again, this is one of the woeful inadequacies of this Bill. It fails to do that as the request comes to us from the Thompson-Nicola Regional District.

There is one aspect that the Government, if it is concerned about environmental conditions and, in particular, the pollution of our waterways, ought to consider more seriously. It is the issue that was put before us by the Association of Canadian Municipalities. That organization represents the urban areas of Canada where they, in co-operation with the provincial Governments, have proposed to the Minister of Finance (Mr. Wilson) a cost-sharing program in which, for sewage treatment facilities, for example, the local taxpayers, the local Government, would assume one-third of the costs. The provincial Government would assume one-third of the costs, as would the federal Government. This would allow municipalities, both large and small, to develop the necessary sewage treatment facilities.

It is a sad situation when we still have many, many communities, both large and small, some as large as the City of Montreal, that are for all intents and purposes still depositing raw sewage into our river systems and our lakes. Yet that goes on in 1988. It is almost hard to believe. One of the reasons that a great many smaller municipalities indicate why they do it is that they do not have the tax base to perform. This is one way that the federal Government could co-operate to do that. All the cities agree. All the provinces and territories agree. There is only one hold-up, that is, our Minister of Finance (Mr. Wilson). We have to put a little heat on him to take action.

This legislation is encouraging because it establishes the possibility for boards of review to be created upon the petition of individuals who are dissatisfied with the regulations under this Act. If there are citizens who want to take a petition to ask that a board of review be set up to examine a particular component of his Bill, that mechanism is provided. I think that is another major step, as well as the fact that the Bill finally provides for some reasonable fines for those people who simply ignore environmental regulations. I am referring to fines of up to $1 million a day for offenders in terms of environmental crimes under this Bill, and also prison sentences if necessary. We are finally getting gutsy and saying that the environment is important and, if one is going to conduct crimes against the environment, then an individual or a company must pay the

price. Fines of up to $1 million a day and jail sentences are long overdue.

This is also a very clear signal that we can provide to the people of Canada that we are serious. If one is going to go out and dump toxic wastes into a river system or into our atmosphere, then we will be prepared to lay charges.

• (1140)

There is a number of things that I should mention that the Bill does not do. I have one minute left, so I will mention only one of the major flaws. The Bill fails to incorporate the much demanded environmental bill of rights. The overwhelming majority of Canadians who are concerned about this issue want an environmental bill of rights. It is very clear where we stand on the whole matter of environmental pollution. As a society, we are against it. A comprehensive environmental bill of rights would do just that. As you well know, Mr. Speaker, all we have is a preamble at the beginning of this Bill which goes in that direction. Rather than having a preamble, let us have the development of a comprehensive environmental bill of rights. Every Canadian should have the right to a healthy environment and should not have to be exposed to a polluted environment, whether it is on land, or water, or in the atmosphere.

The Canadian Environmental Protection Act has not done anything on some of the major environmental issues. I refer to the issue of pesticides which is set aside. The Bill does not address acid rain, the issue of the nuclear industry, or the packaging and the treatment of consumer products and the pollution that occurs there. In other words the Bill does not address some of the most critical environmental issues in our country—nuclear energy, acid rain, and the use of pesticides, which is out of control these days. Obviously, this is a very major weakness in the legislation.

In this Bill the Government fails to put a time limit on how long the Government can take to decide if a substance is toxic after it has been put on the priority list. This again is a major failing, because we do not want to take 35 years to determine if a chemical is adversely toxic.

I could go on, but I know there are others who want to say a few words on this critical issue before we vote on it, presumably later in the day. I appreciate this opportunity and look forward to the next debate when we take this legislation and upgrade it in order that when we have a Canadian Environmental Protection Act it is an Act that protects Canadians from a polluted environment.

Mr. Murphy: The Hon. Member for Kamloops—Shuswap (Mr. Riis) commenced an explanation of why he believed it was important to have an environmental bill of rights. He mentioned that there was only one minute left in his speech and, therefore, he did not have adequate time to expand upon that point. I wonder if in using the time available for questions and comments the Hon. Member could expand upon that and explain to us why he believes that an environmental bill of rights would be useful in our Canadian context.

The Acting Speaker (Mr. Paproski): The Hon. Member for Kamloops—Shuswap (Mr. Riis) realizes that I gave him an extra couple of minutes, so if he would wind up I would appreciate it.

Mr. Riis: Absolutely, Mr. Speaker, I would be only too pleased to co-operate with your request.

My friend, the Hon. Member for Churchill (Mr. Murphy), has indicated that there is obviously a need for an environmental bill of rights. I do not think there is anyone in the House who would say that that is not a reasonable request or suggestion.

While I indicated at the outset of my comments that Bill C-74 is a minute step in the right direction, it is not a comprehensive piece of legislation. It excludes pesticides, no matter how toxic they are. It excludes nuclear contaminants, no matter how toxic or dangerous they are. Obviously it is not comprehensive legislation. It is actually very narrowly focused. It does not provide any standards of environmental quality. What we have in the legislation are guidelines and objectives, but they are not as strong as the standards that must be met. I feel that we should be setting very specific standards. Therefore, this is again one of the major deficiencies in the legislation.

We all agree that Canadians have the right to a healthy environment. If there is any country in the world that is in a position to provide that, it must be Canada. We are extremely fortunate that in most of Canada the environment is relatively clean. In other parts, unfortunately that is not the case. We ought to focus our efforts not only on cleaning up the waste material and the pollution that exists in certain zones of the country but on taking steps to ensure that this stops and that we simply do not have those types of contaminants in our atmosphere, soils, and water.

There have been repeated demands to the Government to provide the necessary clout to give citizens the right to take polluters to court. For example, citizens on behalf of future generations, on behalf of their children, and on behalf of their neighbours ought to have the opportunity to do that. That is not provided in this legislation. It is only if a person has a direct financial stake that he or she can take the polluter to court.

We can have a very narrow focus that pollution may cause some immediate harm that can be dealt with, but there is not the real understanding that pollution is harmful to everyone. We are all in this together. Pollution in one area will move to another; underground rivers can eventually unite and mix these toxic chemicals and other contaminants. What a person does in one part of Canada might have a profound effect on an individual in another part of the country, to say nothing of the toxic chemicals that are in the atmosphere.

Pesticides that are sprayed on a field in Alabama will eventually turn up in the Great Lakes system. Do you know how long it will take to do that, Mr. Speaker? Sometimes it will take less than five days from the time that the fields are sprayed in Alabama to the time those chemicals reach the Great Lakes system. It is quite incredible how quickly those contaminants can move about the continent.

A Canadian Environmental Protection Act of a comprehensive nature that would include an environmental bill of rights would not only provide a safer environment for people, but it would send a very clear signal to all Canadians of how serious we are as a country in terms of a clean environment. Once that signal is made and that leadership is provided, many Canadians would be more inclined in their own personal lives to clean up their act when it comes to dealing with perhaps something as simple as recycling garbage. They look to see if it is a serious problem, then of course they can expect the Parliament of Canada to act. That is why we are a little less than gleeful as we close off debate on the Canadian Environmental Protection Act, because it fails to provide this necessary environmental bill of rights for which most thoughtful Canadians have called for years. Now, as the polls indicate, the majority of Canadians have indicated a sincere interest in seeing it produced.

Ms. Dewar: My colleague referred to the study that was conducted by the Federation of Canadian Municipalities, and indeed the type of pollution that is taking place by urban living, the industrialization of the urban society, and the types of things that are happening to the degeneration of the sewage systems where there are treatment centres. He also referred to the areas of some cities where no treatment is taking place.

I would like to ask the Hon. Member if, when looking at this type of study, he sees the ability to implement the results and the recommendations if this Bill were strengthened to give us some control in environmental assessment?

Mr. Riis: I appreciate the comment of my colleague, the Hon. Member for Hamilton Mountain (Ms. Dewar). The point that she makes is very valid. There is certainly an interrelationship between the position of the urban areas in terms of their ability to treat sewage and deal with other environmental matters, and I can think here of all types of waste material.

If this Bill had been stronger in terms of requiring action and setting very clear standards as opposed to guidelines, we could make a much stronger case that the Minister of Finance ought to act in terms of providing the necessary sewage treatment facilities which are obviously needed, but a useful spin-off would be the tremendous amount of employment that would be generated over the years these new systems are being introduced. In terms of job creation, taking people off the unemployment insurance roll and giving them an opportunity to participate in meaningful and useful work in their communities, as well as cleaning up the environment, it would certainly be worth the money invested.

When it comes to dealing with the environment it is a non-partisan issue. That is why it is in the interest of all of us on all sides of the House to do what we can as cabinet Members, front-benchers, and back-benchers, to bring as much pressure to bear on the Minister of Finance as we possibly can so that he joins with his political colleagues from every part of Canada and every level of government to deal with the very tragic crisis facing our country and, in this case, our municipalities. They do not have the tax base to allow them to develop the necessary sewage treatment facilities and infrastructure in most cases, so it requires a partnership. We are all concerned about it because if one municipality upstream is polluting the river system and we are sitting downstream taking a glass of water out of that system, we want to make sure it is as pristine as possible. We all have a vested interest in ensuring that all municipalities have the ability to deal with their sewage problems in a proper way.

• (1150)

I want to thank my hon. friend for the suggestion that if we had the necessary standards that we want in this legislation, we would obviously be able to make a much stronger case to our municipal, regional, and provincial counterparts that we must all join together in a co-operative effort to clean up the environment.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. Rod Murphy (Churchill): Mr. Speaker, it is indeed a privilege for me to have the opportunity to enter this debate. One of the reasons I became a Member of Parliament was my concern for our environment in general, as well as our work environment. As our House Leader said earlier, the NDP caucus will support this legislation but we do so with some reluctance. We are seeing a step-by-step process to ensure the quality of our environment, but the steps are small. Indeed, with the number of new chemicals and contaminants being developed every year, we are in a very serious race just to try and maintain the quality of the environment as it is now, let alone restoring it to the condition it should be.

This debate reminds me of other debates we have had in that quite often the legislation being debated looks quite sound. The ideals are there. The general direction outlined is where we would like to progress to. However, we then discover that through the regulation-making process the concept of the legislation is often diminished. Let me give a couple of examples outside the environmental field.

There is an amendment to Bill C-79, dealing with the Elections Act, which says that the average size of a poll in Canada, presently 250 voters, will be changed. It will set the minimum size of a poll at 250 voters. The legislation has not yet been passed by Parliament, but we have already heard that the Chief Electoral Officer has instructed some returning officers to read that legislation as saying that the minimum size of a poll in Canada would be 400 to 450. That shows us

that when Parliament changes one word in some legislation, or a very small clause, further down the road someone can use that small change to make a drastic change in the effect of the legislation.

If this was the only example of that kind of thing, then perhaps we would not be worried about what happens to the regulations concerning the environment after this legislation is passed. However, there are other examples. Bill C-124 has not been passed by this House, but we are told that the industry is waiting for it to be passed so that it can increase the number of dust particles in the air in the coal mines of Cape Breton. The legislation does not indicate that there will be an increase in those particles which create a fire or health hazard, but we know there are people who have been working behind the scenes to make sure that the regulations allow the corporations to do so.

A third example relates to an issue which has been dealt with in Question Period over the last couple of days. The American film industry has said in a circular it sent to its membership that it has the agreement of the Government of Canada to be involved in the setting of regulations after the House finally deals with legislation concerning film distribution. This legislation has not even been debated in the House, yet the lobbyists for the American industry are saying they already have the Government's agreement that they will be in a position to make sure the regulations fit the needs and concerns of the American film industry, not those of the Canadian film industry or Canadian distributors. What does that do to the debate in the House? We will be dealing with legislation which seems to indicate that the Government is to stand firm and ensure that there is a healthy Canadian film industry, but with this statement by the Americans that they have won their battle, the whole process that we go through becomes a joke.

This kind of situation occurs in so many pieces of legislation that the lobbyists know it is not what is in the legislation that counts as long as it is vague enough; it is what is done by the bureaucrats and cabinet officials after the legislation has passed that really matters.

I have seen, as I am sure have others including yourself, situations where companies and individuals dealing with government officials make sure that the regulations concerning the legislation are either very weak, watered down, or are not capable of being enforced properly. That happens on a consistent basis, and every time it does Parliament is the loser. The people are losers as well.

There are groups in this country that have been fighting for a strong Environmental Protection Act. They have talked to Members of the House. They have made their presentations to the committee that studied Bill C-74. They talked with cabinet Ministers. They assume that is the process they should be going through. They assume that when the House passes the various amendments it will produce legislation to protect the environment. What they have never been told about is the silent lobbying, the quiet voices that are getting to the Ministers behind the scenes. This has become a routine, Mr. Speaker. While those of us in the House and the groups out in society are fighting for the actual wording of legislation, making sure that as many of the i's are dotted and the t's are crossed as possible, quiet conversations are going on, not behind the curtains of Parliament, but in the offices and in the board rooms of the nation. Those are the places where too many decisions are being made.

• (1200)

When I looked at this Environmental Protection Bill I had those same concerns. There are some good ideas in this Bill, ideas that we accept, but we are not sure what will happen when the regulations are passed. This Bill gives the Government scope to identify toxic substances. But, how will that be done? The Bill gives the Government scope to regulate those toxic substances it has identified. Again, how will that take place? The Bill gives the Government the ability to screen new substances before they are used in the environment. Again, there is no indication of what the regulations and the requirements will be. The Bill gives Canadians the right to complain to the Government when substances are not identified or regulated to their satisfaction. But, what happens after those complaints are heard?

Canadians are writing letters and phoning their Members of Parliament and government offices across the country on a daily basis. It is what happens there after that becomes important. Again, this legislation does not give any guarantee that those complaints will be listened to. I could list each and every area where the Bill gives the Government power to act, but it does not say what will happen. That is our concern.

It is a major problem with much legislation passed in this House of Commons. We pass Bills in good faith and assume things will happen. We know though that there have already been some quiet deals made, such as is the case with the film distribution legislation which is yet to be introduced in this House. We know the same thing will happen with the labour legislation. We have had this experience with past legislation affecting health and safety in the workplace. Will the same thing happen with the environment Bill as well? It will be very interesting to see, once this legislation is passed, what the regulations are that result from the Bill and what effect they will have on our nation.

There are many areas not covered by the environmental protection legislation before us. For example, this Bill does not deal with many of the destructive substances in use today. Specifically it excludes substances that are regulated by other Acts of Parliament. Pesticides and motor vehicle emissions are examples.

The federal Government took this same approach with regard to the Workplace Hazardous Materials Information System. We passed that legislation approximately a year ago. The Bill stipulated that if hazardous goods were being used in

the workplace labels must be affixed to the containers listing the chemicals. Within that workplace there must be information sheets explaining the dangers of the various chemicals, what safety measures can be used and if there is an accident, what action should be taken. This was very useful legislation which resulted from negotiations among the unions, the corporations, and the provinces. We approved of this legislation. However, the same exemptions were there—pesticides, agricultural products, tobacco, and a number of other products which affect workers.

It became obvious to us that that was an example the Government wanted to follow in many areas. In Bill C-74 we see the same process. The Government says that we do not have to deal with pesticides, even though they are known to be a danger to the environment of this nation, in the Environmental Protection Act because they can be dealt with through some other Act of Parliament. We do not have to deal with emissions for motor vehicles because they, too, can be dealt with through some other Act of Parliament.

Pesticides and most vehicle emissions have been a major problem to the environment of Canada. If we keep excluding them from a Bill which is supposed to be protecting our environment, then we are forgetting the whole purpose of the Environmental Protection Act. We do not have one Act which is supreme when it comes to dealing with the environment.

When it came to the workplace hazardous material legislation we compromised. We said that the Government could pass the legislation and that it could exclude all these areas from having to provide information about what is dangerous in the workplace. However, we insisted upon a parliamentary review of each and every one of those exceptions within a two-year period. After a bit of bargaining the Government agreed to the compromise. This was done to make sure the Government would take some action within the next two-year period. Industries excluded from the workplace hazardous material legislation will automatically report to a committee of the House of Commons within a year from now.

This creates some motivation for industries and government Departments affected to provide protection for their workers. The compromise was very substantial and important, but we did not achieve the same type of compromise in this legislation. We have no guarantee in the Environmental Protection Bill that pesticides, motor vehicle emissions, and a number of other areas that are excluded by Bill C-74, will ever provide the protection to the environment that is needed. The very fact that the complaint procedure listed in Bill C-74 will not apply to pesticides or motor vehicle emissions means that the public does not have the same protection from environmental contaminants coming from these sources. We have no guarantee that the appropriate Act of Parliament to control pesticides, to control emissions from motor vehicles, et cetera, will ever be changed to provide similar protection for the Canadian environment and our population.

This is the type of perverted logic which makes people very skeptical of this legislation. We are seeing major areas of environmental pollution exempted and no indication that the Government will act in these areas in a short period of time. One must then question the sincerity of the Government. I really must question what lies behind this legislation.

• (1210)

In his final remarks the Hon. Member for Kamloops—Shuswap (Mr. Riis) talked about the need for an environmental bill of rights. When we pass Bill C-74 we will be failing to meet that request of many Canadians who believe that we must have an adequate bill of rights to protect our environment. We must ensure that people who have a complaint about major polluters, or even about minor polluters, can take advantage of some due process that would see that their complaints are studied and that there is some appeal mechanism if they feel that officials or industries have ignored their concerns.

We know that this legislation can be a step in the right direction. Regulations can be drafted to protect the environment. We know that there could be adequate legislation on those excluded industries and products, but that did not happen. I see that you are signalling that my time is up, Mr. Speaker, but I find those to be the major flaws in the legislation that I really must wonder if the Government is attempting to pass legislation that looks good but, in a year or two, will not any better protect the environment.

Mr. Heap: Mr. Speaker, I was very interested in the remarks of the Hon. Member for Churchill (Mr. Murphy) about the large areas of concern that have been excluded from the effect of this Bill, and I would like him to comment a little further on the process which he touched on, the process for determining by which members of the public may raise issues about the regulations.

Is it the case that through that process they may raise issues or questions or that they are excluded from raising questions about the limitations of the Bill in regard to auto emissions, in regard to pesticides, in regard to nuclear wastes, or in regard to acid rain, or is there any kind of mechanism provided by which those issues can be raised by interested members of the public through this Bill?

Mr. Murphy: Mr. Speaker, that is a very valid question. As I said, this legislation takes a number of small steps which are important. One of them is that it establishes boards of review to be created if there are petitions or if individuals are dissatisfied with some of the regulations that are put in place under the Bill. That is a step in the right direction. It does not guarantee that there will be an adequate review, but it provides a process for reviewing some of the regulations that will be put in place.

As I stated earlier, I really believe that quite often, regulations are even more important than the legislation itself. If we have weak regulations, it does not matter if the legislation is

fairly strong; the regulations will allow the polluters to get away with environmental murder.

As the Hon. Member for Spadina (Mr. Heap) has pointed out, if things such as pesticides, the nuclear industry, and motor vehicle emissions are exempt from the Act in the first place, then there will be no regulations under the Environmental Protection Act pertaining to these substances, and that obviously means that there will be no appeal mechanism for members of the public who have very major concerns with pesticides and the other substances I mentioned earlier.

I would like to amplify on that for a few seconds, because it seems to me—

Mr. Lewis: Amplify? What's that? Expand.

Mr. Murphy: The Deputy Government House Leader wants me to expand rather than to amplify, so I will lower my voice and will speak longer, at his request.

If we have a piece of legislation, the main purpose of which is to protect the environment, the legislation should have an over-all effect. It should cover all bases. Let me give an example of that.

In 1983, the industries that fell under federal legislation for occupational health and safety reported to 17 different Departments and agencies. If there was an accident at a work site or a problem related to health and safety at the work site, one of 17 different agencies or Departments would be involved. Obviously, that created an administrative nightmare and meant that there were areas for which there was no proper enforcement.

In 1984, we changed the Canada Labour Code and put most of those 17 different Departments or agencies under one roof. When it came to occupational health and safety, most of the industries fell under the Labour Code and it was up to the Department of Labour to ensure that the Labour Code was being enforced. That is not happening with Bill C-74.

We are not seeing the Department of the Environment taking over major responsibility for the environment. We are not seeing all the various pieces of legislation and categories of pollution being put under the Department of the Environment, and that is what is causing the problems to which I have referred.

After this legislation is passed and after the regulations, whatever they may be, are finally put in place, those people who are concerned about the environment will not automatically go to the Department of the Environment. They will not know to which Department they will have to speak, whether they will have to speak to nuclear regulatory boards, to one of the government Departments, to Energy, Mines and Resources, to the Department of Agriculture or to the Department of the Environment.

If it is the environment that is being threatened and if people have legitimate concerns about what pesticides or other contaminants are doing to their environment, they should know that one Department has over-all responsibility for pollution, whatever the cause. That does not exist in this legislation, and that is one of the major problems with it.

Quite often we talk about trying to simplify laws. We talk about making it easier for the average concerned citizen to know where to go with his complaints. In many areas we have tried to achieve that simplicity but, when it comes to the environment, Bill C-74 still allows a number of other different government agencies to have their own fiefdoms. This means that concerned citizens will have to bring in expensive lawyers and go through a very complicated process just to try to clean up the environment in their own neighbourhoods, and that is unacceptable.

The Acting Speaker (Mr. Paproski): I regret that questions and comments are now terminated. Debate.

Mr. Pat Binns (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I wish to move at this point:

> That the House continue to sit through the lunch hour for the purpose of continuing consideration of third reading of Bill C-74, an Act respecting the protection of the environment and of human life and health.

• (1220)

The Acting Speaker (Mr. Paproski): Will those Members who object to the motion please rise in their places?

And fewer than 15 Members having risen:

The Acting Speaker (Mr. Paproski): Fewer than 15 Members having risen, pursuant to Standing Order 9(4)(b), the motion is adopted.

Motion agreed to.

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I rise to speak on this Bill to which many of us looked forward. When the Minister described Bill C-74 as probably the most progressive environmental Act in the western world, he certainly did not take into consideration the many things which he neglected to put into this Bill. All we really have is a continuation of the identification of toxic substances and an unchanged Ocean Dumping Act combined in one Bill.

The Brundtland Commission, which reported in 1987, caught the vision and imagination of all Canadians and all people internationally. One of the recommendations in the report *Our Common Future* was that national Governments should establish clear environmental goals and enforce environmental laws, regulations, incentives, and standards on industrial enterprises. This should normally be done at the national level with local Governments being empowered to exceed but not to lower national norms.

After that report was published there was a great surge in the opinion polls in this country. Canadians want to protect the environment not only for today but for the future. If this Parliament is to leave any kind of credible legacy for the

future, it should be strengthening this Bill. If we had a strong Environmental Protection Act with the necessary legislative power, we would not have the major concerns which we have about what the environmental impacts of the Canada-U.S. trade agreement will be. There are some major concerns in that area.

I come from a riding where there are very deep concerns about industrial pollution of the environment. The industries are now taking steps to attempt to improve this situation. A major initiative by a group of citizens who call themselves the stakeholders, identified and put forward on the public agenda the need to protect Hamilton Harbour from further pollution and to restore it to the state it was in when our ancestors were enjoying it.

The federal Government should be commended for announcing a grant to clean up the Windermere Basin in conjunction with the province, the Hamilton—Wentworth region, and the United States. However, it gives me great grief that the environmental Act before us will not give us the legislative power to restrict types of pollution in the future. I say that with deep regret because there has been much debate in this country on the U.S. trade agreement. Yet there has been absolutely no commitment by the Government to protect the environment with any international trade agreements, and this gives me great concern.

We will, however, be supporting this Bill since it is at least a small step toward identifying more toxic substances and stopping them from being dumped into our environment. We have a vision for this country. It will not be long before there is a change in government. A New Democratic Government will protect the environment because it will believe in a country with total environmental protection. That will certainly have to come to pass before this dreadful trade agreement is implemented.

I have a study which was done by the Canadian Environmental Law Association which is very concerned. It says that the environmental implications of these changes are profound. We face significant restrictions on our options to develop conservation strategies for our resources. It must put fear into all Canadians to realize that we will have to supply the U.S. market in the same proportions, even in times of shortages. That means that we will have to continue to exploit our resources far beyond what our needs would be because we entered into this agreement.

If we look at what is happening with regard to the harmonization of agricultural technical regulations, we soon recognize that the provisions provide that technical regulations and standards for agricultural food, beverage, and certain related goods, are to be harmonized, defined as "made identical". The standards to be harmonized include animal quarantine restrictions, accreditation procedures for inspections, approval requirements for new goods and processes, and technical regulations, including levels of quality, performance, and safety or dimensions. Working groups will be established to harmonize standards on various agricultural issues including veterinary drugs and fees; food, beverage, and colour additives; unavoidable contaminants, pesticides; and labelling and packaging of agricultural food, beverages, and certain related goods for human consumption.

The Government has consistently refused to include pesticides in this Bill. To identify that there will be a need to harmonize this with the trade agreement is very serious. In Canada we do not concede that a category of unavoidable contaminant is permissible in food products, and I hope that we never reach that stage. The Canadian Environmental Law Association has a very deep concern with the implications of what this regulation and harmonization for the regulation of pesticides are all about.

According to federal officials, between 1971 and 1981 total pesticide sales in Canada increased twelve-fold in current dollars, from $57.3 million to $698 million, and more than four-fold when adjusted according to Statistics Canada price of index pesticides. At least 10 million acres in 1975 were treated with herbicides on the Canadian Prairies. By 1978 this had increased to about 15.5 million acres. In 1976 alone Canada imported almost 117 million pounds of pesticides from the United States. Yet, at this time we are refusing to include pesticides as part of our Environmental Protection Act. One must question what the word "protection" means in the title of this Act.

We know that the use of pesticides involves the deliberate application to land and water of chemicals which are intended to be poisonous to selected organisms. Two categories of undesirable affects resulting from pesticide use have been identified. These are the development of the resistance in pest species and the impact on non-target species and organisms.

• (1230)

The United Nations Environment Program has stated that even when properly used chemical pesticides have a number of unavoidable side effects. These include three million bird deaths in New Brunswick during 1975 from aerial spraying of approximately seven million acres of forest with phosphamidon and penitrothion; the death of a farm worker in 1983 in British Columbia from pesticide poisoning; the possibility that 10 per cent of Alberta grain farmers may be experiencing pesticide poisoning every year; and the Canada-Ontario report on pollution of the St. Clair River, estimating that about 70 per cent of the 2.5 million kilograms of agricultural pesticides used annually on the lands draining into connecting channels of the Detroit and St. Clair Rivers are potentially environmentally hazardous.

In addition, the presence of agricultural pesticides and residues in food has also been identified in Ontario. It seems insane to exclude pesticides from an environmental protection Bill when we know these facts.

Currently in Canada our regulatory scheme for pesticides has received increased scrutiny with the publication of the Law

Reform Commission Report on pesticides regulation, and the legal political controversy surrounding the federal Government's decision to cancel the registration in Canada of pesticides. Several hundred public interest and environmental groups in Canada are involved in research and advocacy issues related to pesticide use, particularly on how it affects the environment and our health.

The free trade agreement provides for the harmonization of standards and regulations regarding pesticides. Not only does this Bill exclude pesticides, further legislation will be introduced requiring us to harmonize these regulations with the United States.

The trade deal raises great uncertainty about the future of environmental protection standards. It remains to be seen how legitimate domestic objectives will be applied. At a minimum, the Canadian Government and public policy groups will be required to lobby in the United States for standards that are affecting our environment. Surely this is unacceptable to Canadians. The deal provides for no public participation in the harmonization process, so Canadians will find out after the fact rather than be part of that process. This undermines the movement toward wider public interest in participation and debate over setting the standards for product safety and environmental protection.

We know that the environment is one of the greatest concerns of Canadians. Yet, the Government is entering into an agreement with the United States that reduces our ability to participate in a discussion of those environmental standards.

Canadians have tended to ignore the importance of the service sector in our country. Services account for about 70 per cent of our jobs, and the service sector is the only major sector in the United States which manages to generate a trade surplus. Therefore, American business seeks to expand its trade services world-wide and most countries in the world, including the poor and undeveloped ones, recognize the importance of this sector for employment and have resisted American penetration. However, the Conservative Government has tried to sell this to Canadians as a good deal. Thankfully they are resisting such promotion.

It entails treatment no less favourable than that accorded in like circumstances to Canadian companies with respect to measures that are covered by Chapter 14. This Chapter specifically obliges states and provinces to follow the same policy with respect to service investments from another country.

In other words, if the legislation itself cannot be strengthened, how will we have any legislative clout when these regulations must be harmonized with the provinces and the states?

Another problem arises as a result of Article 2010 regarding monopolies. A monopoly is any entity, including any consortium that in any relevant market in the territory of a party that is the sole provider of a good or a covered service. The agreement prevents anti-competitive practices by monopolies and compensates any enterprise which could be deprived of business opportunities through the establishment of a monopoly in any sector of the market.

If we establish a national program, it could be identified as a monopoly. This would reduce public policy options including those that are meant to protect our environment. I believe the only way to proceed is through public policy. The Government rejects this option when it refuses to strengthen the legislation.

The free trade agreement raises further questions when we consider the Ontario reforestation practices. Under forest management agreements, the licensing system which covers 70 per cent of our forested lands in the Province of Ontario subsidizes the holder of a license to replant logged forest lands. This practice could be attacked by the American forestry service as an anti-competitive practice.

Surely, when we are dealing with the protection of our environment and our resources, we are also talking about our ability to practice reforestation. That cannot take place if we are giving any of that decision-making power to the United States.

The analysis of the trade agreement indicates that there will be significant impacts on the environment, as there are with most economic development proposals. It is only in the last 10 to 15 years that we have seriously considered the impact of economic development proposals on our environment.

It was clearly pointed out in the Brundtland report that we must have regard for the protection of the environment when we are considering sustained development.

This deal is the Government's blueprint for Canadian economic development of the future. It entrenches a market oriented approach to economic decision making which will accelerate resource development in Canada and put added stress on the environment. However, there is absolutely no involvement in the negotiations by Canadian federal or provincial environmental Ministers. There is no government assessment of the environmental impact of the deal and absolutely no opportunity for examination of these impacts or for any form of public participation in the negotiations.

With the surrender of both the federal and provincial powers to enact environmental protection through various policy alternatives, the actions of the federal Government in negotiating the agreement are in direct contradiction with its claim to adopt the approach and recommendations of the report of the National Task Force on the Environment and the Economy.

When we look at Bill C-74 we firmly believe there was absolutely no sense of that goodwill. Bill C-74 represents a good public relations exercise to make Canadians believe that the Government cares about the environment and will introduce legislation so that people will think it cares about the environment. However, it certainly does not give us the legislative ability to deal with the importance of Canada's environment. It does not give us the ability to say that we are

to include acid rain as one of the non-negotiable items and that we are to make sure pesticides are included in that and the replacement of any polluting forms of energy with environmental benign sources. We want to ensure that we have the legislative ability to stop any nuclear damage to our environment. Certainly we want to stop the overuse of environmental packaging materials.

• (1240)

If the Government were sincere about environmental protection, there is no question in my mind that not only would this Bill be strengthened, but it would have originally been a strong Bill, one which says that the future of Canada's environment is important, that the environment will be part of the negotiations of any trade Bill which we would be part of with any country. Let us when we look at the weakness of this Bill and the great giveaway, which is what the U.S. trade deal is all about. There does not seem to be any kind of consistency in the words the Government uses when it says that it cares about the Canadian environment.

Mr. Heap: Mr. Speaker, I was very interested in what the Hon. Member for Hamilton Mountain (Ms. Dewar) had to say about pesticides since that is, as she said, a widespread serious problem in Canada. She seems to have gone into it in very specific detail, more so than many of us have been able to, perhaps. I wonder if she would comment on an aspect of the problem as presented to me by someone who has some familiarity with government regulations. It was suggested that the general mistake of Governments—and I think this would apply to this Bill—is that when there is a problem such as pests they deal with it by allowing private industry to find some saleable product that will apparently get rid of the pests. If that saleable product, the pesticide, causes problems, then the Government tries to regulate the pesticide. In other words, the Government does not deal with the original problem, the pest. It does not look for the best way of doing whatever the pesticide was supposed to do. It does not look to see if there is a better chemical, or perhaps a better biological agent, to get rid of the pest until the pesticide has caused great damage. Then there is a desperate search to find an alternative because the control mechanism is inadequate.

I wonder if the Hon. Member can comment on whether this Bill improves on that approach, or does it fall into the category of simply attacking the attacker instead of attacking the original problem, the pest?

Ms. Dewar: Mr. Speaker, I thank my colleague for a question that is certainly very important. I think what he is really addressing is our inability to deal with ecology. Ecology is the very delicate balance which exists within our environment. This Bill refuses to be inclusive as far as pesticides are concerned. It is refusing to protect the ecology that is so important to us.

The pests have been there and have been a concern for years but we can usually define some of those so-called pests as having a role to play within the total environment. Surely what we should be defining is the role these pests play, and how we can counteract it so that it becomes a constructive and not a destructive role.

One of the good things about the Bill is that it gives us the ability to screen new substances before they are used in the environment. I certainly applaud that. However, when they talk about these new substances, they exclude the use of pesticides. I think we should recognize that in the past we have been ignorant of and have ignored our ecology, and this Bill does not address that. The Government is saying, after the fact, that it will spend much more money and perhaps never be successful in restoring the fine balance which was needed in the first place. One of our major concerns is that pesticides be included in the Bill.

Surely our approach to environmental control in legislation should be a preventative approach. It should be one which protects the ecology and one which ensures that the fine balance is always there. We should not try to remedy it after the fact. We should use that approach in our health care system. I am constantly frustrated by the fact that we allow diseases to happen and then spend billions of dollars trying to cure them. We should be looking in the first place at how we could prevent many of these diseases, maintaining a level of health. We should look at that as we look at our environment. I think a lot of research is being done now with respect to the disease AIDS to find some immunity or protection against it. Over the years we have been able to eliminate smallpox. I think that is the kind of thing we should look at when we talk about immunization. We could immunize our environment with respect to further pollution if we were willing to put forward the kind of law that says our environment is important to us.

We do not need a weak-kneed legislation that is afraid to include the things we know are very destructive to our ecology. The Canadian people have a right to have their legacy protected. I would hope that it would not be very long before the Canadian people are given that right, but obviously the only way they will get it is by throwing this Government out and voting in the kind of government which will implement legislation that really protects the environment.

The Acting Speaker (Mr. Paproski): I will entertain another question from the Hon. Member for Spadina (Mr. Heap).

Mr. Heap: Mr. Speaker, the Hon. Member for Hamilton Mountain made the striking point that this legislation, if it goes through, might allow Canada and Canadian interests to be dangerously vulnerable to the so-called free trade agreement with the United States, if it becomes law. Her point of focus was Chapter 14, I believe, which concerns equal treatment in the sale of services.

Does she mean, for example, that if a certain pesticide or pesticide service in the United States does not meet Canadian health standards or Canadian environmental standards, and

therefore is excluded from Canada, that Canada may find itself under pressure to reduce our environmental or health standards so as to allow that pesticide service in the United States to compete on equal terms with Canadian services which have been meeting the higher standard?

Ms. Dewar: Mr. Speaker, I think it is part of our concern. If we have established a higher standard and do not have the legislative ability to implement it in this Environmental Protection Act, and because there is absolutely no negotiations about the environment in the trade agreement, we will have to treat the national standard as the national standard in the United States. What I said earlier is that we will find ourselves lobbying particular state legislatures and Congress to protect our environment here in Canada. To me that does not make any sense.

• (1250)

Many people have said that people are attempting to define what our sovereignty is all about. What we are finding is that we are being accused of wrapping ourselves in the flag. One does not wrap oneself in one's flag when the Parliament of Canada is elected to put in place laws that protect our environment. Instead, what is happening is that it is refusing to put a law through that has the type of clout to it that would give us that type of protection. Therefore the trade agreement could be annulled if we had the protection in the legislation. However, the trade negotiation did not once involve any of the environmental Ministers, either at the federal level or at the provincial level.

What we do know is that at the federal level, both in Canada and in the United States, current administrations have downgraded environmental protection. This Government has cut funding to Environment Canada. We know that American environmental protection assessment has also experienced great funding cuts. The administration is downgrading both its standards and enforcement in the United States.

When we have to be treated on national standards we will find that we will be downgrading our own. This is a very serious concern with what is happening, both in the trade agreement and in the environment. I wish government Members would look seriously at not isolating one law from another. Unless they are looked at in an holistic way, what we will find is that we are in an irreversible position down the road and hanging our heads in shame with the legacy of the environment that we will leave to our children and our grandchildren. That is a very serious implication. It becomes much greater than just partisan legislation.

What it concerns is the ability to comprehend that delicate balance in our society that protects our environment. We must recognize that every economic development agreement we make and every undertaking we make in economic development must be included in terms of what are the environmental implications. To say that that is nonsense is irresponsible. Until we get to the point that that becomes conclusive, we are going forward in mass destruction.

The Acting Speaker (Mr. Paproski): The time allotted for questions and comments has now terminated. The Chair recognizes the Hon. Member for New Westminster—Coquitlam (Ms. Jewett) on debate.

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I have been listening to the debate on this very important Bill with great interest. I feel that my colleagues in the New Democratic Party have raised a number of very important points, some of which have been accepted by the Government but many of which have not been. I suppose at this stage that it is unlikely that the Government will take anything further that we say very seriously, which is a pity because in my view at any rate many of our suggestions have been worth while.

Indeed, many of the suggestions made to the legislative committee which have not been adopted by the Government were also very worth while. I am thinking at the moment of the brief from the Environmental Law Centre in your own community, Mr. Speaker, Edmonton, and the subsequent letter written by the Environmental Law Centre to the chairperson of the legislative committee on Bill C-74, regarding in particular the legal entrenching of federal-provincial co-operation and equivalency agreements.

The Environmental Law Centre's letter points out that the centre has no particular objection, nor should it, to a policy of federal-provincial co-operation in environmental protection. However, the centre is concerned with the implications of imposing statutory requirements in federal laws which will have the effect of fettering federal powers to legislate in areas of their own competency. Therefore, while having in the Bill a mandatory requirement on the Minister of the Environment (Mr. McMillan) to establish a federal-provincial advisory committee for the purpose of review of proposed regulations sounds like a good thing, because we all approve of federal-provincial co-operation it would in fact impose a legal requirement of consultation, rather than simply a provision to require consultation that would say that one has to do this legally.

The centre points out that the issue of required consultation on regulation-making is quite separate from the issue of providing for agreements that specific regulations already in effect will not apply in certain provinces or territories.

By way of example, the federal Government may wish to make regulations for proper handling and storage of hazardous wastes generated on federal lands such as national parks, Indian lands, or the Northwest Territories. The centre goes on to state that while it may make practical sense to consult with those provincial authorities with legislative experience in this area, it is totally inappropriate to presume that provincial Governments should exert any jurisdiction in this area. These are areas of federal jurisdiction such as parks, Indian lands, the Northwest Territories, and so on. It seems to me very

anomalous that federal jurisdiction should be limited by a legal requirement of provincial consultation in areas of clear federal jurisdiction.

The centre also states that for similar reasons it expresses serious reservations about amendments which require consultation not only with the federal-provincial advisory committee prior to the making of federal regulations but also an opportunity to render its advice. Apart from the delay factor involved, this requirement again imposes a degree of provincial control over the federal law-making power which appears most inappropriate. The provincial advisory committee should be established in its more appropriate advisory role.

As a final comment in this matter, the Environmental Law Centre queries why the requirements of legally entrenching federal-provincial co-operation are being proposed only for federal laws for the protection of the environment. If the true objective is to avoid unnecessary duplication and to embellish a co-operative approach in regulation-making, then similar provisions should, as a matter of course, be included in all provincial laws. I think it made a very good point on that. One wonders why the Government did not take such a significant brief into consideration when we were proposing amendments at the time of the committee hearings.

• (1300)

We have argued many times in favour of a high degree of federal-provincial consultation. However, to have legally binding provincial power over the federal Government in areas of federal jurisdiction, we feel lends an aura of deference to provincial authority that is far too excessive in the field of regulatory control. One wonders if this is indicative of the Conservative penchant for deregulation entirely, and perhaps this is a way of getting not national standards on the environment but a highly deregulated regime across the country.

I had hoped to go on, but owing to another engagement, which I believe that you perhaps also have, Mr. Speaker, I will not be able to go on any further.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is as follows. Mr. McMillan moved that Bill C-74, an Act respecting the protection of the environment and of human life and health, be now read a third time and passed, and on the motion of Mr. Hawkes:

That this question be now put.

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

Some Hon. Members: Agreed.

Ms. Jewett: On division.

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

Motion (Mr. Hawkes) agreed to.

The Acting Speaker (Mr. Paproski): The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the third time and passed.

The Acting Speaker (Mr. Paproski): It being after one o'clock, I do now leave the chair until two o'clock this day.

At 1.03 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

HAZARDOUS SUBSTANCES

CHLOROFLUOROCARBONS—USE IN MILK AND MEAT CARTONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Allied Signal and Du Pont Canada are the only producers of chlorofluorocarbons in Canada. These are chemicals used in refrigerators, air conditioners, some aerosol sprays, foam products, and electronics.

CFCs released into the atmosphere contribute to the depletion of the ozone layer and the greenhouse effect, increasing the incidence of skin cancer. Friends of the Earth approached grocery chains urging an end to the use of egg cartons and vegetable and meat trays made with CFCs. So far, Provigo of Montreal is the only chain committed to phasing out such products. For refrigerators and air conditioners, Du Pont and Allied are considering a new compound called HFC-134A.

While all this goes on, the Government of Canada remains silent, offering Canadian consumers no leadership on this important matter. Yet it is urgent that Canadians realize how vital it is to stop purchasing and using products containing CFCs. A rejection of such products by consumers would tell manufacturers and retailers that the public wants harmless alternatives. Chlorofluorocarbons has become a bad word.

S. O. 21

HISTORIC EVENTS

NETHERLANDS LIBERATION DAY

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, today the Netherlands celebrates Liberation Day, a day of celebration which, better than any other, demonstrates the strong bonds between Canadians and the Dutch. On this day in 1945 the Netherlands were liberated from German occupation. I am proud to say that Canadians played a prominent role in freeing the Dutch people from Nazi oppression.

The tulips which brighten Ottawa's and Toronto's spring remind us of the ties we share with the Netherlands. Canada and the Netherlands will always share a special attachment based on history and friendship. From the sheltering of the Dutch royal family during World War II, through liberation from the Nazis, to the current enrichment by immigration, our bonds have only been strengthened.

As the Member of Parliament for Etobicoke North, I would like to offer my congratulations, on the occasion of Liberation Day, to Canadians of Dutch heritage and the people of the Netherlands.

* * *

FORESTRY

CALL FOR ESTABLISHMENT OF SEPARATE DEPARTMENT

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, during the 1984 election campaign the Conservative Party promised to establish a Department of Forestry to oversee this important Canadian industry. It employs nearly 900,000 workers directly or indirectly. Its value of shipments exceeds $30 billion annually, and its annual exports exceed $16 billion. New Democrats continue to support the establishment of a separate Department but the Conservative Government now appears to have abandoned this promise.

New Democrats have been calling upon the Government to bring in a new National Forest Act to replace the old one dating back to 1966. Research expenditure in the industry is at an extremely low level. It is currently running at less than half the level of expenditure of our major competitors. It is also below the Canadian average for industrial sectors and other resource sectors such as agriculture and mining. Silviculture expenditures need to be increased at both government and industry levels.

New Democrats call upon the Government to give Canada's number one industry the attention it requires. Only then will this renewable resource be able to continue to provide its benefits to all Canadians and do so indefinitely.

[*Translation*]

FORUM FOR YOUNG CANADIANS

TRIBUTE TO PARTICIPANTS

Mr. Geoff Scott (Hamilton—Wentworth): Mr. Speaker, as you know, today we welcome the leaders of tomorrow, the Forum for Young Canadians.

The program is rich and varied, thanks to the co-operation and assistance of Ministers, Senators, and all Members of this House.

[*English*]

I loved the thoughts from a counsellor who described the shared impressions of the participants as anxious, energetic, polite, boisterous, cute, intelligent, bright, calculated, receptive, merciless, fun-loving, handsome, motivated, durable, hungry, warm, physically fit, talented, pleasant, comical, and above all, truly Canadian. We welcome the Forum for Young Canadians.

* * *

CANADA POST CORPORATION

KAPUSKASING—SUPERMAILBOX TO SERVE THREE HOMES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, in the constituency of Cochrane—Superior there is only one community which receives door-to-door mail delivery. That community is the town of Kapuskasing.

Recently three new homes were erected on Progress Crescent. To the owners' astonishment and dismay, Sir, they will not get home delivery of mail. Progress Crescent gets instead, can you believe it, a supermailbox. It is located about 100 feet away from where the letter carrier's route abruptly ends.

What justification is offered by Canada Post for this absurdity? The reason given is, and I quote: "This diversity of service is a natural result of geography and the diverse demographic patterns of our country".

When meaningless mush like that becomes a substitute for common sense, need we ask any more whether Canada Post has gone utterly mad?

* * *

• (1405)

MINES AND MINING

ANNOUNCEMENT OF CANADIAN EXPLORATION INCENTIVE PROGRAM

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, on Tuesday afternoon the Minister of State for Mines (Mr.

Merrithew) announced the Canadian Exploration Incentive Program for junior exploration companies across Canada. Along with this good news, he advised of the six-month extension of the 133-1/3 per cent earned depletion allowance.

At this time, may I say to the Minister of Mines and his staff; Eveline Kasner, Chairperson, Canadian Save Flow-through Committee; John Larch, President, Prospectors and Developers; the mayors, reeves and councillors from across Canada; the Minister of Energy, Mines and Resources (Mr. Masse); the Minister of Finance (Mr. Wilson), and the Prime Minister (Mr. Mulroney) that, working together, we have achieved a bright and stable future for the junior mining companies and the communities across the northern regions of Canada. Congratulations, and thank you to all.

* * *

IMMIGRATION

SELECTION OF NICARAGUAN AND GUATEMALAN REFUGEES

Mr. Dan Heap (Spadina): Mr. Speaker, our new Minister of Employment and Immigration (Mrs. MacDougall) ought to deal quickly with a problem she has inherited, that is, the double standard that our immigration officers abroad apparently use in selecting Central American refugees.

In 1987, for example, the Canadian consulate in the United States gave refugee status in Canada to 168 Nicaraguans living in the United States but only 71 Guatemalans. This smacks of a two to one political bias. These are not the ones who come to the Canadian border seeking refuge. These are people living in the U.S. who ask to be resettled in Canada as refugees from Nicaragua or Guatemala.

We know that the big majority of Nicaraguans claiming refugee status in the U.S. are accepted there, but scarcely any Guatemalans. Yet, on the other hand, Nicaragua has no pattern of death squad activity such as reigns in Guatemala.

Why then does Immigration Canada bring in twice as many Nicaraguan as Guatemalan refugees?

* * *

[*Translation*]

INDUSTRY

OPPORTUNITY TO ESTABLISH DURAL PLANT IN JONQUIÈRE

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, this week, Jonquière's socio-economic partners held an economic summit and made it clear to the authorities at Alcan that they wanted the new plant that will manufacture an entirely new product, dural, to be located in Jonquières. The new product, which combines the stength of steel with the light weight of aluminum, is said to have great potential.

Mr. Speaker, in our region, this plant is a symbol of the ongoing struggle and efforts to diversify our economy and lessen the loss of jobs due to technological change. Alcan's involvement with the academic world, its research centre, the employment committee, the work that has been done on aluminum processing, and the company's involvement in SOCCRENT, all these elements point the way to further involvement by locating the new plant in Jonquière.

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[*English*]

REGIONAL DEVELOPMENT

PRIME MINISTER'S SCHEDULED VISIT TO NEW BRUNSWICK

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, we are told that the Prime Minister (Mr. Mulroney) is going to be in New Brunswick later this week. It is hoped that the Prime Minister will put the time to good use instead of playing politics.

There remain some outstanding issues in New Brunswick which the federal Government has yet to deal with, not the least of which is the closure of the Moncton rail shops. The Prime Minister received a rude welcome on a previous visit because of this issue, and I remind him that he has yet to offer any concrete solutions to this problem.

Also, there is the matter of New Brunswick being the only province in Canada without full CBC broadcasting services. This is an important issue, and his Minister of Communications (Miss MacDonald) is refusing to act. New Brunswick is also a victim of discrimination with regard to the designation of communities for the northern allowance. While practically every community along the Gaspé coast as well as 65 communities in Nova Scotia have been designated, only one island community in New Brunswick is on the list.

I respectfully ask the Prime Minister to deal with these issues and bring justice to the people of New Brunswick. Now is the time to show to New Brunswickers that they have the right to receive the same treatment as all the people in the other provinces of Canada.

* * *

• (1410)

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—CANADA WEST FOUNDATION'S STUDY

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, over the past four years the Canada West Foundation has done extensive research on the free trade issue. Its most recent

report is entitled "Evaluating the Fine Print—The Free Trade Agreement and Western Canada".

The foundation concludes that for workers 83 per cent will notice little change, 2 per cent are in industries that assistance programs should focus on, and 15 per cent or over half a million are in industries that will benefit. However, these half million people work in industries that now produce one-quarter of our Gross Domestic Product, so one can expect expansion and job creation in these dynamic Canadian industries.

The report also states that perhaps the biggest winners from the free trade agreement are consumers on both sides of the border. As part of its conclusion, the report said:

> While there are individual winners and losers in the short run, none of us should neglect to place the free trade agreement in a nation building and international trade perspective. This agreement represents a landmark decision.

Such independent studies emphasize the critical importance of the free trade agreement to western Canada.

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AWARDS AND DECORATIONS

FIRE SERVICES EXEMPLARY SERVICE MEDAL—INELIGIBILITY OF RETIRED FIRE-FIGHTERS

Mr. John Nunziata (York South—Weston): Mr. Speaker, I wish to address the issue of the Fire Services Exemplary Service Medal. This medal is awarded by the Chancellery of Canadian Orders and Decorations to fire-fighters who have served 20 years or more. However, fire-fighters who were retired on or before August 29, 1985, are not eligible to receive this honour due to the fact that the medal did not exist before that day.

The Province of Ontario recognizes fire-fighters with long service regardless of when they retire. The same should apply to the federal Fire Services Exemplary Service Medal. This medal represents the sole compensation to fire-fighters for putting their lives on the line fighting fires for 20, 30 or 40 years.

These individuals, some of whom are Second World War veterans, have put forth a great contribution to our society throughout their many years of service. They have saved many lives. It is unjust that, simply because the medal did not exist before August of 1985, fire-fighters who were retired on or before that date should not be recognized for their great contribution.

Fire-fighters across Canada are concerned about this particular issue. I urge the Government of Canada to amend its policy in order to recognize fire-fighters who retired on or before August of 1985. This will allow these fire-fighters to wear this medal of honour proudly which they so rightly deserve.

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

* * *

DAY CARE

WAGES OF EMPLOYEES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Government seems determined to ignore its obligation to address serious flaws in the way Canada cares for the children of working parents. The current system suffers from chronic lack of day care services which are exorbitantly expensive and exploits the dedicated child care providers, most of whom are women, by paying them disgracefully low wages.

Care giver wages, according to Statistics Canada, average $8,900 per year. That is below the wages of housekeepers, waitresses, bartenders, and farm labourers. In fact child care is the worst paid job in the country.

If the Government values the work of women who care for children, if it cares about the quality of care our children receive, it will listen to the parents and workers who are concerned. If it does not care, it will follow the advice of an arrogant Minister of National Health and Welfare (Mr. Epp) who has turned his back on the child care community.

The Minister says that he is not impressed by noise and lobbyists. Why then did he prefer to participate in partisan provincial politics instead of accepting his invitation to participate in the recent national child care conference? He should resign.

* * *

EXTERNAL AFFAIRS

PLANNED VISIT TO CANADA BY POLISH PARLIAMENTARY DELEGATIONS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, the Canadian Polish community is outraged over the planned visit to Canada next week of a Polish parliamentary delegation headed by Deputy Speaker Rakowski.

The Government of Poland continues to violate fundamental human rights by refusing to restore full legal status to the trade union Solidarity, outlawed in 1982, by refusing to rehire all workers who were dismissed under martial law, and by refusing to release all political prisoners.

I call upon the Secretary of State for External Affairs (Mr. Clark) to cancel the visit of the Polish delegation to Canada next week to demonstrate Canada's protest of the Polish regime's flagrant suppression and denial of workers' rights.

[*Translation*]

ROAD SAFETY YEAR IN QUEBEC

TRIBUTE TO HÉLÈNE SIMARD, HONORARY PRESIDENT OF REGIONAL ACTION COMMITTEE

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, today I wish to pay tribute to a young woman from Quebec, Hélène Simard, who is a paraplegic. Ms. Simard has agreed to be Honorary Chairman of the Regional Action Committee for Road Safety Year in Quebec. Ms. Simard considers it unacceptable that 90 per cent of road accidents are caused by human negligence. The fact that I have to organize a campaign of petitions to have shoulder seat belts for back seat passengers and inflatable bags in front, shows that we still have a long way to go in this country.

We all have a responsibility in this respect. Drivers should learn and practise defensive driving. The police should enforce traffic regulations. Manufacturers should make vehicles safer, and finally, legislators at all levels of government should make this a priority.

I therefore ask the Minister of Transport (Mr. Bouchard) who has just arrived in the House to take this opportunity to make road safety a genuine priority. I may remind Hon. Members that accidents can happen to all of us.

* * *

• (1415)

[*English*]

THE CONSTITUTION

ENTRENCHMENT OF PROPERTY RIGHTS

Mr. Jim Jepson (London East): Mr. Speaker, it was a distinct pleasure and honour for me to second the main motion, M-8, of the Hon. Member for Kitchener (Mr. Reimer), which would amend Section 7 of the Charter of Rights to include property rights. It was encouraging to see such overwhelming support in the House, with the notable exception of a few Liberals and all the NDP or socialist Members who would want Canada to be a truly socialist country where the state owns everything.

I am sure that many who have chosen Canada as their new home and fled from Communist oppression must treasure this motion and be confused by the socialist NDP and some Liberals who voted against this most important and basic human right. I hope that Canadians will not forget that Mr. Trudeau and the Leader of the NDP (Mr. Broadbent) would not include property rights in the Charter.

I urge the Prime Minister (Mr. Mulroney) and the Government to ensure that property rights are put on the agenda for the next First Ministers' Conference this fall.

ORAL QUESTION PERIOD

[*English*]

FILM DISTRIBUTION INDUSTRY

MINISTER'S MEETING WITH INDUSTRY REPRESENTATIVES IN MONTREAL

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, when meeting with the film industry representatives yesterday in Montreal the Minister of Communications, skating as per usual, refused to acknowledge that her film policy will contain the long-promised, tough legislative measures designed to break the stranglehold of the American distributors on the Canadian film market. The Prime Minister believes he can save his trade deal by having his Communications Minister dupe the distributors and attempt to buy their peace while he concocts secret deals with President Reagan to sell out their interests to American movie moguls.

Does the Prime Minister not realize that giving the industry more funds is just a temporary measure and is no substitute for a policy implemented by legislation, and that such legislation with fair regulations is the only way Canadian distributors can permanently recover more than their present 3 per cent of the Canadian film distribution market?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is very difficult to figure out what the question is in the speech the hon. lady just made. As she should know, the Minister of Communications is meeting with representatives of the Canadian film industry later this afternoon and she will be making an announcement then. A full information package will be given to those who are so anxious to have information, including the Hon. Member opposite. She will have that before the meeting.

The Government has certainly realized that it is necessary to take action. That is why legislation has been introduced, and that is why we have established a $165 million fund to assist the Canadian feature film industry and have taken other steps to assist in the cultural area.

Mrs. Finestone: Mr. Speaker, that is why the Minister of Finance cut the capital cost allowance. I suggest that the Government has dropped its fair film policy.

[*Translation*]

RESTRICTION ON FOREIGN FILM IMPORT PERMITS—GOVERNMENT POSITION

Mrs. Sheila Finestone (Mount Royal): Does the Government intend to maintain its position and limit import permits for foreign films to foreign distributors who financed the films and have the world rights?

What kind of message does the Government have for our Canadian distributors who are going to Cannes next week? Is it that the rich American movie moguls I can go on as usual and keep their monopoly on distribution rights for the Canadian market? Or can the Canadian film industry expect

new legislation that would create a new market for our distributors?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, after years of neglect by our predecessors in this area the Minister of Communications and the Government have taken an initiative to assist Canadian film distributors and the Canadian film industry.

• (1420)

The exact contents of that policy will be announced by the Minister of Communications this afternoon in Toronto, I believe, where a healthy representation of the Canadian film industry resides. Once that has been done, we will welcome questions on interpretation of the details of the policy.

The Minister is creating a separate market for Canadian film distribution. That is the principle of the steps she will be announcing.

REPORTED VISIT TO CANNES FILM FESTIVAL BY FORMER TELEFILM OFFICIAL

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, April 13 is the anniversary of the last day at Telefilm Canada of the Prime Minister's friend, Jean Sirois. We now learn that he too is travelling to the Cannes Film Festival at public expense. Will the Prime Minister tell Canadians why his friend, Jean Sirois, is going to Cannes after he was canned by Telefilm? Does he not think it is rather a disgrace that he is having another free treat from the public purse—

Mr. Speaker: The Hon. Minister.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, if I can I would like to take notice of that question because I had not heard about this visit. I am not the Minister of Communications.

Mr. Gauthier: We know that.

Mr. Crosbie: She is my desk mate. I will certainly pass on the Member's question and provide her with an answer in due course.

* * *

HAZARDOUS SUBSTANCES

FREON—REQUEST THAT PAM BE REMOVED FROM STORE SHELVES

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is directed to the Minister of Labour. He will know that yesterday Dr. Albert Liston, Assistant Deputy Health Minister, was quoted as saying that: "The manufacturer of Pam oil spray is already working on removing freon and the intent of our discussions is to see how quickly we can bring that to fruition".

In light of the fact that the Government has finally recognized the seriousness of this situation, does the Minister not think it prudent and wise for the Government of Canada to remove this product from Canadian shelves until such time as the manufacturer finds a suitable substitute for freon?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, as Dr. Liston indicated yesterday, there will be discussions with the manufacturer in order to see how the reformulation can be accelerated. As a matter of fact, discussions on that particular subject are going on this afternoon.

Mr. Dingwall: I say respectfully to the Minister that this is a situation which requires immediate leadership by him and the Departments involved, not next week or the week after.

REQUEST THAT MINISTER BAN PRODUCT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the Minister is aware that in other jurisdictions, in the United States, freon is removed from that product. It is removed from hairspray and deodorants. We know that there are substitutes for freon. We want the Minister to put a ban on that product until such time as the manufacturer comes up with that substitute. Why is the Minister risking the health and the environment of Canadians by allowing this product to remain on the shelves for Canadian consumers?

Hon. Pierre H. Cadieux (Minister of Labour): Mr. Speaker, as I have been indicating for a few days now, the terrible incidents that have occurred with respect to this product were a result of the misuse of the product. It is misuse of a product that has caused terrible injury and death which would not have occurred if the product had been used for its intended purpose. It has been abused.

It is very important that people know that this product should not be abused in the way it has. I will not go into the details that were reported in the papers.

Since these incidents I have acted responsibly and asked the Department of Health and Welfare to communicate with the manufacturers to get them to Ottawa in order to discuss the acceleration of the reformulation. Those discussions are going on this afternoon.

• (1425)

FILM DISTRIBUTION INDUSTRY

MINISTER'S MEETING WITH INDUSTRY REPRESENTATIVES IN MONTREAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister who is handling culture today, the Minister for International Trade. The Minister will recall that a couple of days ago I asked the Minister of Communications a question based on a memo prepared by representatives of the U.S. film industry in Canada which alleged that the Government was about to water down completely its commitments to the film industry. At the same time it said it was important to support the Government because this was related to the free trade agreement.

The Minister then said she was not interested in hearing what the Americans had to say but wanted to know what Canadians had to say.

Considering that she met with Canadian representatives yesterday in Montreal to go over the details of the package she will be announcing later today, and they agreed with the American lobby group that the Bill had been substantially gutted and watered down, will the Minister, who is now responsible for the trade deal, explain to the House why the Government has sacrificed the Canadian film industry in order to get an undesirable trade deal for Canada?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I believe that any objective observer, when he hears the policy the Minister is outlining today—

Some Hon. Members: Or she.

Mr. Crosbie: —he or she—when they see the legislation that is introduced, they will realize that the legislation has done precisely what we said it would do. It will put an end to Canada being part of the domestic market of the United States in connection with film distribution.

I might note that the president of the Quebec Distributors Association stated that the new policy must do exactly that, put an end to Canada being part of the domestic market of the United States. This is going to be a major step forward and the Hon. Leader of the second opposition Party should welcome that.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Bill ought to do what the Minister has said. The representatives of the Canadian film industry actually had access to the information yesterday, and with all due respect to the Minister I say to him we are more inclined to accept their judgment than the Minister's judgment. They have said that the Government has betrayed them, that their interests have been sold out once again.

Considering that last October, when this deal was first announced, briefing notes prepared for the trade representative, Mr. Yeutter, in the United States, and Secretary of the Treasury Baker, said then that Mr. Valenti's interests would be met, that the Canadian Government would abandon its commitment to the film industry, why is it that the Canadian Government denied it then, denied it earlier this week, and the Minister is denying it today? Just for once, why does the Government not be frank and come clean with the Canadian people?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, if the Hon. Member would only accept his own advice and start being frank and clean with the Canadian people, we might be able to have a sensible debate on the free trade agreement with the United States, which we cannot do now because of the misstatements of fact and errors the hon. gentleman and his Party continually promulgate about the country.

With reference to this question, it is a question of opinion, and it is our firm opinion that this is a major step forward for the Canadian film distribution industry.

The hon. gentleman opposite likes to take the opinion of anyone who might be critical of this Government. It does not matter whether they are Americans or what nationality they are. If that is the opinion he chooses to take, then he can take it.

CONFLICTING STATEMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am not asking the Minister to accept our opinion. I ask him to consider they were briefing notes for Mr. Yeutter and Mr. Baker, American sources, not ours. It was a memo, an American briefing memo, three days ago that said the Canadian Government had sold out. It was the Canadian film industry spokesman in Montreal yesterday who said the Government had made a secret behind-the-scenes deal on free trade. Why is it that everyone, whether on the American side of the border or on the Canadian side of the border, says one thing, and the Canadian Government says the other on this important matter?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, this is another case of anticipatory indignation from the hon. gentleman who seems to specialize in indignation. What do briefing notes from Mr. Yeutter have to do with it? This Government does not prepare briefing notes for Mr. Yeutter, or briefing notes for the Motion Picture Association, or briefing notes for anyone else. We prepare briefing notes for ourselves. Why does the hon. gentleman not quote from some relevant document, not from some American document, prepared by Americans for Americans?

Oral Questions

AUTOMOTIVE INDUSTRY

IMPORTS OF JAPANESE MANUFACTURED CARS

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Minister for International Trade. On March 31 of last year the arrangements Canada had for restraining imports of Japanese and Korean cars into Canada expired. More than a year has gone by and the Government still has not completed negotiations for new arrangements. I would like an explanation for this from the Minister.

• (1430)

Has the Government abandoned the policy of restraining imports of Japanese and Korean cars into Canada? If not, why has so much time gone by without any new arrangements which are important for the preservation of jobs and production in the Canadian automotive industry?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, there is no reason for any change in the policy or approach at the moment. I have had no representations that there should be any change in that direction. If the hon. gentleman is concerned that there may be dangers here, I will undertake to look into them.

GOVERNMENT POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, I understand that offshore cars, cars imported from abroad, now take up some 35 per cent of new car registrations in Canada. These are mostly from Japan and Korea.

Over a year ago the Hon. Member for Langelier, when he was the Minister of Regional Industrial Expansion, said that the Government would soon create a national automotive strategy. Last September his successor, the current Minister, pledged that there would also be a national automotive strategy from the Government. Nothing has happened so far.

Has the Government abandoned this commitment, as it has so many others? Will it have a strategy? If not, what explanation can it give for abandoning this pledge, a pledge which if carried out would be important in preserving tens of thousands of jobs in the Canadian automotive sector?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Minister for Regional Industrial Expansion is not here today. That is the Minister to whom the hon. gentleman is referring. I suggest that he hold his indignation and perhaps splutter later in the week when the Minister returns.

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EFFECT ON GRAPE PRODUCERS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is for the Deputy Prime Minister. He will likely recall that during the last election campaign on the Prime Minister's tour through the Niagara Peninsula the Prime Minister promised the grape and wine producers there that the Government would keep farmers on the land, that the Government would promote Canadian wines, and adopt other protective measures because it would be "far less costly to the public treasury than to allow this vital Niagara industry to literally wither on the vine."

My question to the Deputy Prime Minister is this. Why did the Prime Minister break his promise to the grape producers of the Niagara Peninsula when he signed a trade deal which essentially has devastated this industry?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it is unfortunate that this kind of silly and partisan question is asked in the House of Commons.

Mr. Broadbent: He's quoting the Prime Minister.

Mr. Crosbie: The Prime Minister has not broken any commitments or promises to the grape growers of the Niagara Peninsula, or any other peninsula.

The grape growers of Canada are in a difficult position for several reasons. The first is because certain practices adopted by the provinces were contrary to the GATT, and had been contrary to the GATT for many years. A GATT panel report came in to this effect some months ago, which has to be observed if we believe in the GATT system. The members of the New Democratic Party have told Canada—the world—that they are great believers in the GATT system. That is the basic reason why the grape industry is having some difficulty.

In addition, the Canada-U.S. Free Trade Agreement also has an effect on the grape industry that has to be dealt with.

Third, the grape growers of the country were in some difficulty anyway because of an over-production of the wrong kind of grapes.

Some Hon. Members: Oh, oh!

Mr. Crosbie: All of those problems are being dealt with. The Minister of Agriculture has a report recommending certain steps be taken for adjustment measures to help the grape industry. That will be done.

The Prime Minister is not going back and has not gone back on any commitments made to grape growers in Canada.

REQUEST FOR COMPENSATION PACKAGE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, what has become perfectly clear in that response is that the

Government has decided to sacrifice the grape producers and wine producers on the altar of the free trade deal with the United States. That is what has happened.

Howard Staff, a grape grower in the Niagara Peninsula, said recently: "Everyone has been gearing up in this industry, replanting and expanding, and suddenly the umpire has called us out. They changed the rules in the third inning and we didn't even know it."

Since the deal has devastated this industry, does the Government plan to introduce a compensation package for all of those thousands of people who will lose their livelihood as a result of the trade deal? When will the Government announce the contents of that particular package?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, if there is any umpire involved in this situation the umpire is the General Agreement on Tariffs and Trade, the GATT organization to which this country has belonged since its inception. We are proud supporters of GATT.

When this country adopts practices that are contrary to the GATT rules, the rules that govern civilized international trade, then we have to comply. That is who the umpire is. We are going to act to assist the grape industry.

I would recommend to the hon. gentleman that he read an article by Mr. George Bain in *The Halifax-Chronicle Herald* that deals with a matter he brought up about a week ago which throws a lot of light on some other sensational approach that he tried a week or 10 days ago.

* * *

AIR SAFETY

1985 GANDER AIR DISASTER—REPORT OF POSSIBLE EXPLOSION PRECEDING CRASH

Mr. George Baker (Gander—Twillingate): Mr. Speaker, two weeks ago I questioned the Minister of Transport regarding the preliminary report of the Canadian Aviation Safety Board into the 1985 Gander air crash which killed 258 people. I pointed out that the autopsy report, which suggested that perhaps there was a fire on board the aircraft before it crashed, was not included in any part of that preliminary report.

Is the Minister aware of a report by Irving Pinkel Associates of California, explosives experts, which outlines the possibility that "an explosion tore a piece of the fuselage free prior to crash impact and that it was ingested by number 3 engine". Is the Minister aware of that report? Is he aware that none of that was included in the preliminary report of the Aviation Safety Board?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, what I am aware of is that the answer today has to be the same as the one I gave two weeks ago. My friend knows very well that this report in December was a preliminary report. He said that himself. It has to be provided to the parties for their comments. When we have those comments, and when the final report is issued, I think at that time it would be wise for the Minister to make comments if he has any to make. In the meantime I believe that it is better to wait for the final report of the CASB.

CANADIAN AVIATION SAFETY BOARD

Mr. George Baker (Gander—Twillingate): Mr. Speaker, two weeks ago I also suggested that perhaps the Government should investigate the investigators. Little did I know that that is exactly what the Government has done.

I ask the Minister of Transport is he aware of a report dated a couple of months ago, February 3, written by a Mr. John Sopinka, Q.C., in which he states he was retained as a consultant by the Minister of Transport, and that the board members of the Canadian Aviation Safety Board which inspected the crash "have been unable to obtain investigation of facts which they consider essential in order to carry out their function."

Is he also aware that the investigators themselves have been called into question, along with their competence, and the quality of their investigations? Is the Minister aware of that outright condemnation of the board that investigated the Gander crash? If he is, is he now prepared to order a completely new investigation into the Gander air disaster?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, my friend knows I never comment on that type of document. He knows very well why I do not.

What I can say is that the Canadian Aviation Safety Board is an independent body. My friend knows that it is not the role of the Minister of Transport to take over its responsibilities.

The Hon. Member also knows that shortly I will introduce a Bill in the House dealing with accident investigation and the different modes of transportation. At that time I think it will be possible to correct some ambiguity we may have in the actual Act. We are dealing with the Canadian Aviation Safety Board. But in the meantime I repeat that it would not be relevant for the Minister to comment on the operations of what we call an independent body.

* * *

• (1440)

AIR TRANSPORT

SAFETY INSPECTIONS OF AIRCRAFT

Mr. Les Benjamin (Regina West): Mr. Speaker, my question is directed to the Minister of Transport. In light of the middle of the night wire story from the senior person in charge of inspections in his Department that the airlines in

Canada will be allowed to do their own inspections and certify them, which is like putting a coyote in charge of the chicken coop, will the Minister see to it that the Government does not try to get by on the cheap, that it hires enough inspectors to do it itself, and does not leave it up to the airlines to judge themselves?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I am very surprised because the Hon. Member is an experienced Member of the House of Commons. He should know that we have done this since 1968. For the last 20 years the companies have had the right, under inspection by Transport Canada, to do what he said, and it is a question, if I understand it, that we should expand that authority to other companies.

The Hon. Member knows full well that those inspections have always been controlled by inspectors of Transport Canada. They are well certified if there is any security problem.

OLDER AIRCRAFT—REQUEST FOR EXHAUSTIVE INSPECTION

Mr. Les Benjamin (Regina West): Mr. Speaker, I am sorry that the Hon. Minister does not know what his own Department is doing. Those airlines will sign the final authorization on work previously reviewed and approved, whether it is maintenance, repairs, or anything else, and no government inspector need look at it. They will sign it off.

Is the Minister prepared to go through this nonsense of having convertible aircraft where the roof lifts off when a plane is in flight? In light of the experience in the United States and the recent incident in Hawaii, is the Government seeing to it that all aircraft over 10 to 15 years old, Boeing 727s, 737s, DC-9s, and DC-8s, are being exhaustively inspected by government inspectors for metal fatigue, aircraft and fuselage cracks, or is he leaving it up to the airlines to do it?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I wish to repeat what I already said. All those inspections were already done by the companies, with personnel certified by Transport Canada, through licences and operating certificates. Everything is controlled by my Department, and for 20 years we have been doing that. I do not believe that it has to be changed, because it has proven to be effective.

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[*Translation*]

AIR CANADA

REDUCED IMPORTANCE OF OPERATIONS IN MONTREAL

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is also directed to the Minister of Transport, but concerns another topic. It concerns transfers of Air Canada flight personnel from Montreal to Toronto. When the Minister was still Minister of State (Transport) three years ago, he was very reassuring. In a statement on January 29, 1985, he said that Air Canada had suspended all transfers related to personnel training and flight operations from Montreal to Toronto. He was very reassuring. He said the process had been stopped, so there would be no turning back. If bilingualism and the French fact at Air Canada must be centred in Montreal, we will make sure that is the case.

Now that the Minister has full control over the Department of Transport, I would like to ask him how he can tolerate the erosion of Air Canada's base in Montreal, as flight personnel transfers to Toronto continue. Is the Minister already acknowledging that privatization will have an impact and that the pilots and the Montreal area will just have to hold their noses and let it happen?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I think the Hon. Member will admit we cannot compare apples and oranges. This has no connection with privatization, which has yet to take effect. Furthermore, I agree that in 1985, I asked Air Canada to put a stop to the transfer of pilot training from Montreal to Toronto. That was done, and Air Canada has not departed from its decision since then. In other words, there have been no transfers with respect to training. If we look at operations, it is true that flights to and from Toronto have increased. Once again, I think the Hon. Member will have to admit that in Toronto, operations have increased by 54 per cent over the last three years. However, what I said in 1985 still applies, namely that Air Canada pilots are still being trained in Montreal, on the same terms that existed at the time.

PILOTS BASED IN MONTREAL—MINISTER'S POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, it is no fun for people in the Montreal area to see how little clout they have with this Government that has no Minister from the Island of Montreal in Cabinet.

The Minister tells us that much of the training will continue to be done in Montreal, but that people will continue to work elsewhere. And he would like us to accept that.

So I shall ask the Minister what guarantee that pilots can continue to be based in Montreal he will obtain from Air Canada. Fifty were transferred in the last three years. What guarantee can he obtain, especially before privatization takes place?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, first of all, it makes me smile when the Liberal Party says that there is no Minister from the Island of Montreal in the Government. When there were six from Montreal, between 1976 and 1984, Montreal lost almost all its economic development. Even the Prime Minister himself was from Montreal!

Mr. Speaker, I must once again correct an impression that my colleague is trying to give. The number of employees who are now in Montreal is about 8,500, exactly the same as it was in 1982 when you were in power.

* * *

[*English*]

IMMIGRATION

SELECTION OF NICARAGUAN AND GUATEMALAN REFUGEES

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Minister of Employment and Immigration. In 1987, according to the Department's records, Canadian consulates in the United States, in New York, Atlanta, San Francisco, and so on, selected 168 Nicaraguans who were living in the United States to be resettled in Canada as refugees, but in the same year only 71 Guatemalans who were living in the United States were to be resettled in Canada.

Given the well known fact the opponents of the Nicaraguan Government are not subject to the death squad reign of terror that exists in Guatemala, why accept more than twice as many Nicaraguans from the United States for resettlement in Canada?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member well knows that we deal with all of these cases on a case by case basis, and with some considerable sensitivity. The people who are in the field of selecting immigrants do so on the basis of sensitive judgments about the position that a particular person is in. We have brought in a considerable number of Guatemalans one way and another.

We also notice, and I have received this information from some of my human rights advisers, that the regime in Guatemala is less volatile than it used to be. We are watching this situation very carefully. We regard refugees as individuals, and look at them one at a time.

STANDARD USED IN SELECTING REFUGEES

Mr. Dan Heap (Spadina): Mr. Speaker, the fact that the situation in Guatemala is less volatile than it was three years ago does not mean that the death squads still do not terrorize people with murders and kidnappings in Guatemala. If the Minister is talking with human rights specialists she should know that.

Is there not a double standard used in which Nicaraguans are more easily accepted from the United States, in spite of the fact that Nicaraguans as a majority of the applicants can be accepted as refugees in the United States, whereas scarcely any Guatemalans are accepted as refugees in the United States?

Does that not suggest that a different standard is used for selecting Nicaraguans than that used for selecting Guatemalans when the standard ought to be essentially the refugee standard—is this person in danger of persecution if he goes back to his country?

• (1450)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I thought that is what I just said. We do look at these as individual cases and we do consider them on an individual basis. If they are in danger, then we ensure they do not get sent back. That is exactly what I replied to the first question.

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NATIONAL REVENUE

EVALUATION OF USED AGRICULTURAL MACHINERY

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Minister of National Revenue. Will he give favourable consideration to amending or rescinding any and all interpretation bulletins or other documents issued or used by the Department of National Revenue which permit employees of that Department in effect to change or alter the list price of manufacturers and/or the invoices of farmers when a used machine is traded in on a new machine?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, I welcome this question from the Hon. Member who has been particularly conscientious in focusing on this matter which is, of course, of great importance to western farmers, indeed all farmers. I want to assure him that my Department is always anxious to administer this program in an equitable manner.

I will take his question as a representation and remind him that we cancelled the special audit over a year ago and are endeavouring to find ways to give special attention to farmers who feel that the question of over-evaluation or otherwise of used equipment has not been dealt with properly. We are sensitive to this and will continue to monitor it.

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[*Translation*]

OFFICIAL LANGUAGES

BILL C-72—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would appreciate some details about what this Government intends to do with Bill C-72. Some of us think the Government is hiding behind Members of its Caucus referred to as dinosaurs, which the Government has ordered to do its "dirty work". According to some Members, the only future this Bill

has is a third class burial. I would like to ask the Minister—I am not sure which Minister, since the Minister of Justice is not in the House—when the Government will order these backbenchers who are opposed to this enlightened and progressive legislation to stop the filibuster they have been conducting during the past month in committee.

[*English*]

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I would remind the Hon. Member that the Bill passed the House at second reading with unanimous consent, after considerable filibustering by the Opposition. The committee is engaged in hearing witnesses and it is our understanding that there is another week or so for witnesses to appear. The Government is committed to pursuing this legislation but, at the same time, I would tell my hon. friend that we are not going to be pushing around our members on the committee. We want to allow for full hearing of witnesses and full development of the clause-by-clause stage.

Mr. Gauthier: Mr. Speaker, the Conservative Member for Charlevoix said yesterday that the only thing he knows for sure about the plans of the Government regarding official languages is that they are going around in circles in the caucus.

Mr. Grisé: You better take care of your own caucus.

APPROVAL OF LEGISLATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, what specific measures does the Government intend to take to make sure this Bill is approved by the House before the end of June? What can the Minister tell the House about the future plans of the Government?

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, if the Government were to order committee members to take certain actions, my hon. friend would be the first one up on his feet complaining about it. I say to him as a member of the committee: Do the committee's work in committee, not on the floor of the House.

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EXTERNAL AFFAIRS

NICARAGUA—REPATRIATION OF CITIZENS LIVING IN HONDURAS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Right Hon. Secretary of State for External Affairs. A fact finding mission for peace team just returned from a tour of Honduras and Nicaragua. Among other things it recommended that Canada assist with a reconciliation fund to provide economic incentives for the repatriation of thousands of Nicaraguans presently living along the Nicaraguan-Honduras border, rather than prematurely providing for the possibility of resettlement in Canada.

Is Canada prepared to assist with a resettlement and reconciliation fund to help those people reintegrate themselves into the life of Nicaragua, as part of our contribution to the peace process?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have not yet had an opportunity to see or study that report. I will certainly look at it.

The Hon. Member will know that a parliamentary committee will be visiting the region this month as a result of unanimous party agreement here that Canada should be looking at every constructive way open to it to encourage peace in the region. He will also know that the Foreign Ministers of the five Central American countries have agreed to submit a request to the Secretary General of the UN to establish auspices under which designated countries, including Canada, might be able to play a specific role in aiding the peace process in that region. We are prepared to respond to that kind of invitation if it comes and naturally if it takes account, as we think it will, of legitimate Canadian security requirements.

REQUEST FOR REVIEW OF CANADIAN ASSISTANCE TO HONDURAS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, is the Minister prepared to respond to another recommendation of the committee that, in light of the instability of the human rights situation in Honduras, increased militarization, and the fragility of civilian democracy in that country, we are prepared to review the level and nature of our development assistance program in Honduras, which gets more of such assistance than any other country in Central America and which is making poorer use of it?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the question of the effectiveness of the use of development assistance is almost always subjective. I will look at the recommendations to which the Hon. Member refers. He will know the income situation in Honduras, in a region where poverty is endemic and extensive, is particularly acute. That is one of the factors taken into account in our development assistance program.

I repeat, the general attitude of this Government is that it is interested in being helpful in any way it can and we are looking at options which might be open to us, in this particular case by way of an all-Party committee visiting the region.

* * *

HORTICULTURE

FRUIT AND VEGETABLE IMPORTS FROM UNITED STATES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. Over a year ago he promised the Canadian Horticultural Council and fruit and vegetable producers that he would bring in amendments to the

Canada Agricultural Products Standards Act to control bulk shipments of fruit and vegetables to Canada on consignment from the U.S. from its massive surplus stocks. The Minister failed to act and the entire cherry crop, for example, was left to rot because there was no market.

Can the Minister say why he broke his promise and why the legislation was not brought in to protect these producers?

Hon. Pierre Blais (Minister of State (Agriculture)): Mr. Speaker, this matter is still under consideration before Cabinet and I hope it will be possible to give details as soon as possible.

REQUEST THAT AMENDING LEGISLATION BE ENACTED

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister is in danger of becoming the Rip van Winkle of the Government. He has been asleep at the switch for over a year on this thing. Entire crops are being lost.

Can he assure these producers that this is not being held up by the free trade deal with the U.S. and that the proper legislation will be put in place to save the crop this year from unfair competition from the U.S?

[*Translation*]

Hon. Pierre Blais (Minister of State (Agriculture)): Mr. Speaker, no Government has ever taken the interests of Canadian farmers as seriously as we have. Government expenditures in the agricultural sector have increased more than 400 per cent. As far as the free trade agreement is concerned, the industry stands to benefit very substantially. We will develop markets in the United States that we did not have before. The lowering of tariff barriers between our two countries will benefit many regions in Canada in the fresh fruits and vegetables sector. I hardly think anyone in the Liberal Party would object to expanding markets for Canadian market gardeners, Mr. Speaker!

* * *

• (1500)

[*English*]

AIRPORTS

SECURITY MEASURES—SITUATION AT LONDON AIRPORT

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, my question is for the Minister of Transport. Several of my constituents have expressed concern with regard to airport security. No doubt the recent escapades of the armed flying bandit in Ontario skies has heightened their concerns. My constituents and I would like to know how this armed flying bandit can use Transport Canada's airports as a means of a getaway for his guns and stolen money. People want to know why baggage, both checked and unchecked, is not looked after properly.

The Government has talked about safety as being a primary concern. What steps are being taking to ensure some safety and security at Canada's airports, particularly the London airport?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, my predecessor put over $63 million into security controls at our airports.

In London as in any other airport in Canada we are increasing the security system all the time. I will be meeting this afternoon with Canadian Airlines, Air Canada, and Wardair to see how we can again improve the system. It is the policy of this Government to make improvements to the system, and I believe we can say that we have one of the best systems in the world.

Mr. Speaker: The Hon. Member for Humboldt—Lake Centre, just a single question, and that will end Question Period.

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NATIONAL REVENUE

AGRICULTURAL MACHINERY EVALUATION

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, in olden times tax assessors used extortion to extract the maximum tax from their victims rather than following a strict tax schedule and regime.

Revenue Canada seems to be reverting to that long dead practice with regard to machinery evaluation and the amount of tax owing. Can the Minister tell us why?

Hon. Elmer M. MacKay (Minister of National Revenue): Mr. Speaker, my colleague knows that our Department is trying, and is, I am sure, administering this program in a very objective way. I have met with many colleagues and farm organizations. We cancelled the special audit over a year ago.

There is an obligation that our Department has to administer tax programs. We are trying to do this very sensitively and we are giving extra attention to farmers who feel they have a grievance.

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PRIVILEGE

UNITED CHURCH OF CANADA—OBJECTION TO DESCRIPTION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I rise with respect to Citations 48 to 51 of Beauchesne's Fifth Edition which come under the heading "Reflections on Members".

I refer to a letter written by the Hon. Member for Mississauga South (Mr. Blenkarn) to the Right Hon. Secretary of State for External Affairs (Mr. Clark) and dated April 11, 1988 which reads:

> Dear Joe:
>
> Enclosed is some material from my constituent, John Hart.
>
> Three black ministers from the UNITA side were here under the auspices of the United Church of Canada (Joe, this is the red church that I belong to, indeed I sometimes call it the "communist church of Canada").

I rise both as a Member of this House and as a member and an ordained minister of the United Church of Canada to say that this description of the United Church of Canada infringes upon my rights as a Member of Parliament to be able to speak out on a wide variety of issues. It casts a reflection on me when I attempt to articulate positions that have been taken by the United Church of Canada. It casts reflections upon members of all three Parties who happen to be members of the United Church of Canada, and I submit that this is a violation of my privilege.

The letter might be dismissed as a facetious comment from a Member who is known sometimes for making facetious comments, but on further reflection I do not believe that it can be so lightly dismissed. First, the letterhead clearly defines the Hon. Member as the Chairman of the Standing Committee on Finance and Economic Affairs.

Mr. Speaker: I have listened carefully to the Hon. Member who very kindly gave me a copy of the letter prior to Question Period. I am having some difficulty, although there may be a complaint here, in seeing a question of privilege.

First, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) is not named. He is one among many hundreds of thousands of Canadians who are members of this particular church. Whether the remark is said facetiously or otherwise, it is difficult to see just in what way that makes it more difficult for the Hon. Member for Cowichan—Malahat—The Islands to carry out his duties as a Member of Parliament.

I do not know whether other Members wish to intervene. While there may be and obviously there is to the Hon. Member a complaint here, I am afraid that I cannot find a question of privilege.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask the Deputy Government House Leader for his customary statement of Government Business.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I wish to advise that tomorrow will be an allotted day. Monday will also be an allotted day.

The House will know that on Tuesday at 11 a.m. there will be an address in the Chamber by Queen Beatrix of the Netherlands. In the afternoon we will sit at two o'clock for Members' Statements and Question Period, followed by Government Orders. On Tuesday afternoon we will proceed either with Bill C-103, dealing with the Atlantic Canada Opportunities Agency, and/or we will try to complete Bill C-113, the western diversification legislation.

However, I should point out that we may have to debate the time allocation motion we were forced to put on the floor in an effort to get this very important Bill through the House because there was a filibuster from the New Democratic Party. Either way, that will be the Business of the House until next Tuesday.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

Hon. Doug Lewis (for the Prime Minister) moved that Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the third time and passed.

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, it gives me great pleasure to rise at this time and participate in the debate on Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation. It gives me particular pleasure to speak on this important regional development initiative. I entered public life in an effort to improve the economic circumstances of the region that I represent and in an effort to participate in the process of improving the economic lot of the ordinary men and women in the region of Nova Scotia that I represent.

We live in an area of Canada that is a so-called "have not" area, which simply means in the Canadian context that the economic opportunities are less than in the more prosperous areas of Canada like Ontario and parts of Quebec. Nevertheless over the years we have worked at the national level and through our provincial representatives to put in place a series of initiatives and incentives that were to go a long way toward erasing national economic inequality. There has been some success.

I do not wish to use this opportunity to say that the previous Government did not try to address the problem. I believe that there is widespread agreement in all political Parties that the initiatives of the past were not as successful as Atlantic Canadians would have liked nor as the national Government would have liked. We had DRIE and we had DREE. Now the Atlantic Canada Opportunities Agency has been established by the Government.

• (1510)

What is different about the Atlantic Canada Opportunities Agency? I would like to take this opportunity to review with Hon. Members what I believe to be the strengths of the Atlantic Canada Opportunities Agency. I believe it is these attributes that are ensuring that the Atlantic Canada Opportunities Agency will succeed. I believe that these attributes are a reflection of our Government's commitment to regional development.

These changes were not achieved without a great political effort on the part of the Government. We had to stand on end the long-standing philosophies of economic development in the regions that prevailed here in Ottawa. We had to literally tear out of the Ottawa bureaucracy the mandate for regional economic development. It is never an easy task to take from the established bureaucracy authority and to transfer it to the regions, but this Government has done so. The Cabinet and the Prime Minister (Mr. Mulroney) have taken the important and tough decisions to ensure that there are improved economic opportunities in Atlantic Canada.

You will hear, Mr. Speaker, that our Government has done a lot about unemployment, about inflation, and about interest rates, but that it has been of no effect in Atlantic Canada. That, however, is far from the truth. Atlantic Canadians benefit from lower interest rates. Atlantic Canadians benefit from a lower deficit. Atlantic Canadians benefit from a lower inflation rate.

It is not true to say that the national economic process of which we all know is of no impact in Atlantic Canada. The people I represent benefit from lower interest rates when they buy homes, build homes, or buy cars. When the people of Atlantic Canada want new policies, social or economic, which will cost money, they know that we have to have the national finances under control.

The people I represent in Atlantic Canada and indeed all Atlantic Canadians know full well that fiscal management at the national level is important and critical to the long-term economic well-being of Atlantic Canada. Therefore, we have put in place significant economic goals and we achieved them at the national level.

The unemployment rate is down across the country including in every province of Atlantic Canada. Within this context of national economic growth with Canada leading the western world, this Government has not merely stood by and said that that is enough. This Government has said that we must do more for the regions. We must increase the standard of living and the opportunities for Atlantic Canada. That is why the Prime Minister announced the Atlantic Canada Opportunities Agency, an agency with $1 billion of additional resources to spend in the Atlantic region, $1 billion to be directed at small and medium-sized business. This is new and additional money directed at the entrepreneurs of Atlantic Canada. That is a major commitment.

That money is to be delivered by the Atlantic Canada Opportunities Agency, an agency which will be headquartered in Moncton, New Brunswick, an agency which has a local board of directors. It is an agency with local offices, whether in Sydney, Halifax, Moncton, Saint John, or Charlottetown. Those local offices are manned by people who live in the communities and can make important decisions about the viability of proposals for economic development that are put before those officers.

Just to highlight the contrast, in the past these same officers working for DRIE, would receive an application and do some kind of preliminary analysis of it. Then they would send it to Halifax. Then it would go to Ottawa. Then it would be evaluated by a sector analysis branch, and it would then go to a Deputy Minister. In the end, it would go to a Minister. However, it might not make it to a Minister.

In fact, during the first part of my term as an MP, the people of Atlantic Canada were told that their applications could not be approved because they would impact on industries in British Columbia or because the bureaucracy wanted another market study costing another $50,000. These decisions showed an insensitivity to the region. The bureaucracy was overly cautious. It was not prepared to take the risk. It had a different attitude.

Now the bureaucracy, the people who man the Atlantic Canada Opportunities Agency, know that their job is to spur economic development, their mandate is to work with local economic groups to ensure that the community can put ideas forward to government. ACOA has money to help the industrial commissions and the small communities of Atlantic Canada, to help the entrepreneurs. For example, if there is an innovation project through which something new will be advanced, as much as 60 per cent of it will be made available through assistance. We as a Government recognize that we must build a stronger entrepreneurial base in Atlantic Canada, that Atlantic Canadians who have good ideas and who need capital must be given a little extra help.

We have taken the bold step of putting the economic development task in the hands of the people who live in the regions. We make no apologies for that. In fact, that is what was recommended by the Standing Committee on Regional Economic Development one year ago.

In June, 1987 the House of Commons Standing Committee on Regional Industrial Expansion which I chaired gave to the Government of Canada a long list of recommendations as a strategy to be followed in regional economic development. I

would like to take the time of the House to review with my colleagues and with Canadians what some of those recommendations were, and whether or not they are reflected in the new policy of economic development envisioned by the Atlantic Canada Opportunities Agency.

The first recommendation was that the regional economic development task must be carried out by separate responsibility centres, sensitive to the regional needs. We now have that. Each of the provinces have offices with a certain degree of autonomy, and the headquarters of the Atlantic Canada Opportunities Agency is in Moncton, New Brunswick.

The second recommendation was that the federal Government should continue to maintain a strong role in Canada's regional development efforts while recognizing the contributions that provincial and municipal Governments can and should make in this effort. The reason for this recommendation is quite simple. We want the federal Government in the regions because the federal Government has at its disposal certain levers of national economic development. It has financial resources and expertise that can be employed in the regions.

We also want the provincial and municipal Governments to recognize that they too have a role to play, that the provincial or the municipal Government can no longer say that there is an economic problem in the community because of the federal Government. The people in the regions must recognize and in fact do recognize that they have the ability and the mandate to address their economic problems and to move forward from that point onward.

Another recommendation was that areas of weak economic performance should be eligible for assistance aimed at diversifying and strengthening the local economy. Economic development assistance for such areas should vary in accordance with the needs of the local economy. We see that in Bill C-103. Bill C-103 has an explicit provision for the Minister to designate an area for special economic treatment even within the Atlantic Canada region. That shows the flexibility and sensitivity which the committee recommended one year ago.

• (1520)

The committee believes that the federal Government's efforts to promote economic development in Canada could be considerably improved by establishing a stronger federal presence in the regions of Canada. We see this recommendation as well reflected in Bill C-103. We also recommended that communities and local development groups should be eligible to accept responsibility and financial resources from the Government of Canada so that they can participate in the task of economic development. In other words, people who live in a region of perhaps a radius of 30 miles may have recognized a peculiar economic opportunity which, until that time, had not been recognized. There is now a mechanism under which they can promote their idea which, hopefully, will result in long-term economic development.

The regional development eligibility criteria for prospective business investments should be broadened to include all forms of business activities in all sectors of the Canadian economy. Under program coverage one year ago the committee advised the Government to recognize that there were businesses which require loan insurance, there are other businesses which would prefer an interest buy-down, there were businesses which are short of capital and would prefer a grant, and there were other businesses which might prefer some help on infrastructure. The Atlantic Canada Opportunities Agency reflects all of these recommendations of the House of Commons committee which reported one year ago.

I came to this House with the intention of participating in the development of national economic policy. I chaired this committee which was able to bring forward recommendations that we believed to be in the best interests of economic development in the regions of Canada. It gives me a great deal of pleasure to see that these recommendations were accepted and are reflected in the regional development policy which we are discussing today.

Another very important and specific recommendations that the committee made one year ago was that progress payments be made to investors. In other words, as an investor puts up a building or acquires machinery a progress payment should be available in order that the investor does not have the burden of bridge financing over a number of months, which is costly and often very difficult because our national banks have not been supportive of regional economic development.

Our banks have not accepted what I believe is their responsibility, that is, to play a role in regional economic development. They want a nice, safe, secure investment. This recommendation recognizes that progress payments will make it a lot easier for many investors to acquire the necessary financing and get their business up and operating. That very specific recommendation was accepted and announced as government policy by the Minister some time ago as part of the action program.

Industrial development policies and assistance are continued as well. National industrial development policy is continued under DRIE. Businesses in Atlantic Canada are not restricted to the Atlantic Canada Opportunities Agency. They can take full advantage of the industrial policies which apply across the country.

We recommended that federal procurement policies, and in particular defence contracts, should play an even greater role in the federal-regional development effort. I am proud to say that since that recommendation was made one year ago the Government of Canada has confirmed that the remaining frigates will be built at the Saint John shipyard. That means security for thousands of New Brunswick workers. That is federal procurement policy working for the benefit of Atlantic Canada. That is another reason I take particular pride in the initiatives of our Government in Atlantic Canada.

All purchasing departments of Government must also be ordered to review the specifications put on goods which they

are acquiring. The reality is that when a clerk draws up purchasing specifications he or she often specifies a product which is not available in Atlantic Canada. The specification may not be an essential part of the item being purchased, but when specifications are drafted people believe that they are bound to follow them to the T. As part of the regional development effort we must continue to study specifications to ensure that they are broad enough and flexible enough to reflect the capacity of the regions of the country to supply the product sought by the Government.

Another recommendation was that the federal Government should continue to lend its support to the development of large-scale investment initiatives in Canada. One of those initiatives, of course, would be the Hibernia development. I was pleased to read in the papers this week of an indication of a commitment by the Government of Canada to ensure that this important regional development project gets under way in the near future.

The Government is not restricting its support for Atlantic Canadians to the Atlantic Canada Opportunities Agency. There are many other avenues, but the Atlantic Canada Opportunities Agency has special funding and special programs. It provides for a local board of directors and input, not only from the board of directors but from advisory groups throughout the region. There is an opportunity for local industrial commissions to tap into expertise and come forward with ideas which they believe to be good for their communities.

That, Mr. Speaker, is far more than I, as a Member of Parliament, thought could be realized in terms of economic development strategy in my first term in Parliament. It is, in fact, a revolutionary change in the attitude toward regional development in this country. I am proud that it was this Government that made that change. We learned from the past and are looking to the future with new expertise and new strategies. I believe that these changes are producing important results. We must realize that ACOA is not a trial balloon.

The Government established the Enterprise Cape Breton Agency in the spring of 1985, which agency reflected many of these principles. It has special development tools including the Cape Breton Investment Tax Credit, the topping-up assistance, and the IRDP assistance. It administers loan insurance and interest buy-down. All of this is reflected in the Enterprise Cape Breton Agency which has been successful. No one has said otherwise. In fact, there is widespread agreement that the Enterprise Cape Breton Agency has been successful and that jobs have been created as a result.

Our economic development efforts in the region of Cape Breton have not been restricted to those instruments available to the Enterprise Cape Breton Agency. The Government saw that the forest resource in eastern Nova Scotia could be developed, that the full potential had not been realized. The Government put in place ERDA agreements which applied to Nova Scotia in general with relation to forestry and a special forestry agreement for the Cape Breton area of Nova Scotia with a full $10 million. We put that money into the forests and put people to work to build up the forests which had been destroyed by the spruce budworm and to build a healthier forest.

We did not stop with forestry. We put in place a special Cape Breton Attractions Program designed to bring tourists into eastern Nova Scotia and Cape Breton. We want tourists to come into that region because tourism is a tremendous growth industry in all of Canada, and Nova Scotia is no exception. There is a great opportunity throughout all of my riding to increase the job opportunities flowing from the tourism industry. We put the $14 million Cape Breton Attractions Program in place in conjunction with the provinces. The idea was to establish special attractions, so-called travel generators, that would bring in Canadians, Americans and people from outside North America to this region of Canada to enjoy our culture, scenery and people. In turn, we will have a stronger economy.

• (1530)

We have established special agreements to help the agricultural sector and the fishery. We know that more can be done and are prepared to do so.

However, in less than four years tremendous changes in regional economic strategies have occurred in Atlantic Canada, and I am proud to say that it is the Government of which I am a part that brought forward this initiative. I am proud that many of the recommendations put forward by the committee which I chaired a year ago were accepted and are reflected in the regional economic policies of the Government. Those recommendations were put forward and unanimously agreed upon by the committee. We did not fully expect that so many of them would be accepted and acted upon.

I want to pay tribute to my colleagues who travelled throughout Atlantic Canada during the hearings relating to Bill C-103. I want to pay tribute to them for their attention and genuine interest in listening to Atlantic Canadians and supporting a number of amendments affecting this legislation.

One of those amendments relates to the extension of the Enterprise Cape Breton mandate to an area on the mainland side of the Strait of Canso, which includes industrial land in the Town of Mulgrave and thousands of acres in the adjacent municipality of the County of Guysborough.

This was a major and important change. This was one of the primary areas affected by the closure of the Atomic Energy of Canada Limited heavy water plant in Point Tupper. It was directly affected by the closure of an oil refinery during the term of my predecessor, and was directly affected by the closure of a fish plant in the 1970s. This area faced severe economic set-backs in the last 15 years, and the amendment to the Enterprise Cape Breton Corporation Bill means that this area will benefit from those special benefits that this corporation brings to the area. That is consistent with the mandate of the Enterprise Cape Breton Agency that was set up at the time

of the closure of the heavy water plant to help in the process of economic rejuvenation in that area. Enterprise Cape Breton Corporation will have the same mandate.

I have made representations to extend the mandate of both these corporations throughout all my riding. I have worked particularly with the Town of Canso in making representations in this regard. The reality is that the boundary would stop in that area directly affected by the closure of the heavy water plant, which in a direct way forms part of the port. While that was not the best result for me, it was a big improvement.

It was consistently argued in respect of the mainland side of the Strait of Canso that we cannot take the incentives off Cape Breton without knowing where to draw the line. It was a difficult question and presumably explains why my predecessor, who represented both sides of the Strait of Canso, did not expand the special programs that applied to Cape Breton to the mainland side of the causeway. That had a negative impact on the community just across the water.

This measure helps alleviate some of that difficulty. I look forward to the day when these boundaries are expanded again to include all of Guysborough County and Antigonish County, two areas that I also represent. I believe that we have set an important precedent. The boundaries do not have to stop at Cape Breton because a balanced strategy of economic development can and should be achieved. I am proud that I have been able to convince the Government to move the boundary further west because that did not happen under the previous Government.

I know there are Members in the House who would like those benefits extended to their ridings, and even some who would like them extended to Newfoundland. We should not deny the people who have this benefit the opportunity to participate because it does not extend far enough.

This amendment is an important achievement because it brings these incentives to thousands of industrial acres in the County of Guysborough. That fact alone will benefit many additional thousands of people. Hopefully, with economic development, they will be able to commute to this area for employment. I welcome the support of my colleagues for this important change.

There are other features of the Atlantic Canada Opportunities Agency that I believe will result in improved economic opportunities. I have already mentioned participation and local control, but have not touched on another mandate of this agency, namely, its advocacy role. What does that mean? This agency will play a role when important decisions are being made by other government Departments. ACOA has been given the opportunity to inject itself into the policy-making and decision-making of other Departments. ACOA can be represented at the cabinet table. Atlantic Canadians can give their input into decisions because ACOA is mandated by the Government to be its advocate. For example, it can advocate that more defence spending occur in the Atlantic region.

Let there be no mistake about the important role that a bureaucracy can play when it is given the mandate as public servants to be advocates who will ensure that we are involved in any decisions affecting the interests of Atlantic Canada that reach the cabinet table.

This should not be an indication of weakness on the part of Members from Atlantic Canada. We too have an important political role to play, but ACOA gives support and I, as a Member of Parliament, welcome that support from the region. That is another important role to be played by this regional agency.

• (1540)

We know that policies in the past have not realized the goals we had hoped to reach and we have committed ourselves as a Government to put in place a new strategy, and that is what we have done. There is local input, local control, a new budget and additional money. We have said to the people of Atlantic Canada: "You have a role to play and we want you to play it. We want your ideas and input and we want you to participate in achieving greater economic opportunities". That is the mandate we have given this corporation, and it is a mandate that is welcomed by the people of Atlantic Canada.

In closing, I would like to make a few comments on the establishment of the Enterprise Cape Breton Corporation itself. That corporation is something which takes the industrial development division of Devco, puts it into a new separate Crown corporation, mandated by this legislation, an Act of Parliament, and tells it to go forward and do that which the industrial development division of Devco was doing but in a new corporate entity with a new board of directors. I support that. There are some who do not. It seems to me they do not support it because they are attempting to hold onto the past. The fact is that the Cape Breton Development Corporation was established to wind down the coal mines. We have the industrial development division which is supposed to improve economic opportunities for Cape Breton. What would happen if the coal industry turned around? Since the early 1970s Devco has been chiefly a coal mining company.

The priorities of industrial development in Cape Breton have not received the adequate attention of a board of directors. There are always priorities in the coal industry. This new corporation, which has the powers of the industrial development division of Devco, will be able to focus on industrial development. It will be able to do so with a separate board of directors, which does not have to worry about coal prices for that day or about negotiating contracts with the many hundreds of coal miners. We have a new Enterprise Cape Breton Corporation, which is an improvement, an autonomous industrial development corporation, that will work with the Enterprise Cape Breton Agency.

The Enterprise Cape Breton Agency has worked, and so will the Enterprise Cape Breton Corporation. The Enterprise Cape Breton Agency has committed over $150 million to business

development in Cape Breton and more than $50 million in the Cape Breton investment tax credit in addition to that. We have the ERDAs I mentioned earlier. This is not only going to big business. It is going to the farmer who can use the tax credit to put up a new barn or to acquire farming machinery. These are incentives not available in other parts of Nova Scotia but they are available in Cape Breton. They highlight the commitment of our Government to deal with a very serious economic problem in Cape Breton and eastern Nova Scotia. If money is the test of our commitment, then I point out to the critics that there has been a commitment of more than $500 million to Cape Breton and eastern Nova Scotia.

The financial commitment of the Government of Canada is clear, but money is not enough. If money were enough our problems would have been solved decades ago. If the industrial development division of Devco were the answer, these problems would be solved. But the people voted for a new strategy. They have it. They have the money, they have the opportunity, and they have proven results. We see results in this region. These principles form the basis of the Atlantic Canada Opportunities Agency. Because of its success, I look at ACOA and to the future of Atlantic Canada with confidence and optimism knowing that, with this new opportunity, Atlantic Canadians will improve their economic lot. I look forward to passage of this Bill so that all of Atlantic Canada can get on with enjoying the benefits of the Atlantic Canada Opportunities Agency.

Mr. Harris: Mr. Speaker, I rise on a point of order to seek the unanimous consent of the House to vary the order of speaking in this debate. I realize that Her Majesty's Loyal Opposition has the right to speak next and for unlimited time, but I would ask for the consent of the House that I be permitted to speak next for 20 minutes only, forgoing questions and comments. I do have to catch flight in a very short period of time. I would seek the consent of the House to do that.

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

Mr. Jack Harris (St. John's East): Mr. Speaker, I thank Hon. Members for granting their unanimous consent. It shows a spirit of co-operation that we have not seen in the House for the last few days. I am pleased to see it today.

I want to speak on this very important piece of legislation. I want to say at the outset that although I may not be present for a vote on this Bill, it would be my intention to vote in support of this legislation. I think it does a part of what needs to be done for Atlantic Canada. In saying that, however, I want to outline very serious problems I see with this Government's approach and its attitude toward regional development.

Perhaps it is best exemplified by a comment first made by the Minister of Public Works in March of 1987. In speaking to a construction management labour bureau in Halifax, the Minister is reported to have said that the Atlantic Canada Opportunities Agency may be the last kick at the can as far as development programs for this region are concerned from a federal Government bent on financial efficiency. What has not been tried in the Atlantic region? Just about everything has been tried. That attitude expressed by a Minister of the Crown is, I think, a most shocking attitude when it comes to an important region of Canada. One would have expected that Senator Murray, the Minister responsible for this agency, would have repudiated that attitude when asked. But he did not. He confirmed it both in committee, when he was asked, and to the media.

On top of that attitude, we have an attitude which was expressed in this House the other day when the Bill at report stage was being debated with a number of important amendments being considered by the House. The Minister for International Trade (Mr. Crosbie) criticized and derided a member of the New Democratic Party for speaking in support of amendments to the legislation, for speaking in favour of regional development in Atlantic Canada, on the basis that the Member represented a riding in Hamilton, Ontario. The Minister for International Trade was joined in this attack by the Minister of State and Deputy House Leader. This was an attack on Members of this Party who were speaking out in favour of regional development for Atlantic Canada. These attitudes, which were expressed by four separate Ministers of the Crown, are part of the reason we recognize that this Government's approach to regional development is entirely different from what one would find on this side of the House.

What kind of problems are we dealing with when we talk about regional development? I look to the Economic Council of Canada, which stated in a press release on September 30, 1987, that the national economy is likely to expand in the coming years but uneven regional growth will be the country's major economic problem. It stated that a prime economic target for Canadians should be regionally balanced growth, job opportunities and social services. According to the Economic Council of Canada this is the major economic problem our country faces today.

• (1550)

From what other economic body have we heard in the last year but the Organization of Economic Co-operation and Development? In its annual report, which was released last August, it states that the starkness of regional disparity in Canada was especially noteworthy in the previous years. So not only does our own Economic Council recognize it as the priority problem in Canada, it is also recognized by the body which is composed of the 15 wealthiest nations in the world which does studies on economies and which makes economic predictions.

How do we treat it in Canada? How do Ministers of the Crown treat it? They say that this will be the last kick at the can, that we will try this for a few years and if it does not work it is all over. If people who are not from Atlantic Canada stand up in the House to talk about it and to bring it to the attention

of the House, speaking out for the region of Atlantic Canada, they get told that they have no right to do so. That is not good enough for this Party. It is not good enough for Canada. It is not good enough for any part of Canada. It certainly will not be accepted by Atlantic Canada, Atlantic Canadians and Newfoundlanders.

We heard the previous speaker from the government side talk about spending money, which has not solved the problem, and that this will not work and that that will not work. What is happening is that the situation in Atlantic Canada is not getting better. It is either getting worse or standing still.

There was a recent presentation to the Standing Committee on Finance which dealt with the issue of interest rates in Canada. A political science professor from the University of Ottawa, Duncan Campbell, said that the unemployment rate in the regions of Canada is higher now than it was just prior to the 1981-82 recession. We have gone through a recession, an economic downturn which affected all of Canada, and we have what appears to be a recovery in certain parts of Ontario. It has been so much of a recovery that the Bank of Canada is afraid to cut the interest rates because it does not want it to overheat the economy and cause inflation in certain parts of Ontario. However, in Atlantic Canada and the regions the unemployment rate is now worse than it was before the recession.

The Hon. Member said further that in Atlantic Canada, even though we have the highest unemployment rate in the country, 50 per cent of those who are working part time are doing so because they cannot find full-time employment. Yet they are considered employed in the unemployment statistics. They are part-time employees, many of them. Those who are part-time are not part-time because they choose to be so. They are part-time because they cannot get full-time jobs.

Speaking of the unemployment rate, I want to remind Members of the House that the unemployment rate in my own Province of Newfoundland in March was 17.8 per cent. That was more than double the national rate in Canada of 7.8 per cent. That is the place that Newfoundlanders have in terms of opportunities for jobs in Canada.

When we look at the unemployment rate in Atlantic Canada and in Newfoundland we see that over the last number of years the situation has not much changed. In fact, it has got worse. In 1976, it was at 13.4 per cent and hovered around 15 per cent and 16 per cent up until early 1980. It was down to 13 per cent in 1980 and 1981. In 1982, it started going up. It was 16.8 per cent in 1982. In 1983, it was 18.9 per cent. In 1984, when the Government came in, we hit 20 per cent. In 1985, it was 21 per cent. In 1986, it was 20 per cent. We are now down to 17.8 per cent. However, we are still over double the national average. Not only have we fared poorly and are worse off now than we were before the recession, we are also at still more than twice the national average in Canada.

That is the situation. It has to be addressed by a very serious attack on regional development. We now have a Bill before us. I want to commend the Chairman of the legislative committee, for when we travelled through Atlantic Canada and heard briefs, the Hon. Member from Fredericton held open airs and was very kind and polite. He listened to all the things that were said. Unfortunately, in the end, the Government was not prepared to accept motions that would insist that this agency take on regional development as a goal with the reduction of regional disparity as a commitment and an objective.

We have a refusal to establish this as an objective. We have assistance for small and medium-sized business in the Atlantic region. That is a laudable activity to undertake.

As even the government spokesman today mentioned, spending money will not solve the problem. He did not have the courage to say what needs to be undertaken. We have to tell Ministers of the Crown to stop talking about Atlantic Canada as if it were a basket case that needed to be kicked like a can in the hopes that that will do something to improve things. We have to recognize that Atlantic Canadians, whether they be from a metropolitan area such as Halifax or even St. John's, deserve to have the same kind of opportunity as other Canadians, opportunities for a decent job, to be able to raise their families in the place of their birth, and to be able to develop their communities and live in them.

That will have to be done by all Members of the House recognizing it as a priority. If we do not do that, we are giving up on the regions of Canada. To spend what this Government has allocated toward this particular agency and suggest that this is going to solve the problem, or is even a serious attempt to solve the problem, is an act of sheer dishonesty.

What we now have to recognize as the most serious economic problem in the country is uneven regional growth. We have to recognize that in order to tackle that problem we are going to have to take serious measures. They cannot be just spending money. They will have to involve certain structural changes. We have to do something to reverse the unlimited and unrelenting concentration of money, of jobs and of opportunities in the central parts of this country. We have to do that by structuring our economy in such a way that jobs are spread out across the country.

We have gone some way in attempting at least to redistribute income from the wealthy to the poor. We recognize at least that we have an obligation to do that. We recognize that we have an obligation to keep people in decent housing. We recognize that we have an obligation to ensure that they do not starve, and that we are prepared to redistribute income from the tax system to do that. There has to be a redistribution in Canada across the regions in terms of opportunities for work and opportunities for jobs.

• (1600)

There are numerous ways in which this can be done. I will not lay out a total economic program at the present time. There hardly seems any point in telling the Government how it should behave in terms of regional development in view of the

attitude of the Ministers responsible for this program. They are only willing to go so far as to provide money or support for business enterprises in the Atlantic region. I think that is an important thing that has to be done. But it cannot be done in the way in which the Government is undertaking it without doing little to resolve the problem, and in fact it may well be exacerbating it.

The Government refuses to accept an amendment which would guarantee that there would be equity between the provinces in terms of access and use of this agency. To a certain degree at least this would have ensured that the money and the programs of ACOA would not be concentrated in those areas which already have economic development. Unfortunately, there is no mechanism within the ACOA program and within the legislation to ensure that those areas, cities, and towns that are already doing well will not take up the lion's share of this regional development funding. Of course, the most important thing is that this agency, which has other mandates in terms of advocacy for the Atlantic region, is not given sufficient funds to undertake this gigantic task.

The allocation of an additional $200 million, which is 15 per cent of 1 per cent of the national budget, is a very minuscule amount when one looks at the total picture. It is a very minuscule amount to spend on what is regarded as the most serious economic problem facing the country.

I look forward to the day when Members of Parliament from across Canada, not only Members from the Atlantic region or those of us from my province, can join together and insist on putting in place a program that will tackle and genuinely do what has to be done in order to ensure that Atlantic Canada receives its fair share of economic and regional development, and that opportunities in Atlantic Canada and those parts of Atlantic Canada that are doing badly exist and are created by the Government.

There have to be structural changes that will not come unfortunately from the vision of Canada held by this Government. Its vision of Canada is made up of people acting for private motives and making a profit. The Government is extending our borders in that field to include the United States of America in the trade agreement. It is preventing us in Atlantic Canada from using our natural resources such as oil and electricity to give favourable treatment to businesses and opportunities in the Atlantic region. That is a structural change that would be required in order to assist Atlantic Canadians in developing their economy. The Government does not see the wisdom of that. In fact, it is throwing it to the wind and stating that it will only give money to small enterprises and hoping against hope that this will do something to alleviate regional disparity. I am afraid that that will not do so. I am sorry it will not do so.

I have to support this legislation because it does provide a first step, but I am sorry that the Government does not have the will to reduce and eliminate regional disparities.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Burnaby (Mr. Robinson)—Correctional Services—Funding of agency to assist ex-prisoners in Nova Scotia; the Hon. Member for Cochrane—Superior (Mr. Penner)—Finance—Northern tax allowances—Geographical delineation of affected communities/Request that regulations be amended; and the Hon. Member for Western Arctic (Mr. Nickerson)—Northern Development—Negotiation of energy accord with Northwest Territories.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the third time and passed.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I wish to join in the debate on a public policy issue which has concerned me for quite some time.

Many Members of Parliament who have been elected to this Chamber and who are presently in this Chamber have been hoping and working toward the elimination of regional disparities in this country. Whether one resides in Newfoundland or Cape Breton, or in parts of western Canada, Quebec, or Ontario, it is clear that the issue of regional disparities is an important and all-encompassing issue.

When Governments formulate public policy to address serious situations in the country, in my view it is their role, after broad consultation, to come forward with meaningful and concrete programs within a reasonable period of time.

Dr. Donald Savoie is an economist by profession and for quite some time has been studying regional disparities within Atlantic Canada. He has prepared a report, and in that document he has highlighted the fact that agencies or Departments, private as well as public, do not and will not be the panacea for resolving regional inequalities in the country.

Some of us can look back to the days when we passed and amended the Canadian Constitution. A provision of the

Constitution dealt with equality of opportunity for all Canadians, something which, rather sadly, is rarely referred to in this Chamber. There are those of us in the Chamber, as evidenced by the previous Speaker, who believe it to be the most important issue facing Canada today.

When we talk about regional disparities and the inequalities that exist within regions, what we are really talking about in a fundamental way is nation-building. For Governments to be effective in serving the people they represent, there must be an underlying political will to resolve and to address those situations.

Unfortunately, I have noted, not with partisanship but with regret, that what was said in July, 1984 has conveniently been forgotten for quite some time. In July, 1984 and in August, 1984 the Canadian people, particularly in my region of Atlantic Canada, felt that the panacea for the elimination of those disparities was to vote for the Conservative Party of Canada. We have seen the evidence of that falsehood. It has taken almost four years for the Government of the day to put a program before the Parliament of Canada.

It was once said that time is of the essence. But if the problem is so serious, as evidenced by Members opposite, if the problem is all-encompassing, as they have stated, surely it is not unreasonable for the Canadian people in Atlantic Canada to ask, "Why have you not moved with some sense of dispatch in this most serious situation?"

• (1610)

Consultations took place in committee. The committee travelled across the region but did not consult broadly within the region itself. It went to some areas but refused to go to others. The package of programs it drafted, if looked at in isolation, may be seen as if it really going to do something. However, on closer examination I think you will find the opposite to be true.

Attitude and political will are important ingredients in developing good public policy. We have had Ministers of the Crown say to the people of Atlantic Canada that this is their last opportunity. The implication is that if this is not successful, there will be no more. However, I suggest that that attitude is a tragedy for our efforts to build a better nation.

The Government developed this Atlantic Canada Opportunities Agency, gave it a relatively small amount of money, and tried to promote it as the new Cadillac of economic development in Atlantic Canada. The fact is that this agency, with some goals and objectives I concur with, as I have said before, is not and will not be the vehicle by which disparities in my region are eliminated.

We had some consultation, although it was not broad consultation. We had a four-year lapse of time. We have an allocation of some $200 million over five years. We now have an agency with a board of advisers, I guess you would call them, who are going to try to advise on the public policy that the agency will be implementing. However, it breaches a number of fundamentals. We were led to believe that the decision-making would be in the Atlantic provinces. Decision-making will not lie with that board and executive. The decisions will be made here in Ottawa.

On page 63 of Donald Savoie's report he said that above all the agency will require clout. It must be in a position to influence policy as it is being created. It will thus require direct access to central agency processes and cabinet level decision-making. However, the Act incorporating the agency merely makes passing reference to other Departments of the Government of Canada.

Some years ago I had an opportunity to speak with a former Minister of the Crown, a tremendously astute politician in the person of Donald Jamieson. He said at a policy conference that I attended that we must be cognizant of the fact that if Governments try to place in the hands of one single agency the complete role of regional economic development, it will not work. What has the Government done? It is clear that it is putting all its eggs in one basket. Yes, the Bill says in Clause 5(2):

> The Minister shall co-ordinate the policies and programs of the Government of Canada in relation to opportunity for economic development in Atlantic Canada.

As a bare minimum the Government ought to provide clear, concise objectives regarding employment, transport and the various agencies of Government. That has not been done nor is it being worked on. All this Minister of the Crown and this agency will be able to do is to shuffle papers off to another Department in the hope that somewhere along the line some consideration may be given to regional economic development.

Another shortcoming is the A-base budgeting, $200 million. You know what other Departments of the Government will be saying to that particular agency? There is $200 million allotted, if you want projects out of Transport you go over to ACOA. This will happen even if they are somewhat, shall we say, in co-operation with the private sector. This agency will become the single tool of regional economic development. What an unmitigated disaster for nation-building. We are leaving to one small agency the responsibility of addressing the concerns of the people of Atlantic Canada.

It is important, when we talk about public policy regarding regional economic development, that we not think merely of one or two items. There are many. Tax reform is one. What is the Government's position regarding tax reform and how it will benefit Atlantic Canadians and spur our economy? Procurement is another one. The procurement policies of the Government are not working. It requires political will by a Government of some 211 Members of Parliament to put forward a legislative package which will say that a percentage must go to Atlantic Canada. This cannot be discretionary. That could help trigger thousands of new jobs, as has been done in other countries. The U.S. has been able to lever procurement policies with private sector moneys to create the

necessary jobs for people to lead a dignified life. Yet there is nothing in this agency in that regard. All there is, is passing reference to consultation with other Departments, hence the folly of the Bill.

The objective of the agency is to promote and assist small and medium-sized business. If one had been listening to broadly-based consultation one would have clearly and unequivocally heard that the people of Atlantic Canada want some form of state funding for infrastructure. Infrastructure takes on many forms. I believe one of the fundamental factors in turning around an economy is the human resource. That resource has to be educated and well-informed about what is going on domestically as well as internationally. All we have is passing reference to the Government trying to co-ordinate efforts with other agencies of the Government of Canada.

• (1620)

My colleague and I travelled extensively in Atlantic Canada. We heard brief after brief after brief from concerned individuals and organizations requiring and asking the Government of Canada to provide some infrastructure moneys whether on the human resource side or on the municipal side. The services and amenities that we have in Atlantic Canada are not on a par with other regions of the country. There have been some moneys directed in that regard, but suffice it to say that an insufficient amount of moneys has been directed in that regard. I think, with regard to infrastructure, notwithstanding the fears of provincial Premiers—provincial Premiers of a different political stripe than mine but the same as the Governments—there are no moneys for infrastructure, none whatsoever. I suggest to the Government that that is a mistake on its part.

The Atlantic Canada Opportunities Agency, I am told, and I hope government Members will avail themselves of the opportunity to correct me, will be centered in Moncton, with its President living in Halifax, travelling back and forth, and with offices in the various provinces. The inadequacies of this agency are clearly spelled out in this way.

The estimates for 1988 to 1989 show the research and analytical staff complement of the Atlantic Canada Opportunities Agencies as representing 49 management person-years, 140 administration and foreign services, and just a mere 19 scientific professional staff. Is this agency equipped with the scientific and professional staff to do the job in the shortest period of time humanly possible and equipped to do its job well? The answer will be unmitigated delay after delay after delay as the agency checks with another Department to shuffle paper from there over to the agency and back to another agency. We will be in a time-locked situation where applicants will become frustrated, where entrepreneurs and people of goodwill and good intention will become frustrated to the extent that they will want to go elsewhere.

The Government has introduced this Bill to establish among others the Enterprise Cape Breton Corporation. If there has ever been a situation that is so stupid, it has been the Government's decision to do what it is doing in this particular Bill. A previous speaker today talked about the money of Enterprise Cape Breton and the opportunities it is trying to provide in that particular region. The Bill does not recognize the history which has been associated with the Cape Breton Development Division for some 20 years. This was an industrial development division that worked hand in hand with another division, the coal division, in assisting workers who may have had to be replaced in trying to start new businesses or getting into a new line of employment. They worked together. If there is one thing that I have learned about regional economic development policy it is that it takes time. Yes, it takes money and political will, but it also takes time. What the Government is doing by gutting the industrial development division of DEVCO and placing it in a separate Crown corporation is taking 20 years of working with the community, business in the private and in the public sector, and wiping it off.

I do not share—and I say that with great respect—the comments of the Hon. Member for Cape Breton Highlands—Canso (Mr. O'Neil) when he said, "you are turning back to the past". What unmitigated nonsense, Mr. Speaker. Every economist in the regional economic field will tell you that when you address that particular subject there are long time frames. We saw it in the Richmond County Development Corporation where, for a four or five year period, people were falling over themselves. Wrong management decisions were made, but because of the mistakes and the educational process that goes on within, management has been able to turn it around and has made the corporation a positive force for that particular area of our province. This agency, the Cape Breton Development Corporation, in its industrial development division has assisted countless numbers of individuals in Cape Breton.

Of course, the critics will ask, what is wrong with making it a separate Crown corporation? What is wrong with doing that? It is very clear. The mandates are different. The programs may appear to be similar, but there are different mandates. The Cape Breton Development Corporation has a coal division and an industrial development division. By separating the two, this Government is trying to position the coal industry in one corner and the industrial development somewhere else. We know, through the number of actions over the last number of years, that the Government's commitment to the coal industry of Cape Breton has a lot to be desired. There are 604 men, Mr. Speaker, not four individuals, not five, but 604 who have gone from the payroll. We have a situation now where men on pre-retirement leave, who have no hope of getting employment, have to pay unemployment insurance, whereas in other pre-retirement leave plans they do not have to do that.

We have a situation with the coal industry where the Government of Canada, is considering the possibility of providing funds for a new coal mine in Pictou County to the detriment of the Cape Breton Development Corporation coal

division. What stupidity, what idiotic public policy by a Government which is taking jobs from one poor region and giving them to another poor region of the province.

The industrial development division of the Cape Breton Development Corporation has had its share of failures too. There is no question about that and I would be the first to admit it, Mr. Speaker. Over time, however, it has been successful on many accounts. Perhaps what is not talked about often, to which reference ought to be made now, is the industrial development of DEVCO. It includes the development of individuals and the over-all community.

To individuals who are not familiar with regional economic development and to those individuals who live in the major urban centres of our country who cannot appreciate this kind of development, not for lack of desire or caring but because of lack of exposure, it is fundamental to changing an economy and changing a community. It is a vision not easily attained but nevertheless a vision to improve, to assist and to facilitate individuals in the community at large. What do we have in Enterprise Cape Breton Corporation? A mere mishmash of programs administered from an agency whose President will also be the President of the Atlantic Canada Opportunities Agency, who lives in Halifax, whose head office is in Moncton, but who is supposed to do work in Cape Breton. I have seen some pretty good ballet dancers and some pretty good running backs. That goes a long way. I think that is very telling.

• (1630)

In my view, the intent to create the Crown corporation spells the end of the Cape Breton Development Corporation. The Government is not committed to future coal development in Cape Breton, as evidenced by its action to date. Every miner who works within the coal division of that corporation will concur that there is not a commitment there.

There is now in Cape Breton a coal mine called the Donkin coal mine which is ready to start up. Yet the Government of Canada will provide money for a new coal mine in Pictou County which will be operating in competition with that of the Cape Breton Development Corporation. If that does not spell out very clearly what the intent of this particular Bill is, I do not know what else does.

It is very obvious to me that there is a plan, and the plan is not to assist and to facilitate research and development of the coal division. It is to wind it down. The best way to do that is to separate the two: put the coal division on one side, and Enterprise Cape Breton Corporation on the other side.

If that is done, we will lose on two counts. We will lose our coal industry, which has been the backbone of eastern Nova Scotia for decades, and we will lose, on the industrial development side, because the knowledge that has been acquired, the sense of confidence and stability, the *esprit de corps*, the aims and the objectives and the decisions being made there and not somewhere else will be lost. Those things are pretty fundamental to developing regional economic development policies. For Hon. Members opposite to say that all is well with the Atlantic Canada Opportunities Agency is for them to say something that is not correct.

The industrial development division of the Cape Breton Development Corporation has a developmental role in ensuring that Cape Bretoners have the education, the technical and managerial skills and the entrepreneurial ability to carry through the economic plans they set for themselves. That is very well stated, and it was submitted by senior members of the Cape Breton Development Corporation.

That is not to suggest in any way that the present industrial development division of DEVCO does not have a way to go in terms of improvement. However, to change it for the mere sake of changing it does not make good policy sense. We only change things because common sense demands that we change them.

I say now, as I have said in my constituency, that we are fundamentally altering a Crown corporation which has served us well for a good number of years, a Crown corporation which has accumulated the information, the knowledge and the know-how to do things in that particular environment. To change it at this time for a convenient label, Enterprise Cape Breton Development Corporation, will not meet the test of good public policy.

I hope that the Government of Canada will reconsider the serious mistake it is making. There are a number of individuals on the Island of Cape Breton, and even in the galleries—

Mr. Beatty: There's not a dry eye in the House.

Mr. Dingwall: I thank the Hon. Minister. These individuals would agree that this change will mean the end of our coal mining and the way we operate other businesses on the Island of Cape Breton.

This new agency does not have, nor is it likely to have, the empathy and the understanding that is needed to foster the attainment of regional economic development objectives. I would hope that the Government, notwithstanding its huge majority, would rethink this issue, not on the basis of partisan politics but on the basis of what is right for a people who live in a region of Canada and have contributed greatly to this country in various ways. They ought to be given the same opportunities that are given to other Canadians.

I am afraid, and I say this with regret, that the Atlantic Canada Opportunities Agency, containing these particular provisions, will lessen opportunities for the people of my region.

The Acting Speaker (Mr. Paproski): Debate.

Mr. Pat Binns (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I am very pleased to rise to participate in this debate. The reason for that is quite simple. As a Member from Atlantic Canada, I was one of those on the government side who was anxious to see our

approach to regional development change. Why that is the case is quite simple. It is simply because the approach that was being taken toward regional development in Atlantic Canada was not working.

We were seeing ourselves slip further and further behind the rest of Canada in terms of earned income and the ability of people to support themselves. If there is one thing that Atlantic Canadians want to be, it is to be self-sufficient in as many ways as possible. Of course, as a Member on the government side, I was anxious, along with my colleagues, to put a new program in place which would be made in Atlantic Canada to serve the needs of Atlantic Canadians.

Of course, we began to consult with people in Atlantic Canada, and Mr. Savoie, who has been mentioned at various times during this debate, was engaged to talk to leaders in the business community and within government circles and to any other interested parties to begin to put together the elements of a program that would work for Atlantic Canada.

What we see in this legislation is something quite different from anything we have had since the years of Prime Minister Diefenbaker who established the Atlantic Development Board and began to put major funding into infrastructure developments in Atlantic Canada. At that time, we saw a great expansion in facilities such as wharfs and highways. There was a tremendous improvement in the transportation system in Atlantic Canada.

Unfortunately, since the years of Mr. Diefenbaker, what we have had for regional development has basically been a national program which was modified a bit for the region. The process was such that if a person had an idea, it had to fit into the national performance criteria. It could not be an idea for a program that would fit Atlantic Canada itself. We saw that perhaps nine out of 10 or even 99 out of 100 people who had good ideas for development in Atlantic Canada would submit applications to DRIE or to DREE, as it then was, and would find that those applications were being turned down because they did not fit the national criteria for the programs. That was especially apparent during the latter years of DRIE, after the DREE programs were changed to give a different direction to the program. We got into tiers of support. If you were in one area of Atlantic Canada you got a little more than somewhere else, but everyone right across the country received some support under the national program.

• (1640)

Our approach was that development should start from the ground up and that if a person in Atlantic Canada had a good idea for development it should be encouraged locally and considered by people in the region who would judge the application on its merits and determine whether or not it would fly. That is exactly the way in which the Atlantic Canada Opportunities Agency has been structured.

As has been pointed out, the head office of the corporation is in Moncton. There are independent offices in each province with a fantastic amount of local decision-making authority. In fact, there is a vice-president in each of the four Atlantic provinces. For example, the vice-president of the agency in Charlottetown can make decisions on all applications which come into his office up to $1 million. Those applications need not go before a screening process in Moncton, Ottawa, or elsewhere. They are considered on their own merits in terms of their contribution to Prince Edward Island. That is the kind of process which we wanted with this new agency.

If an individual has a good idea for a business which is going to create something new through manufacturing or processing, whether agriculture or fisheries products, it will be encouraged rather than discouraged. In the past, when an application was made the approach was to say that it would never work, that the idea made no sense. The new approach of the agency is to sit down with the applicant and flesh out his idea. If it is determined that it would not work initially, a little more research may be done on it, in which case we will fund up to 75 per cent of the research cost. If the research concludes that the idea is good, the person can get on with receiving government assistance through the Atlantic Canada Opportunities Agency in order that the idea can proceed.

To ensure that the program is going in the right direction the Minister responsible, Senator Murray, has established a local board within the Atlantic area to advise on the general policy direction. That board is made up of Atlantic Canadians. These are not people sent out from Upper Canada, western Canada, or elsewhere to advise Atlantic Canadians on how to do their business. These are local business people who have been successful and can provide advice to the Minister in terms of how the program should be run. They can provide advice to the local vice-president on how best to carry out the program.

The approach is different. The decisions are being made locally. Those ventures which are sound will receive support. I was surprised when some of the Hon. Members opposite suggested that the agency would be very cumbersome and awkward in terms of reviewing projects and that it would take a long time to get approvals. In the last couple of weeks a project based in my constituency was approved by the Atlantic Canada Opportunities Agency in a matter of days.

This was a project to expand the shipyard in the town of Georgetown. The shipyard saw an opportunity to do some computer-assisted design and manufacturing and to expand into the manufacture of aluminum vessels. With that opportunity identified an application went into the agency and within a very few days the decision was made that it should proceed.

That is a radical departure from the past. Under the programs which the former administration had in place, applications would often take three months, six months, nine months, or maybe a year before they received a "no". We are trying to change that process. If the answer is going to be no, the individual will know in a very short period of time.

What kind of assistance can a person expect when he or she puts in an application? Two old programs have been consolidated and streamlined into one new program which will assist in three different ways. The first way is to provide loan insurance to the applicant. In fact, 85 per cent of a loan from a bank can be insured under this program.

The second major element is that an interest buy-down will be provided to the applicant. Up to 6 per cent of his interest payments at the bank can be bought down by virtue of this program. In other words, instead of paying 13 per cent interest the applicant would end up paying 7 per cent. Anyone in business today realizes that when you are using financing over 10, 15 or 20 years to operate a business, a 6 per cent write-down amounts to a substantial amount of money and makes it very much easier to make the business a success.

There are also grants and contributions available through the agency. The following types of assistance are available. There is business support, study support and technical assistance, innovation establishment, new product establishment, and expansion or modernization.

There are also increased levels of contributions under the new authority. For example, if it is a new business the funding level can go to 65 per cent of the total capital cost as opposed to 50 per cent under the old programs. Of course, it is not only 65 per cent as opposed to 50 per cent, but the eligible criteria are greatly broadened. If the business is going to modernize or expand, it can receive 30 per cent assistance versus 25 per cent in the past. If the project is for innovation it can receive up to 60 per cent as opposed to 40 per cent as previously. With regard to studies or research, we will now pay 75 per cent versus a maximum of 37.5 per cent as previously. We doubled that component because we know that there are a great many ideas which, if researched properly, can become viable business ventures in the Atlantic area.

In addition, there is a totally new program element called new product expansion which allows for 40 per cent of eligible capital cost. That is a very important part of the program in Atlantic Canada because, if there is one thing we can do, it is to get into new product lines. As I am sure all Members in the House appreciate, Atlantic Canada is dependent primarily on agriculture and fisheries. If we are to be successful in developing those industries we must develop new products related to those two primary industries. We have been dependent in the fishing industry in the past, for the most part, in the fishing industry, on catching the fish, doing some very basic processing, and usually exporting.

We have not developed many new consumer items which can capture a larger market or add more value to the primary product. Other countries such as Japan have made tremendous strides toward changing fish products to add value and to utilize new markets. We believe that this is an important area and that Atlantic Canada can have a considerable amount of new product development by assisting our fishing processors to develop new lines, to package things differently, and to ensure that the consumer demand is met.

The same applies to agriculture. We have tended to produce traditional products in the past, but there are a great many opportunities for new products in agriculture. That is exactly what we want to do with this program.

The Hon. Member who was speaking a few moments ago indicated that he was surprised and disappointed that there was not enough assistance for infrastructure, or that infrastructure would not be assisted under the Atlantic Canada Opportunities Agency. I want to clarify this because it is simply not true. It is quite possible that under the Atlantic Canada Opportunities Agency a provincial Government can enter into an economic and regional development agreement with the federal Government that will provide for infrastructure. We believe that can be approached through these economic development agreements, provided that they contribute to business development in the region.

• (1650)

Let me give an example of another way the infrastructure can be assisted in the region. If a road or wharf is necessary for a new business that is being proposed, that infrastructure requirement can become part of the application. In those two ways, infrastructure can be assisted in the region. It is incorrect to suggest that there is no room for infrastructure assistance under this particular program.

The Hon. Member suggested that the Government should not have changed the industrial development section of the Cape Breton Development Corporation. Let me point out that it was a recommendation of the advisory committee that was established in September, 1985, lead by Theresa MacNeil who is now chairperson of Devco, that recommended the establishment of Enterprise Cape Breton Corporation instead of continuing with the industrial development division. The Government accepted that recommendation, and that is why it is presented as it is in this Bill.

I believe the House would agree that the worst thing a business person can experience is trying to find out what assistance is available from Government and not being able to get all the information from one location. If there is an industrial development division on one side of the street providing grants and loans and another government agency on the other side of the street providing grants and loans, whose programs do not mesh, it leaves much confusion and unwarranted bureaucracy. We did not want that to happen, and that is why Enterprise Cape Breton Corporation is outlined in this Bill as it is.

I have great faith that this corporation will do a lot for Atlantic Canada, more than we have seen any corporation or government agency do in the last 25 years. It represents over $1 billion in new funding, above existing programs, which is earmarked for economic development in Atlantic Canada. The Government is saying very clearly to the businessmen that if

they want to make something, process a product or put new products on the market, we have a program that will help them do that. This is clearly a major pronunciation by our Government in addressing a problem that we know exists. I urge all Members to ensure that this Bill proceeds through the House as quickly as possible and clears the Senate so that this program can be taken advantage of as soon as possible.

We are still operating under old legislation. Some businesses in Atlantic Canada are still unable to do certain things because this legislation has not passed. Once it is passed the Minister and his officials will have more flexibility to meet the needs in Atlantic Canada. Some applications are still not being approved because they do not fit the old industrial development classifications. With this legislation, we will be able to meet the needs and respond to the ideas being developed in Atlantic Canada by Atlantic Canadians. I believe that prosperity in the region will increase and I hope all Members will join me in supporting this legislation.

Mr. Caldwell: Mr. Speaker, I want to compliment the Hon. Member on his speech and for being very forthright about previous programs and infrastructures that were drawing some criticism.

Some people will say that we should not put money into infrastructure. I think it is correct to suggest that in the past Governments tended to create regional jobs with these infrastructure programs, calling it regional development or enterprise in the area.

We know that this type of system does not work. We can build the best wharfs, but if there is nothing to put on them there is not much point in building them.

I am pleased that the thrust of this program, according to the Hon. Member, is that if one has an idea that might be of benefit to that particular area, one will have an opportunity to participate in the program. However, one need not bother coming to the corporation with an idea from the past or for a grant to build another wharf. Is that the thrust of the program?

Mr. Binns: Mr. Speaker, I certainly appreciate the support of my colleague. He is correct that we are looking for ideas for new business development that makes sense and can be assisted.

I should point out, however, that the Government has a very ambitious program in Atlantic Canada, indeed across the country, to revitalize wharf facilities. If there is another program this Government has introduced in the last two years that is important to Atlantic Canada, it has been our Harbour Revitalization Program. We have increased what is generally known as the A-base for small craft harbours. We have put millions of dollars in additional funds into a program that would allow us to rebuild wharfs that have been condemned and are no longer safe for fishermen or other vessel owners who use those facilities.

The two go hand in glove. Many of our business institutions in Atlantic Canada are fish plants and firms that have to be located on or next to wharfs, first to bring products in from the sea and, in some cases, to export to other areas. Wharfs are very important to the development of Atlantic Canada.

For example, in my riding we face a desperate situation, with many wharfs being condemned. As a result of the Small Craft Harbours Program, new wharfs are being constructed and new projects are being implemented in many fishing communities. In my riding there is presently almost $20 million in expenditures for new wharfs. That is very important to the area.

I think the two programs are complementary. Certainly, the business component of this is absolutely paramount. If a person has a good idea that will facilitate development, we want to look at it.

• (1700)

Mr. Manly: Mr. Speaker, when we are talking about the economy of an area such as the Atlantic provinces, not only to stimulate new development but to protect what we already have, one of the concerns which have been dominant in the House of Commons over the past year has been the refusal of the Government to stand up for Canadian fishing rights in the Gulf of St. Lawrence *vis-à-vis* the incursion of the French into the areas around St. Pierre and Miquelon. I have just received information that a French naval tug has arrested the Canadian fishing vessel, the *Maritimer*, and is presently escorting it to St. Pierre. The Canadian Consulate has been advised and will be meeting the vessel.

I wonder if the Hon. Member, who is the Parliamentary Secretary to the Minister of Fisheries and Oceans, would care to comment on this failure of the Canadian Government to make very clear our intentions and to stand up for the Canadian fishing industry in a way that would prevent this kind of French chauvinism from intruding upon our historic fishing grounds?

Mr. Binns: Mr. Speaker, I can assure the Hon. Member that the Government is doing everything it can to ensure that fish stocks in Atlantic Canada are preserved for fishermen in Atlantic Canada and that they present the most economic opportunity possible to the Atlantic area. I suppose that is why we have a dispute with the St. Pierre area at the present time. We have set a quota for that whole region which we feel will preserve the stocks for the future. The French have not recognized the quota which we feel is important to ensure that the stock is maintained in future years. That has produced the situation we are in today.

We are simply not going to allow overfishing of that stock if it jeopardizes our own Canadian fishing industry in the long haul. Moving into the Gulf of St. Lawrence, to which I think the Hon. Member is referring as well, it is our intention, wherever possible, to ensure that the maximum amount of fish is available to Atlantic Canadian fishermen and is processed in

Canadian fish plants. It simply makes good sense for us to do that, and that will continue to be our objective.

Mr. Manly: On a brief supplementary, I would like to know what the Government is going to do about this latest affront to Canadian sovereignty, this assault upon Canada's right to manage its own fish stocks? Even if that area is disputed, we still have rights there. Are we going to allow the French to act with impunity, arresting a Canadian fishing vessel operating in Canadian waters?

Mr. Binns: Mr. Speaker, I do not have the benefit of the note which was just passed to the Hon. Member with respect to this issue. However, I can assure the House that the Government of Canada will do everything possible to ensure that Canadian fishing interests are maintained. We have been heavily involved in negotiations with the French. There have been ongoing activities. There have now been arrests on both sides, apparently. We will, as we have in the past, continue to stick up for the interests of Canadian fishermen.

Mr. Caldwell: Mr. Speaker, I thank you for recognizing me again. I did not realize that I would be allowed a supplementary question. I thought we might be finished at five o'clock. I think the Hon. Member for Cardigan (Mr. Binns) somewhat misunderstood the question I asked him the first time, although I appreciate the answer he gave to me. What I was trying to get at, and I am certainly not downplaying the idea that wharfs are important to a fishing area because I want the Hon. Member to realize that I represent a riding which has the largest fresh water fishery in the world, that is, Wheatley, Ontario. I would like the Hon. Member to realize that, as well as the fact that fishing is important to my riding.

I was trying to get the Hon. Member to explain the difference between the idea of this program, developed by this Government, as compared to the ideas in the past of regional development and diversity under previous Governments, which did not seem to be working. That is the question I was asking him. Could he do that for me?

Mr. Binns: Mr. Speaker, I think the difference is clearly that what we had in the past was a national program that was applied regionally. For instance, one could get the same benefits in Prince Edward Island as one could in Ontario, except that it might be in a different tier or different level of support. One might get 25 per cent support in Ontario and 35 per cent support in Prince Edward Island or another area of Atlantic Canada which is depressed. This is not a national program. This is an Atlantic program set up under a new agency which is independent. It has a president located in the region and it has its head office in the region. It can spend millions of dollars without ever consulting with Ottawa.

The $1.05 billion which the corporation will spend will be spent regionally, based on ideas that are developed in the communities and in the provinces. We think it will serve the best interests of Atlantic Canada.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated. Debate.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I welcome the opportunity to speak briefly in the debate on Bill C-103 which establishes the Atlantic Canada Opportunities Agency. As my colleague, the Hon. Member for St. John's East (Mr. Harris), indicated, while we support this Bill as one measure that will be helpful, there are a number of concerns we have both in terms of the way in which the Atlantic Canada Opportunities Agency is structured and set up as well as the fact that it does not really go far enough in dealing with the very serious problems of Atlantic Canada.

Our concerns fall into three main categories. First, there is no goal in this legislation to reduce regional disparity. It is not mandated to move toward certain goals as the Government moved, for example, to institute the six and five program of a number of years ago to cut back wages, and as the Government has moved to do other things by setting goals. It does not have a mandate in Bill C-103 to reduce regional disparity. It is a vague hope.

Second, there is no insurance of equity or fairness among the different provinces. There is no insurance within individual provinces that the regions that most need help in development will be getting the assistance. Finally, there is no real commitment of significant new money. There is $200 million per year over five years. That is for all of the Atlantic region. It simply does not begin to address the very serious regional economic disparity which has existed and which groups such as the Economic Council of Canada and OECD have singled out as being of critical importance for Canada to attack.

We have to ask the question whether the $1.05 billion over the next five years is actually new money. According to the Minister for International Trade (Mr. Crosbie) when he appeared before the committee in St. John's on March 7, 1988, there are no actual ACOA projects as yet. Yet we hear over and over again that the $1.05 billion is actually new money. If it is new money, when is it going to become available for program funding?

The Prime Minister (Mr. Mulroney) has often referred to the Economic Council of Canada as an authoritative agency which supports his free trade inititive with the United States. It is interesting that in its latest annual report it indicates that programs administered by the Atlantic Canada Opportunities Agency are "likely to be the targets of U.S. countervailing action". Atlantic Canada knows what that U.S. countervailing action is all about because it has had its groundfish attacked by countervail. In fact, in the U.S. action against Atlantic groundfish, over 50 federal and provincial programs were cited by the ITC as constituting unfair subsidies to the Atlantic fishery.

Here we have another program that we are putting in place which the Government hopes will do something to reduce regional disparity. It does not have goals but it does have the

hope. It is contributing some money, not enough but some. The Economic Council of Canada says that the programs administered by the agency are likely to be the targets of countervailing agencies. In response to this concern that has been raised by the Economic Council all we have is the assurance of the Minister for International Trade that it is complete nonsense to believe that the Atlantic Canada Opportunities Agency would be threatened by U.S. actions. He makes a great many statements that the concerns that are raised by certain organizations, including very reputable and supposedly impartial organizations such as the Economic Council, are complete nonsense. The Minister is full of bluff and bluster and stonewalling, but he does not deal with the substance of the concern.

• (1710)

Why should we believe the Minister on this issue when we have seen American actions on the whole question of groundfish, and when the trade arrangement itself provides for a period of five years to determine what is and what is not an unfair subsidy? That is the very period over which this $1.05 billion will be running, at the end of which it will have expired. Perhaps the Government expects itself that it will be targeted for being unfair and so it will just let it run out at the end of five years. In this way it will not be embarrassed when it is indicated by the United States that it constitutes an unfair subsidy.

Considering that the Government has made many statements, repeated statements time after time, that approvals for the Atlantic Canada Opportunities Agency will be determined on the merits of the application, it is worth noting that the President of the Economic Council of New Brunswick, Mr. Reno Volpe, who is also a member of the Advisory Board to ACOA, expressed the concern that urban centres might be given a greater degree of development. He said that they would have an advantage over rural areas. In other words, there is a concern that the Atlantic Canada Opportunities Agency is going to continue on a regional basis the kind of centralist tendencies that we have seen in the Canadian economy over the last number of years in which more and more of our industry, our development and our commerce tend to be concentrated in the region around Toronto. So with this attempt to have some development in Atlantic Canada we will have a sort of minor centralization. But it is not getting out to the small communities where development is really needed.

In this connection it might be helpful to look at some of the testimony that was put before the committee studying Bill C-113 which deals with the Department of Western Economic Diversification. The two Bills are somewhat similar. Appearing before the legislative committee was Mr. Dennis Young who is the President of the Canadian Association of Single Industry Towns. Mr. Young pointed out that over the past 100 years there have been over 400 single industry towns close cross Canada, many of them in Atlantic Canada, western Canada and northern Ontario. These towns represent single industries such as mining, forestry, fishing, oil and gas and agriculture. The association is trying to take a leadership role to prevent this from happening to other communities, and to encourage all communities to take greater control of their own future through the design, the development and implementation of community self-reliance principles and mechanisms. That is what Mr. Young said to the committee.

But the question that I have, both with regard to Bill C-103 and the western diversification Bill, is how do these Bills really help small communities to do this? Rather what is happening is that proposals will be brought forward. They will be approved on a proposal-by-proposal basis in accordance with what the Minister himself thinks in the final analysis. There is not any real focus. Again, this is a critique of the western development program. It points out that the western diversification initiative was launched without any articulated development policies or principles. Consequently, they came off the mark with no focus. To this day the public is still confused as to what it is all about. We believe that when a shotgun approach is used one will end up shooting oneself in the foot. What was said about western diversification is also true about the Atlantic Canada Opportunities Agency.

It has been called a very haphazard, reactionary approach to development which will likely result in our spending another $1 billion of taxpayers' money without ever achieving the long-term goal of diversification for western Canada. The same goes for the $1 billion that will be spent in Atlantic Canada. It is likely to be spent without achieving the goals of reducing regional disparity.

For example, in both Bills municipalities are not eligible for assistance to support community-based economic development initiatives. They are not eligible to receive assistance for infrastructure.

The Association of Single Industry Towns went on to make a number of recommendations. I would like to read them because I think they apply not only to western diversification but also to Atlantic Canada. First, the association suggests that we adopt a truly bottom-up approach to development which focuses on removing constraints to development and the real barriers to economic growth and diversification. WDO should review the association's frontier development policy and use it as a guide to develop a comprehensive set of development principles, policies, programs and services which will serve as a framework for the future of western diversification for this generation and for the next. In other words, we need to have principles in place. It is not just enough to say that individual proposals will be considered on their merit.

The WDO should develop ways and means of supporting and mobilizing community-based economic development, first, by allowing municipalities to be eligible applicants for western development funds. In view of the fact that the entrepreneurial energy is still a relatively untapped resource in Canada, western diversification should develop ways and means of

identifying entrepreneurial spirit and encouraging the entrepreneurial development process in every community in western Canada. Again, it should play a lead role in developing a world class market information system to focus our entrepreneurial energy into the areas of highest opportunity.

So there is the concern that, again, we have this centralist tendency. Neither the Western Diversification Office nor the Atlantic Opportunities Agency is really fighting against this and working to get development and opportunity into small communities where it is most needed.

There is nothing in this Bill that has changed the meaning of the statement made by Senator Lowell Murray last June in which he said that final decisions will be made by him with respect to ACOA's decisions, in spite of a great number of witnesses who appeared before the committee examining Bill C-103 who expressed concern over the need for regional responsibility for the agency.

It is worth-while pointing out that there is no mandate in setting up the agency to ensure that a certain number of women are represented on the advisory board. There is no mandate to ensure that academia, labour and small business are represented. Rather, they are people who have been picked by the Ministers involved. That means that they will tend to be responsible to the Ministers rather than to their communities.

• (1720)

Perhaps at this point a few remarks on the role of women might be helpful. Between 1972 and 1983, the number of women entrepreneurs increased nationally by 140 per cent. The number of male entrepreneurs increased by only 10.7 per cent. There is a great growth in the number of women who are getting into business. A study prepared for the Canadian Advisory Council on the Status of Women predicted that 65 per cent of the new businesses started in Canada would be created by women. Here I am quoting from the Newfoundland and Labrador Advisory Council on the Status of Women which stated, "Women are responsible for starting two-thirds of new businesses and they succeed in keeping businesses going 47 per cent of the time compared with 25 per cent in male owned business, and new businesses are responsible for creating 70 per cent of new jobs".

Here we have a situation where the new jobs are being created by small businesses, and the great percentage of those small businesses which start and succeed are started by women. Yet there is an agency which is attempting to create opportunities in Atlantic Canada, and its advisory board is not mandated to have a certain number of women.

The Royal Commission on Employment in Newfoundland recommended that the federal Government should "appoint approximately the same percentage of females as males". There is a need to use a whole range of support and promotion strategies to encourage women actively to undertake enterprise initiatives.

According to the Newfoundland and Labrador Provincial Advisory Council there should be a means by which ACOA can make affirmative action policies a component of its terms of reference. In other words, it should not be simply left to the good intentions of the different Ministers from Atlantic Canada to pick people who might be women who represent labour, or people who may be small business people. They should have a right to be represented on this advisory board, if it is to be truly representative.

In looking at the function of the board, there have been recommendations that the board should have much more say in how the funds will actually be distributed. Again the Minister for International Trade the Minister from Newfoundland, feels that this not desirable. When appearing before the committee he said, "How could we do that and have ACOA's budget spent by an independent board? We would have no control at the political level; the Ministers would have no control over where the money is being spent; Atlantic Ministers would have no input or influence over it". That is what it is all about, Mr. Speaker. It is over political control. The Minister, the Hon. Member for St. John's West, wants political control. He is not willing to trust a representative board that could be established that would represent a broad cross-section of people from Atlantic Canada to make decisions that would be in the best interests of the entire region. He wants to have that political control centralized in his hands.

That suggests to me, and I am sure it suggests to the people of Atlantic Canada, that the Minister sees the Atlantic Canada Opportunities Agency as an agency that will give a great opportunity to that Minister and to other cabinet Ministers to have control over patronage. They see this as an opportunity agency for patronage. That is one of our concerns. The manner in which this is structured does not put it all at arm's length from being used as a means of rewarding friends and punishing those who are no so friendly to the Government.

The Atlantic Canada Opportunities Agency needs a mandate targeted to reduce economic disparity. We need an advisory board that will be independent and at arm's length from the Minister, and not dependent upon the Minister's appointment, one that would be truly representative and would have some power.

I urge the Government to look at some of the recommendations made by the New Democratic Party over the last two years when we studied the whole question of the need for development in Canada. These suggestions were made with respect to Canada as a whole, but they certainly apply very concretely to Atlantic Canada.

First, there is a need for upgrading municipal infrastructure. In co-operation with the municipalities across Canada we have suggested a $1.2 billion annual investment toward upgrading municipal infrastructure. We would like to see a $200 million single industry community diversification fund that is in line with the type of recommendations that were referred to earlier.

That would provide single industry communities with the means to explore diversification options in terms of economic activities.

Money should be spent on affordable housing. An allocation of $500 million in this area would help with some 500,000 housing units. We need a community initiative fund, a youth initiative fund, and a technological change fund. These are the ways in which we could put money out into communities that would stimulate real development and provide real opportunities for development for small communities and also larger communities in Atlantic Canada, western Canada, northern Ontario and, in fact, for Canada as a whole. They would help to reduce the economic disparity that has plagued Atlantic Canada for so long.

Ms. Dewar: I certainly did appreciate the comments of the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) on the whole development of the Atlantic Canada Opportunities Agency. As we talk about it and recognize that there is not the type of representation of the ordinary person from Atlantic Canada and a broad perspective of representation, does the Hon. Member think that there can be the ability to do some grass-root strategic planning and economic development?

I heard the Hon. Member and the Parliamentary Secretary say that the agency will be sitting back and waiting for people to come to it with projects, and then it would react. If we have a commitment to economic development taking place within a community, some of that has to be in over-all strategic planning of the skills that lie in that community, and how they can be developed.

I would like to hear from the Hon. Member exactly how he thinks that that could work with an amendment to the establishment of this agency, or the type of representation that is presently there, and what he would propose.

Mr. Manly: I believe that the whole suggestion that this will be done on a proposal-by-proposal basis and that the proposals will be judged on their individual merit ignores the fact that we need proposals that will have ramifications throughout the region and the sub-regions, in order that the proposals will result in development of the area rather than proposals that will succeed by themselves. If we want proposals like that, then they have to come not only from individual entrepreneurs. We are all in favour of individual entrepreneurs receiving some assistance and being able to do their thing. That is important. They can create some development in that manner.

Even more fundamental than helping individual entrepreneurs is the need to help communities to develop their plans for economic development, to get their act together to see in what direction they want to go as communities, to assess their strengths, talents, and resources, and how they can develop a game plan that will lead them from being in a fragile situation where their economy is threatened to one where they will be able to establish a more diversified base. A community plan would be developed and then proposals would come in that were in accordance with those community plans. I would like to see the agency make way for that kind of proposal to be developed, submitted and accepted.

• (1730)

Ms. Dewar: Mr. Speaker, it has come to my attention that a couple of admirals were speaking in Halifax about six weeks ago saying that they certainly expected the people in Atlantic Canada to support construction of the nuclear submarines. If they did not support that kind of program, how could they expect to get all the things they thought were due to them? It seems to me that when you address the agency structure, you address the kind of control Ministers will have. When you look at the structure and know that there are these economic threats, and given the militarization in the Halifax area, is there some concern that this agency will not truly speak for the people? Rather, will it be controlled by a Government that seems to be bent on making sure that militarization, and expansion of the military-industrial complex, takes place through economic development? I would like the Hon. Member to comment on that.

Mr. Manly: Mr. Speaker, I thank the Hon. Member for her question, which I think is extremely important. The Minister said he wanted to keep political control. If we have a Government in place, as we do now, that sees militarization of the economy as the way to go, and it is proceeding full steam ahead, then there will be a great deal of pressure on different regions. If you have the possibility of military contracts, there will be pressure on those regions to accept them even though the long-term consequences are negative for Canada, negative for our world, indeed negative for those individual areas.

I think this ties in with something I mentioned earlier about how this agency might be subject to U.S. countervailing duty pressure. All these programs might be regarded as being unfair subsidies. However, the one area that the Mulroney-Reagan trade deal exempts from charges of unfair subsidy is military procurement. Any program supposedly in the interests of national security cannot be targeted as involving unfair subsidies. This will result in increased pressure upon regions to accept military contracts as the one way in which the Government can intervene to prop up an economy facing difficulties. That is not the future I want to see for Atlantic Canada or western Canada or any other part of Canada.

Mr. McMillan: Mr. Speaker, I wonder if the Hon. Member would clarify for me and the House whether an NDP Government would be opposed to defence procurement in the Atlantic region. In addition, would he clarify an apparent ambiguity between what he said and what the defence critic for his Party seems to have said in the country at large, that an NDP Government would actually increase defence expenditures, not decrease them?

Mr. Manly: Mr. Speaker, certainly we are not opposed to defence procurement in Atlantic Canada any more than we are

opposed to it in western Canada or central Canada. What we are very strongly opposed to and will continue to be opposed to is the militarization of the economy. We are opposed to a trade deal which the Government is rushing into that will make it possible for the U.S. to say that a whole range of Canadian programs constitute unfair subsidies.

The Economic Council of Canada very seriously suggested that the programs of this agency can be targeted as constituting unfair subsidies. The one area exempt from that is defence procurement. We are saying that this is the wrong way to be going with respect to regional development. We should have other options available to us than simply saying something was in the interest of national security, therefore we are going to be giving defence contracts to different parts of the country.

That is the way things are done in the U.S. They do not have our kind of regional development programs to assist parts of the country facing economic difficulty. What they do have are military procurement contracts which are dropped on practically every congressional district to try to maintain support by the people for the military industrial complex. We are opposed to that complex, and I would like to see members of the Government opposed to it as well.

Mr. McMillan: Mr. Speaker, my two questions require a yes or no answer. Is the NDP committed to increasing expenditures or decreasing expenditures for defence purposes? In addition, would an NDP Government have given the defence procurement contract for the naval frigates to the City of Saint John, New Brunswick?

Mr. Manly: Mr. Speaker, we have not arrived at any final figures with respect to what our defence expenditures are going to be. However, I can guarantee they will be less than the price tag for the fancy new submarines that "Little Boy Blue" wants to buy.

Second, with respect to the contracts which have already been let to Saint John, certainly we support those contracts, and that is where they would stay.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate.

Mr. George Baker (Gander—Twillingate): Mr. Speaker, I have just a few words concerning this Bill.

The attitude of the federal Government towards Atlantic Canada, as you know, leaves a lot to be desired. Nowhere in this Bill is the fishery or agriculture mentioned. I just got off the phone speaking to a lady who is the mother of a fishing captain off the south coast of Newfoundland. His name his Mr. Willy Bolt. He is from Grand Le Pierre and he got in his boat this morning at five o'clock and sailed out of Fortune Bay with five crew members aboard, two from Port aux Basques and three from Grand Le Pierre. They steamed out towards St. Pierre and Miquelon. At this very moment, and for the next 10 minutes, they are being towed into port in St. Pierre, having been arrested by the Government of France. It is a 65-foot dragger that was dragging for codfish in the disputed zone around St. Pierre and Miquelon off the south coast of Newfoundland.

You know what we as a Canadian Government did recently, and I applauded the Government for its attitude towards Atlantic Canada in this case. It arrested a French boat that came into Canadian waters and said: "Please arrest me because I am fishing illegally". However, at this very moment there is a French patrol vessel towing a 65-foot Canadian dragger that was fishing legally in the disputed zone off the south coast of Newfoundland with five crew members aboard.

We talk about the attitude of the Canadian Government. I will tell you what its attitude is. Over this vessel being towed flies an RCMP helicopter. Then there is a fixed-wing aircraft belonging to the Coast Guard. There is a fisheries patrol vessel in the area. What did the Government of Canada do in the past three hours since the vessel had a cable forcibly hooked on, was forcibly boarded and is being dragged into port at this very moment? It will be in port in exactly 12 minutes from now. What did the Canadian Government do? I have been speaking to the family members of that vessel and I know, putting the time together, that the Canadian Government was notified 15 minutes before the vessel was boarded. It was noted by official text from the Government of France that a "Canadian vessel, the *Maritimer*, has violated the 12-mile territorial sea around the nation of France off the east coast of Canada and will therefore be arrested". We, of course, have to thank the RCMP for notifying the families of what took place.

• (1740)

Some arrangements have been made for the crew members aboard to telephone home between ten and twelve o'clock this evening, that is, Newfoundland time, which is two and a half hours beyond our time here. That is all well, fine and good. But there was not one single word of complaint or objection from the Government of Canada to the Government of France up to this very moment while the vessel is being forcibly towed to port. There was not one word of official objection.

I suggested to the Government—perhaps you might consider it to be a bit too forceful, Sir,—that at least what should be done is for the Canadian patrol vessel in the area to stick its nose in front of the French patrol vessel, communicate with it and say, "Look, you are not allowed to arrest somebody aboard a vessel in the disputed zone according to the agreement", which the Government keeps referring to in the House, the 1972 agreement which says that neither nation shall board another's fishing vessel in the disputed zone of area 3ps. But no, Mr. Speaker, the Government did not do that. In fact, the Government has not objected to the fact that this action took place by the Government of France. We will be hearing more about this in the next 24 hours.

The Official Opposition has put together a motion to be dealt with tomorrow in the House deploring the fact that the Government of France has carried out an illegal act in a

disputed zone. We also condemn the Government of Canada for its handling of this entire dispute with the Government of France. This demonstrates the attitude of the federal Government toward Atlantic Canada. I just wanted to mention that because I think it is important, and everybody should realize that right now there is another six or seven minutes left before the vessel ties up. The Government notified the Honorary Consul General, who is perhaps watching what I am saying here in the House. That was the Government's action. There is television hook-up there and he is probably watching me now because he has to go to the port in another seven minutes. His instructions from the Department of External Affairs are to look at how the crew members are being treated.

Just imagine, Mr. Speaker, that is the action of the federal Government, namely, to notify the Honorary Consul General to go down to the wharf in six minutes time and watch this vessel being hauled forcibly into port and watch the crew members being taken off the boat and taken to what I am sure will not be a hotel. We all know what the French Government said about our jails in St. John's, Newfoundland. However, I will know what is going on tonight because I will be speaking to the crew members anywhere between ten to twelve o'clock. I will report on it in the House tomorrow while our motion is being debated.

Getting back to the Bill, there is not one mention of fisheries in it. In the entire Bill that deals with opportunity for economic development in Atlantic Canada there is not a single mention in the Bill of fisheries. There is not a single mention in the Bill of primary resources. There is not a single mention in the Bill of agriculture. There is not one single mention in the Bill of infrastructure. In fact, Mr. Speaker, when we say infrastructure we mean roads, water and sewage systems and the things that are lacking in Atlantic Canada today and which need some attention paid to them. Here is a Bill through which the Government of Canada will spend $1 billion, but there is not a single mention of those items.

We have highly paid people in charge of this Atlantic Opportunities Agency. About 110 of them are working for it. They are fine people, doing an excellent job—they must be because they can make over $100,000 a year. Where can you find a comparable salary scale in the present federal bureaucracy in Atlantic Canada? I do not know. I have searched. None of the agencies or departments we have have a salary scale that goes over $100,000 a year.

Mr. McMillan: How many people are there? One?

Mr. Baker: No.

Mr. McMillan: Two?

Mr. Baker: No. I can get the exact numbers, but the majority of people listed are in what is called middle and upper management. That amounts to over 200 people altogether. The middle management salary runs, I believe, to $75,000 or $76,000. In other words, I do not care what you look for in the federal or in the provincial Government, this is one fine, dandy pay scale for 350 employees.

Mr. Foster: It is more than a provincial cabinet Minister would make.

Mr. Baker: That is right. More than a provincial cabinet Minister would make.

Now, Mr. Speaker, what does the Government do, according to the Bill? We tried to move an amendment to this Bill to force the agency to spend equal amounts of money throughout the region or to try to initiate industry in Atlantic Canada where it was needed. If this agency is just handling applications, do you know where the applications will come from in Atlantic Canada? If you talk about Newfoundland, they will come from St. John's. If you are talking about Nova Scotia, they will come from Halifax. For sure they will not come automatically from Cape Breton Island. For sure they will not come automatically from any of the rural areas where the unemployment rates are the highest.

• (1750)

We tried to impress upon the Government during the committee meetings and through the amendments presented to the House that if the Government is to pay people lots of money, if it is to create a bureaucracy in Atlantic Canada whose members are being paid such wonderful salaries, a great many of them at a hundred grand a year, in poor Atlantic Canada, sitting in an office in St. John's, Newfoundland, then the least it could do is to put in the legislation the demands of these people that the bureaucracy generate the jobs which are needed in the high unemployment areas of Atlantic Canada and not in the cities.

Do you know, Mr. Speaker, that there are more employees of this agency in Ottawa than there are in Charlottetown, Prince Edward Island, or in St. John's, Newfoundland?

Some Hon. Members: Shame!

Mr. Baker: They even have a vice president here. Oh, yes, the Vice President of the Atlantic Canada Opportunities Agency—we should call it the Atlantic Canada overblown agency—is in Ottawa.

Mr. Gauthier: Is that right?

Mr. Baker: Yes. There are more employees in Ottawa than there are in Newfoundland.

The Government really has a problem. There are so many things that I could bring up about this Bill. Government Members told every Premier that they will not accept any applications for what they call infrastructure, harbour developments, the cleaning up of neighbourhoods, the installation of water and sewer where it is needed or the paving of roads because there are so many unpaved roads—

Mr. Dingwall: Environmental clean-ups. They should be important.

Mr. Baker: Environmental clean-ups should be important but are not allowed. The provincial Governments are told that there is no sense in applying for this, but there is $1 billion here. If the Liberals or the NDP hold it up in the House of Commons, they are preventing this $1 billion from being spent. That is what they have said.

They have not mentioned where the bureaucracy is. They have not mentioned the very things that are important to Atlantic Canada. There is no doubt that some programs do receive quite a bit of funding. There is a program called Section 38 which receives a lot of money. Under that program, people go to work but they cannot collect unemployment insurance from their work. It is a big program in Atlantic Canada.

There is another program with hundreds of millions of dollars called Job Development. Under that program, people have to be trained to do something. There is no attention paid to what they are doing, as long as they are being trained to do something. Ever since this Government took office, thousands and thousands of people have been hired to learn a trade. What trades are being learned? Carpentry work or the use of chain-saws in the woods are being learned. People can only get into the project if they do not know how to do it.

These positions are advertised on the radio. People cannot go to Canada Manpower any more to register. No, that has been removed. Any jobs that come up are announced on the radio. People have to listen to their radios. There are jokes being heard all over the place in Atlantic Canada about listening to the radio, and you can imagine what some of them are, Mr. Speaker.

Somebody says: "Well, you know, I want to get a job in the Public Service. Well, I have to bring my radio wherever I go. If I'm working at another job, I have to bring in the radio and listen to the radio at the time the jobs come on". When the jobs come on, they say: "Five carpenters needed at such and such a job site, please consult with your local Manpower Office, but if you are a carpenter, you can't get one of the jobs". Just imagine, an electrician needed, only qualification is no experience.

Bowater and Abitibi-Price laid off a lot of workers because of a cut-back in logging operations. The Government of Canada, in its wisdom, decided to have a reforestation program—are you saying that I am at the end of my time, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Yes, but I hate to say that because I really enjoy the Hon. Member's debate. Is there unanimous consent to let him carry on until 6 p.m.?

Some Hon. Members: Agreed.

Mr. Baker: The boat *The Maritimer*, skippered by Willie Bolt himself of Grand Le Pierre, two minutes ago arrived in St. Pierre with a cable on from a French fisheries patrol vessel, hauled into the port. I presume Willie and the boys are now being escorted to some accommodations as the Government of France said that the nation violated the 12-mile territorial sea around the nation of France off the coast of Canada. I presume that they are being given good French hospitality.

Mr. Gauthier: French cuisine.

Mr. Baker: Yes, French cuisine. The people who were arrested in Newfoundland complained that all they got was pizza. What did they expect, Beaujolais Nouveau?

I suppose I could conclude by saying that what will happen to these fishermen over the next three or four hours on St. Pierre and Miquelon will be very important to the Government of Canada and to what happens in the negotiations between Canada and France. A lot of people are very, very angry. As I say, I have spoken to the family members, and they do have the House of Commons cable down there. Maybe Willie is watching the broadcast. Everyone is very concerned about the crew members. Hopefully the thing will be resolved this evening, but you will hear about it in the House tomorrow, Mr. Speaker, and I can guarantee that the Secretary of State for External Affairs (Mr. Clark), the Minister of Fisheries (Mr. Siddon) and that other Minister from St. John's had better be prepared.

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

Some Hon. Members: Question.

Some Hon. Members: No.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

CORRECTIONAL SERVICES—FUNDING OF AGENCY TO ASSIST EX-PRISONERS IN NOVA SCOTIA

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, on April 29 of this year, I asked a question of the Minister of Justice (Mr. Hnatyshyn) in his capacity as the Acting Solicitor General. At that time, I asked the Minister about the decision of the Correctional Service of Canada to cut funding in the amount of some $127,000 to a very important service for ex-prisoners in the Province of Nova Scotia.

This particular service is known as ROPE, the Real Opportunities for Prisoner Employment Program, and it assists ex-prisoners in getting re-established in the community and in

finding jobs. The program is headed by an outstanding Nova Scotian named Rocky Jones, and as I say, it has had all federal government funding, some $127,000 in total, cut by the Conservative Government.

• (1800)

I asked the Minister at the time to look into this cut in funding for this important agency and, in fact, to restore the funding to the agency which helps so many hundreds of ex-convicts every year. In responding, the Minister of Justice indicated that he would indeed take up the matter with his colleague, the Solicitor General (Mr. Kelleher), and ensure that he gets back to me within an appropriate time with the information required. We are still waiting for an explanation from the Solicitor General as to this very callous cut in funding for an important community organization which helps ex-prisoners get reintegrated into society.

Real Opportunities for Prisoner Employment, or ROPE, was created in 1979 as a short-term research project which operated from the Carleton Community Correctional Centre. It was incorporated as a society in February of 1982. It operated with the basic premise that lack of employment and subsequent income hastened an offender's involvement in criminal activities, both prior to his involvement with the criminal justice system and during.

The key elements of job creation and job placement are the primary indicators for evaluation of programs for funding sources but, as ROPE points out, the root causes of the clients' problems are far deeper than their inability to obtain and maintain employment. They note that the majority of ex-prisoners have drug and alcohol problems and that many suffer from severe addiction. The instability of their life style prevents most from maintaining stable employment. Thus, Mr. Speaker, employment-related programs for the offender must provide for interventions that deal with the root causes of the person's problems.

Since 1982 the Correctional Service of Canada has provided CORE funding for ROPE. That involves administrative costs including administrative staff and job placement or peer counsellors. The program evaluations of this excellent program have been glowing. In fact, the latest written program evaluation of ROPE was conducted in 1985 by Jack Stewart of the Correctional Service of Canada which stated:

> The CORE program of the ROPE Association providing job search and placement services is extremely successful and competitive and deserves the strongest possible support from CSC in maintaining the service and assisting in the broadening of the financial base of the CORE program.

The program got top marks for the work that it was doing with former prisoners to help them reintegrate in the community. Despite that, as of April 30 of this year their funding was totally cut. My New Democratic Party colleague in the provincial legislature in Nova Scotia, Mr. Bob Levy, the NDP justice spokesperson in Nova Scotia, gave a notice of motion on Wednesday, April 13, as follows:

> Whereas Real Opportunities for Prisoner Employment, also known as ROPE, has provided an invaluable service to ex-prisoners in getting re-established in the community and not ending up back in prison; and
>
> Whereas it costs between $50,000 to $60,000 per year to keep one person in prison while ROPE served 200 people a year with an annual budget of less than $150,000; and
>
> Whereas Correctional Services Canada has arbitrarily decided to terminate its support for this innovative and important service to Atlantic Canada;
>
> Therefore be it resolved that this House call upon the federal Solicitor General to reverse Correctional Services' decision to cancel its funding of ROPE and to consider greater support of community correctional services.

I support that call by my distinguished colleague in Nova Scotia, Mr. Levy. Indeed, by cutting funding for this important program the Government is doing a grave disservice to people in the Halifax—Dartmouth metro area. Indeed, there have been a number of questions raised as to why this decision has been made. The community has called on the Conservative Government to reinstate the funding.

The Executive Director, Rocky Jones, has said that the agency's role has been to "meet guys at the railway station that no one else is going to meet . . . We work with the total person, trying to deal with his self-esteem, to get him away from his former life".

On Tuesday of this week I was at the special handling unit, the super maximum institution in Archambault in Quebec. I talked there with prisoners who asked what they are supposed to do when they are released from a maximum security institution, given $50, and told to be on their way. It is no wonder that many of these prisoners are not able to function and to cope.

• (1805)

Here is an agency that is actually assisting these former prisoners to reintegrate in the community. I hope the Parliamentary Secretary to the Solicitor General (Mr. Cardiff) will rise in his place today to say that yes, the federal Conservative Government recognizes that a mistake has been made and that this community agency that works with ex-prisoners in the Nova Scotia area does an outstanding job. I hope it will reinstate the funds that are so badly needed to keep this important service going.

It is an independent agency, independent of the Correctional Service. We hope this is not a step by the Correctional Service to try to weaken the role of community agencies which are, in fact, independent.

Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, I am pleased to have this opportunity to speak further on the issue raised on April 29, 1988, by the Hon. Member for Burnaby (Mr. Robinson) on the organization known as Real Opportunities for Prisoner Employment and the reasons why the Correctional Service of Canada has not renewed its funding.

In the 1986-87 fiscal year, the Correctional Service of Canada could not maintain the level of growth of previous

years and was forced to reduce funding to ROPE from $150,000 to $75,000. Their other major funder, Employment and Immigration Canada, was unable to increase its funding to offset the reduced funding from the Correctional Service of Canada.

The Correctional Service of Canada, at ROPE's request, did manage toward the end of the fiscal year to provide additional funding. This increased the level of funding to $95,000. The agency was informed that it would have to find alternate sources of funding in the future because the need for straight job placement had decreased.

In August, 1987, the Halifax parole office conducted a needs analysis of its offender population. The results indicated that offenders had major problems in the area of substance abuse.

Unemployment was ranked as fifth in their list of needs. In fact, they found that the unemployment rate in the offender population was at parity with that of the general population in the community and that the lack of jobs was not the real issue but rather the lack of job skills. Consequently, the Halifax parole office approached each of the agencies under contract which offered employment services, ROPE being one of them, to submit proposals which addressed training offenders in the area of job skills.

The ROPE organization failed to submit a proposal which clearly addressed the training issue. It was decided by the Correctional Service of Canada, in December, 1987, not to renew their contract with ROPE and to use the money toward dealing with the substance abuse problem and other employment training programs.

Presently, the Correctional Service of Canada is contracting with the Coalition Support Services, a private agency which offers not only job placements but also job training and development. It also contracts with community residential centres that provide employment counselling and job skill training.

Unfortunately, Real Opportunities for Prisoner Employment does not meet the present needs of the Correctional Service of Canada. This does not mean, however, that its services will not be required at some future date.

FINANCE—NORTHERN TAX ALLOWANCES—GEOGRAPHICAL DELINEATION OF AFFECTED COMMUNITIES/REQUEST THAT REGULATIONS BE AMENDED

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, it has been said frequently that the road to hell is paved with good intentions. I believe that the Government was well intentioned when it decided to broaden the prescribed areas which qualify for the northern residents tax deduction. After all, it is a generous scheme and a welcome tax measure for those who live in northern and isolated areas. It is a just and fair proposal which helps to provide at least a measure of economic equity for our citizens who live a good distance away from the larger urban centres of Canada. It is another useful tool in regional development and I believe it is a necessary cost in the process of building a nation.

So much for the good news. In implementing this excellent tax measure, however, the Government has bungled in spades. In drawing up the criteria for eligibility, the Government has opened for itself a troublesome can of worms in terms of who qualifies and who does not. The Government knows that it has maladministered the program and it knows what has to be done, but it draws back. It draws back because it fears the subsequent loss of revenue and fears the costs of making the appropriate adjustments.

Instead of facing up to the mess it has created and making those corrections, it shrinks from its responsibility and hides behind another phoney task force. This task force will do nothing except cost the taxpayers of Canada $3 million and will take about a year-and-a-half to report. In my opinion, the proposed task force is nothing more than a pricey P.C. patronage plum. It cannot come up with any answers. It cannot solve the problem. The proof of that is taken from the terms of reference provided by the Minister of Finance. First, there will be no retroactivity. Any communities which will be added because the task force deems them eligible will receive the tax benefit only in 1988, not retroactive to 1987 as do those who now qualify.

• (1810)

Second, I quote from the terms of reference:

> The task force should bring forward proposals that are essentially revenue neutral.

That means very simply that there is no additional money for the program. Thus if other communities are added as a result of the task force work, something must be taken from the benefits now received by taxpayers in other communities who are presently eligible. For example, if my constituency of Marathon is added to the list, and it now does not qualify because it is 18 kilometres short of the distance, then Manitouwadge, a nearby community, is going to have to receive a watered-down benefit. Thus it will go on and on across the country. That is inevitable. Therefore, the three million dollar task force will only compound the Government's problem. It is a sham and a farce and should be called off before it begins.

I do not know why I should try to keep the Government out of trouble but I predict that this task force will only make matters worse for the Government unless it is stopped now. Let the officials work with those Members of Parliament from all political Parties whose ridings are affected by this maladministered program. I tell you, Sir, that in relatively short order—it will not take long at all—we can devise a fair and reasonable set of criteria. That is the sensible way to proceed. I plead with the Minister of Finance (Mr. Wilson) to think again about what he has done.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, we have said many times

that the Government is committed to providing a sensible and equitable taxation system for residents of isolated northern communities. The new system is far more generous and equitable than the old remission order system. It gives many more communities and individuals access to the allowance, including owners of small businesses, pensioners, native peoples and employees who did not benefit under the old remission orders because they did not receive an accommodation allowance from their employers.

The new taxation system for northern regions reflects the same community eligibility criteria as the former remission orders, which were based on the Treasury Board directive on isolated posts. The criteria gauge factors such as population, access to road networks, climate and geographical location, and distance from large urban centres, to assess the degree of isolation. They are also used to determine whether a community can finance its own health care services, schools, recreational activities and social and business services, or whether residents must travel long distances to have access to such services.

The Hon. Member suggested making the distance factor part of the points system. This suggestion, which was carefully examined by the Minister of Finance, would increase the number of points required to make a given region eligible, but would give more points to communities located more than 200 kilometres from urban centres with a population of at least 50,000.

Mr. Speaker, this proposal is not a satisfactory answer to the boundary problem, since it merely shifts the emphasis. Furthermore, it ignores concerns raised by communities that are not eligible because they are too close to centres with a population of 10,000 or more. I may add that under the present rules, population and distance factors take precedence over the number of points. We would have to assess carefully the relevance of any proposals to change our approach.

The boundaries problem is not confined to the existing rules. It would arise in any case. Although experts at the Department of Finance have looked at various scenarios, they have been unable to agree on a solution that was immediately and fully satisfactory. We therefore set up a task force to evaluate the relevance of the criteria and make appropriate recommendations. The task force will examine the problems that are specific to each region, so that we can ensure the equity of eligibility criteria for the allowance granted to residents of northern regions.

Mr. Speaker, the existing criteria now form the best basis for setting up the new tax system for northern regions. The task force will hold extensive consultations across Canada with a view to making recommendations for improving the system.

Although we believe our approach meets the expectations of most Northern residents, we share their concerns about the eligibility criteria, and we are convinced that an acceptable solution will be found. We realize it will not be easy and that it will take a lot of time and resources. The task force is expected to provide an objective response to these complex problems.

• (1815)

[*English*]

NORTHERN DEVELOPMENT—NEGOTIATION OF ENERGY ACCORD WITH NORTHWEST TERRITORIES

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, on March 1 I asked the Minister of Indian Affairs and Northern Development (Mr. McKnight) what progress has been made with respect to the northern accord. We have to know what the northern accord is all about.

This, Sir, is to be an agreement negotiated between the Government of Canada and the Government of the Northwest Territories, along the lines of the agreements that we have in place in Nova Scotia and Newfoundland dealing with the offshore resources of those provinces, although of course in the territories it would apply equally to the onshore resources.

The accord would deal basically with two things. First, it would deal with the revenue sharing component of the agreement. Second, it would establish a joint management regime.

There is, as I have said before, two distinct parts to this agreement. First, there is the offshore areas in which the resources will continue within the foreseeable future and reside in the ownership of the Government of Canada. Then, there is the land area in which the situation is today that the Government of Canada holds those lands and the resources therein in trust for an eventual province to be established in the North.

It is important that we have a management system that will replace COGLA. COGLA has some good people working in the field but, basically, it is an absentee landlord organization in which the decisions are all made in Ottawa. This has to be replaced with a better system in which there can be a greater component of local control.

Revenue sharing is very important in the North because, as we have gone along the road of devolution, those things which have been devolved, recent examples of which are forest management, health and electrical energy, have all been in the field of expending money. They have all been costs to the Government of the territories. There has not been much in the way of a transfer of those things which will bring in revenue to the Government.

In about 1977 the territories enacted its own Income Tax Act because of the small population and the large area and the expenses of administration. That brings in only a small fraction of the moneys needed to administer that vast area.

We can look at the present day situation in the territories as being analogous to that in the early days of Alberta where it was dependent upon mainly land sales for its revenues in its days before the population built up. The same is in effect in the North now. Thus we need to have access to moneys to meet

the necessary expenditures of the Government of those territories.

Financial independence is necessary the same way that political independence is necessary. In fact, the two go together. One cannot pretend to be in control of one's own policies and one's own politics unless one also has the money and the revenues that go with it. Otherwise the territories will always find themselves tied to Ottawa's apron strings.

• (1820)

Over the last three years considerable progress has been made on the northern accord. When I asked this question on March 1, it seemed that the final Cabinet touches had been put to the accord, it could be put to bed, a big announcement would be made, and everything would be sweetness and light. Something happened in between. Since that time there has been nothing but stony silence on the issue from the Government. One of the things that I would like to find out in the Parliamentary Secretary's reply is what has happened. We know that the Minister of Indian Affairs and Northern Development has always been a very strong proponent of the accord. He acknowledges that this is part and parcel of the devolution policy of the Government of Canada.

Was there any opposition in Cabinet? Why has this not gone ahead, as we thought it would? Within the agreement there is obviously going to be room for different details respecting technicalities, but it is absolutely essential for the future of the territories that there be an accord and that there be one soon.

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, during the past two years the Department of Indian and Northern Affairs has been having extensive discussions with the territorial Governments, northern aboriginal groups, and the oil industry, to determine how best to apply the frontier energy policy in the North.

The cornerstone of this policy is its commitment to "shared management" arrangements with Canada's coastal provinces and territories for the management of frontier oil and gas resources. The Atlantic and Nova Scotia Oil and Gas Accords exemplify the spirit of the frontier energy policy. The largest area still to be brought within the frontier energy policy is the North.

In June, 1987, the federal Government reaffirmed its commitment to the political evolution of the North by approving a policy framework which has as a fundamental goal the strengthening of political and economic institutions in the Yukon and the Northwest Territories.

The framework reflects the significant political and economic changes that have occurred in the North over the past 20 years, and confirms the federal Government's commitment to the evolution of responsible and independent Governments in the North within the Canadian federation.

The following are the essential elements of this policy framework. First, to transfer remaining programs which, in the rest of Canada, are normally provincial responsibilities. Second, to pursue early settlement of land claims. Third, to develop sound and stable economies in the North by working with territorial Governments to encourage economic diversification, with special emphasis on renewable resource development and tourism. Fourth, to encourage the generation of wealth in the North and in Canada as a whole by improving the business climate for investors and entrepreneurs through joint federal-territorial implementation of the northern mineral policy and the development of a northern oil and gas accord.

The frontier energy policy and the Government's commitment to the political and economic development in the North provide the context or framework within which northerners can share in the management of oil and gas and benefit directly from the development of the North's resources. Any agreement must also be consistent with the Government's commitment to aboriginal people, as provided in the comprehensive claims policy. Ultimately, the objective of a northern accord is to provide a stable and fair regime for industry needed to encourage and support the timely development of the North's resources.

A northern oil and gas accord will reflect this policy. The terms will be developed in consultation with the territorial Governments. The Minister of Indian Affairs and Northern Development (Mr. McKnight), and colleagues in other Departments, are developing a mandate for negotiations with territorial Governments, which should begin in the near future.

This Government, in the tradition of John Diefenbaker, is committed, with the co-operation of the people of the North, to develop the North.

[*Translation*]

The Acting Speaker (Mr. Paproski): The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.25 p.m.

HOUSE OF COMMONS

Friday, May 6, 1988

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—CANADA-FRANCE FISHING DISPUTE

Mr. George Baker (Gander—Twillingate) moved:

That this House deplore the unlawful arrest of a Canadian fishing vessel by the Government of France in area 3PS off the coast of Newfoundland; and

That this House condemn the Government for its failure to protect the Canadian fishing industry and its continuing inability to resolve the Canada-France fishing dispute.

He said: Mr. Speaker, yesterday morning a fishing vessel left a Canadian port to go fishing off the coast of Canada. There were five crew members aboard. Three of them were from Grand Le Pierre, Newfoundland, and two were from Port aux Basques. It was a good day for fishing. They had a licence to fish in area 3PS off the south coast of Newfoundland. The only restriction on their licence was that they were not permitted to fish in Fortune Bay.

Restrictions on the south coast of Newfoundland have been placed on Canadian fishermen by the Government of Canada. For the first time, long liners from the north coast and northeast coast of Newfoundland are forbidden to have licences to fish off the coast of Newfoundland, along the south coast.

The fishery off the south coast of Newfoundland has been drastically overfished. It was not overfished by Canadian fishermen from Newfoundland, Nova Scotia, Québec, New Brunswick or Prince Edward Island. It was not overfished by any of these fishermen, but it was overfished and continues to be overfished today by gigantic 300-foot factory freezer trawlers that are not from Canada at all. They are from France. They are from St. Malo. They are not even from St. Pierre and Miquelon.

Under the Conservative Government, Canadian fishermen have been restricted from fishing activity along the south coast of Newfoundland and out into the Atlantic Ocean. A Canadian fishing boat from Fogo Island and La Scie on the northeast coast no longer are permitted to have a licence to fish off the south coast of Newfoundland. They can have a permit for a week or sometimes a month, but no longer a licence.

There is one classification of vessel that is not restricted at all, whether it is 10 feet long, 100 feet long, or 1,000 feet long. As long as that vessel is from France, it can fish all it wants for as long as it wants without interference.

Willie Bolt, Captain of the *Maritimer*, left port yesterday morning with his licence, after being kicked out of Fortune Bay by the Government of Canada. He went fishing where his licence permitted, only to be arrested by the Government of France.

I am not exaggerating when I say that I do not know of any of the 20,000 inshore fishermen who are rich. I do not know one inshore fisherman in Newfoundland who is making as much money as a Member of Parliament or as the Minister of Fisheries in Newfoundland, or even as the head of his union. I do not know one. Yet these are primary producers who contribute more to the economy of the country than do politicians or lawyers. They have been relegated to poverty on the coastline of Newfoundland, more so in the past few years than ever before.

• (1010)

Willie Bolt and his crew have had two bad years in the fishery off the south coast of Newfoundland. Today he sits in St. Pierre. The Government says: "Well, you're free to go but you are not allowed to leave the island".

The French metropolitan fleet today at this very moment is fishing in an area outside of this so-called 12-mile territorial zone. The Department of External Affairs was notified last evening by the Government of France. As a matter of fact, when the tow-line was put on the boat, it was notified that that vessel was going to be arrested. Why? Because they were violating the 12-mile territorial sea of the Government of France. If that is a declaration by the Government of France that there is a 12-mile territorial sea, then the other area is no longer disputed. They cannot have it both ways.

The French metropolitan fleet today has its large enormous vessels out there taking everything from the ocean, further destroying the incomes of Newfoundlanders such as Willie Bolt and his four member crew.

How did we get to this situation today? The Minister of Fisheries and Oceans (Mr. Siddon), the Secretary of State for External Affairs (Mr. Clark), and the Minister in charge of free trade all point back to a 1972 agreement in which they

claim the French are given rights to fish in Canadian waters. They have repeated this in the Chamber time and time again.

I want to put on the record what is in this 1972 agreement, its exact wording. The exact wording is:

> Article 2—to recognize the right of French nationals to fish in these waters subject to possible measures for the conservation of resources, including the establishment of quotas.

The quota for the French fleet in Canadian waters this year is 6,000 tonnes. The Government of France says: "We will catch 26,000 tonnes". The Government of France notified the Government of Canada that it wants 50,000 tonnes for next year—more than the entire total allowable catch for every country in the world, including Canada, off the coast of Newfoundland.

I am going to now tell you, Mr. Speaker, why we are in the situation that we are in today, why the Canadian Government is seen around the world as being pushovers, and why the Government of France could direct a French naval vessel to arrest a Newfoundland fishing vessel yesterday afternoon. It is not the act of arresting that is so serious. That is not the serious part. The serious part is that this is another action in a long line of actions that has destroyed the Newfoundland fishery.

I will read for you, Mr. Speaker, what is wrong with the Government of Canada, where we got where we are today by simply referring to a letter to the Prime Minister (Mr. Mulroney) written by none other than the Minister of Fisheries who is sitting in his place today and who is going to have to listen to his words now that were written on June 24, 1986. I quote:

> My Dear Prime Minister:
>
> I am writing to advise you of the political and economic opportunity related to future French fishing quotas in Canadian waters.

He goes on and gets down to this sentence:

> The issue involves the weighing of the domestic perspective against general bilateral relations with France.

He concludes his letter in this way:

> I want to assure you that my goal throughout will be to manage our fisheries discussions with the French in a manner that does not jeopardize the cordial relationship between Canada and France—

Mr. Siddon: Read the rest of the letter.

Mr. Baker: Now I will read from another letter. It is from the Prime Minister, and I am sorry, Mr. Speaker, if these are marked "Cabinet documents". They were given to me openly.

Mr. Siddon: And taken out of context. Read the whole letter.

Mr. Baker: I am going to read for you, Mr. Speaker, what the Prime Minister responded to the Minister of Fisheries:

> Dear Colleague:
>
> I agree that in dealing with this sensitive issue, we must weigh on the one hand the interests of Canadian fishermen and fishing communities and on the other our bilateral relations with France.

There was a period before I started that sentence and there is a period after. Here is another sentence.

> I am therefore pleased that you will be consulting with your colleague, the Secretary of State for External Affairs—

Well, he did. The Secretary of State for External Affairs in an outrageous, disgusting manner then wrote to the Mayors in France. Here is a letter to the Assistant Delegated to Maritime Affairs, St. Malo, France. M. L. Perouas. It states:

> The Prime Minister asked me to thank you for your letter—

This was in French, and I am reading an English translation.

> —of December 23, 1985, in which you made known to him your concerns about the rights to fish by French vessels, and especially those from St. Malo, in Canadian waters.

They knew that their rights were coming to an end in Canadian waters because the former Government had said they were going to come to an end. They were concerned and they wrote to the Prime Minister. The Secretary of State went on to state:

> This period is soon coming to an end in conformity with what was agreed to between France and Canada in 1972. None-the-less, as in the past, vessels registered in St. Malo in another distant water French port will continue to fish in the Canadian zone of 200 miles outside the Gulf of St. Lawrence and outside the territorial sea . . . I can assure you without hesitation that Canada has not abandoned the people of St. Malo, especially because—we attach a great value to the friendship we have with them. It is because of this that these people will be able to continue to fish Canadian waters in 1986 and well beyond that.

He states in Canadian waters—that is exactly what has happened. There was a decision to allow the Government of France to send in its gigantic trawlers to employ thousands of people in France with fish taken off the coast of Newfoundland. There it was. There was nothing in the 1972 agreement because that ended. There was the Government of Canada saying to the Mayors in France: "We will allow you to fish, although the 1972 agreement has come to an end". There it is in black and white. If you want to read it in French, Mr. Speaker, you can. If you want to read it in English, Mr. Speaker, it is the same thing.

● (1020)

Today we have another chapter in the book of the destruction and the insults to Canadian fishermen by the Government of France and the Government of Canada. All eyes will now be on the Government of Canada. What will its reaction be? Was it not enough that the Government of France turned around through diplomatic decisions and refused permission to the Lieutenant-Governor of Newfoundland to land in St. Pierre on a courtesy trip? Was it by accident that the Government of France tricked this Government into actually supporting in the United Nations the appointment of the French negotiator in the fish talks to the World Court that will sit in judgment of this very question in the future?

I see my time is fast running out, Mr. Speaker. I will conclude by saying that the people of Canada are now looking at what the Government of Canada is going to do. The fishermen of Canada are totally fed up with the inaction of the Government. They are wondering what happened since 1984. What happened to cause the Government of France to announce unilaterally enormous quotas out to 200 miles in the so-called disputed zone, and to send over gigantic factory freezer trawlers to catch that fish?

The Government of Canada also approved licences for Canadian factory freezer trawlers. The Newfoundland Government approved the inshore middle distance fleet of over 100 foot boats, and 20,000 inshore fishermen with little boats were looking and saying: "What is going on? We have been forsaken by the Government of Canada. We have been forsaken by the Government of Newfoundland. Who speaks for the inshore fishermen today in Atlantic Canada?" They are poor people, Mr. Speaker, who contribute more to this economy than people in St. John's in the Government, or in any other Government.

We are now awaiting the response of the Secretary of State for External Affairs, the Minister of Fisheries and Oceans, and the Minister for International Trade (Mr. Crosbie). Today these Ministers were quoted in the media as saying that this Canadian boat yesterday "was arrested in French waters". In French waters! Were the fish they were catching French fish? What is going on here? Our cabinet Ministers say for all of Canada to hear "These are French waters". Even the ordinary fishermen of eastern Canada know that we have had what is called mutual forbearance, if one wants to talk in legal terms, for 200 years. That means there are no lines drawn. Yesterday little fishing boats from St. Pierre were fishing on the shoreline of Newfoundland. If one wanted to extend a 12-mile zone around St. Pierre, one would be seizing a portion of Newfoundland. In some places it is not 12 miles away from St. Pierre.

It is the craziest, most ridiculous thing that I have ever seen sent to the Government of Canada by the Government of France yesterday afternoon at 3 p.m. It stated that the fishing boat was violating the 12-mile territorial sea around the nation of France off the east coast of Canada.

Do you know, Mr. Speaker, what was the response of the Government of Canada? When it was informed of this just at the time the rope was being put on the boat, the Government asked the RCMP to phone the wives and the families of the crew members to tell them what was happening. At 7 p.m. last night the RCMP officers said: "They will be arrested when they arrive on shore in St. Pierre; they are being towed into port by a French naval vessel. We were asked to pass that along to you. It will take three hours to tow them into port". That, Mr. Speaker, was the sole and only response of Members of the Government of Canada to the declaration by the Government of France. They did not even object to the Government of France. They sat in their offices here in Ottawa and held meetings. They sat in their offices and asked: "What's the most recent report from the Coast Guard and the RCMP helicopter?" They did one further thing, Mr. Speaker. They gave orders that the honorary Consul General in St. Pierre should be on the wharf at 7 p.m. and report on the condition of the crew members.

Mr. Tobin: What a pile of wimps. All the backbone of a jellyfish.

Mr. Foster: Send in Joe.

Mr. Baker: As I say, Mr. Speaker, it all goes back to letters written by the Secretary of State for External Affairs on behalf of the Prime Minister who wants to be known around the world as somebody who wants to be loved and needs to be loved by everybody. The Secretary of State for External Affairs put it in writing. "We will not forsake the people. We will not abandon the people of St. Malo". No, Mr. Speaker, they did not abandon the people St. Malo, but they have abandoned the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Crosbie: That was a fine, dramatic performance, Mr. Speaker, which accomplished nothing. Nevertheless, we may as well try to elucidate a fact or two while the hon. gentleman is present. I have a couple of questions. For example, I want to know whether the Hon. Member realizes—

Mr. Tobin: You have questions for us? You have more nerve than a toothache.

Mr. Crosbie: I just want to expose the depths of their ignorance, Mr. Speaker. I want to ask the Hon. Member if he realizes that it was in December, 1971, that the Government of Canada recognized a 12-mile limit for France around St. Pierre and Miquelon. Does the Hon. Member realize that France proclaimed this 12-mile territorial limit around St. Pierre and Miquelon in 1971, and that Canada never objected. The then Liberal Government did not object in 1971. It did not object in 1972, 1973, 1974, nor did it object in 1975, 1976, 1977, or 1978, Mr. Speaker. All those years it never objected. It did not object in 1979, 1980, 1981, 1982, 1983, or 1984.

Mr. Tobin: And they didn't arrest us in all those years.

Mr. Crosbie: So, if Canada has recognized that France has a 12-mile limit around St. Pierre and Miquelon, and that these are territorial waters of France, the Liberal Government of Canada recognized that from 1971 until it was turned out of office in 1984. It appears that the Newfoundland vessel taken in tow yesterday and under the control of St. Pierre and Miquelon was within a 12-mile zone. It is not in the area known as the disputed part of 3PS.

• (1030)

I am wondering whether the Hon. Member knows that, or whether he simply conveniently forgets the fact that there is a 12-mile territorial limit around St. Pierre and Miquelon, a

territorial limit that was recognized by his Government, a past Liberal Government. Does he realize that he was a member of this House and a part of that Government from 1972 onward, and that for every day that he was a member of that Government, he was recognizing this 12-mile limit?

He cannot now very well get up in this House and pretend that the 12-mile territorial limit around St. Pierre and Miquelon does not exist. He was among those who permitted it to exist. Past Governments of which he was a member permitted that territorial limit to exist.

Ms. Copps: That is ridiculous. An apologist for the French Government. Ridiculous.

Mr. Tobin: Mr. Speaker, I rise on a point of order.

Mr. Speaker: The Hon. Member for Humber—Port au Port—St. Barbe, on a point of order.

Mr. Tobin: Mr. Speaker, I rise on a point of order, and it is a very serious point of order. Members of this House have the right to expect that, when they engage in debate and ask questions, they will get answers from a representative of the Government of Canada, and not a representative of the Government of France.

Ms. Copps: Right on.

Mr. Speaker: The Hon. Member has made a point, but not a point of order. I would ask the Hon. Minister to continue.

Mr. Crosbie: Mr. Speaker, the second point—

An Hon. Member: Do you support Mitterrand or Chirac?

An Hon. Member: He probably supports Le Pen.

Mr. Crosbie: Mr. Speaker, the rules provide for a 10-minute period in which one can ask questions or make comments on any speech made by Members of this House, thereby enabling any remarks to be put to the test. The Liberals do not like this rule used on them, given the great abyss of ignorance that exists in that Party. They are very skilled in the use of the stiletto and the dirk in the back of their Leader, but they are not skilled in answering questions.

Ms. Copps: Oh, come on. Tell us about Brian Peckford.

An Hon. Member: What was it you said about Joe Clark, after the leadership campaign?

Mr. Crosbie: Mr. Speaker, the second part of my question has to do with whether or not the Hon. Member for Gander—Twillingate (Mr. Baker), who has just concluded a dramatic presentation—and I congratulate him on that. He is the Marlon Brando of the Liberal ranks. Method acting is his forte—realizes that, in many bays about Newfoundland, there are gear conflicts, conflicts as between the inshore fishermen, a group he claims to represent, a group that he claims to love so much. It is a conflict between those who use fixed gear and those who use mobile gear. In other words, some can move around, setting their gear where they wish, whereas others among them have fixed gear. The gear is set once, and it is fixed.

Mr. Tobin: You should be ashamed of yourself.

Mr. Crosbie: The Department of Fisheries and Oceans has drawn certain lines in the bays of Newfoundland to protect the fixed gear inshore fisherman, who does not want his gear destroyed by the mobile fishing sector.

Does the Hon. Member know that there is a line drawn in Fortune Bay to protect the inshore fixed gear fleet, with the mobile gear fleet having to fish outside of that line? Does the Hon. Member realize that that situation exists, and does he realize that, when he attacks that, he is attacking the very fixed gear inshore fishermen he pretends to love and vows to protect?

Mr. Speaker: The Hon. Member for Gander—Twillingate (Mr. Baker).

Mr. Tobin: Now we shall hear from a spokesman for the people of Canada.

An Hon. Member: The people of Canada shall now speak. Vive le Canada.

Mr. Baker: Mr. Speaker, I was interested to hear a member of the Cabinet say that I was a part of the Government of 1972, especially given the fact that I was first elected to the House of Commons in 1974.

An Hon. Member: It seems like 1972.

An Hon. Member: Never let the facts stand in the way of a good allegation, Mr. Crosbie.

Mr. Baker: Perhaps it is an indication that the Minister wants to backdate my pension to 1972.

The Minister, in asking the question he does, is ignorant of a couple of facts. If, as he claims, there has been a 12-mile zone around St. Pierre and Miquelon, Canadian fishermen could not fish within that 12-mile zone. As well, it would mean that there would be a territorial sea going out 12 miles around St. Pierre and Miquelon, which would mean that, when one goes on to the beach at the foot of the Burin Peninsula, one is on French soil. It also means that the French would own at least one mile of the forested area on the very tip of the Burin Peninsula. That would be French territory.

Ms. Copps: Pull up your socks, John.

Mr. Baker: Mr. Speaker, the fact of the matter is that the distance between Newfoundland and St. Pierre and Miquelon, varies, in locations, from 11 miles to 14 miles. That was the only area that was ever in dispute, or a semblance dispute, off the Newfoundland coast. There was no 12-mile zone, because physically it was impossible.

In legal terms, within the Department of Justice, one would find someone describing the arrangement, as I did, as "mutual forbearance"; but, they drew a line from either coast to separate St. Pierre and Miquelon from the mainland of Newfoundland. "Mutual forbearance" meant an understanding that boats from St. Pierre and Miquelon could go on the Canadian side, and Canadian boats could go on the St. Pierre and Miquelon side.

That is why, in those areas where the fishery is better on the Newfoundland side, the boats from St. Pierre and Miquelon go on the Newfoundland side; and where the fishery is better on the St. Pierre and Miquelon side, Newfoundland boats put their gear down on the St. Pierre and Miquelon side.

There was never any such thing as a 12-mile zone around St. Pierre and Miquelon. If there were, we would not be into the problem we are into today. One cannot argue that there is a 12-mile territorial sea around St. Pierre and Miquelon and be arguing that there is a disputed zone out 200 miles.

An Hon. Member: You tell him, George.

Mr. Baker: What has happened here is that the Government of Canada has again caved in. A vessel has been arrested, and this Government is not going to object. Instead, it is going to now try to justify the arrest of a Canadian vessel off the coast of Newfoundland.

Ms. Copps: Unbelievable.

Mr. Baker: There is no Cabinet order by which something can be done about it. This area is now referred to as French waters. No longer is it a disputed zone, but French waters. The Government of France, according to the Government of Canada, now has a 12-mile territorial sea around St. Pierre and Miquelon.

Why do they not put that on the licences of Canadian fishermen; why do they not outline on the licence what the restrictions are? Why not note on the licence that the territorial restriction applies, not only to the coastline of Newfoundland, but the coastline around St. Pierre and Miquelon? Were they to do so, half of the boats could not leave port.

What has been justified in the backrooms of the Department of External Affairs over the last 12 hours will not be accepted by the Canadian public. We are going to get to the briefing notes that are being used today in Question Period; we are not going to let this drop. The fishermen of Canada will know who is speaking up for them, and it is not the Government of Canada. It is the Government of Canada that should be speaking up; it is the Government of Canada that should be objecting to the Government of France.

An Hon. Member: Right on.

Mr. Crosbie: Mr. Speaker, I would—

Mr. Speaker: The period for questions and comments has expired. I will recognize the Hon. Minister if he is rising on debate. Is the Hon. Minister rising on debate?

Mr. Crosbie: Yes, Mr. Speaker.

An Hon. Member: Now we will get the truth.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, before getting into—

An Hon. Member: Where is the Minister of Fisheries?

An Hon. Member: He is cowering behind the curtain.

Mr. Tobin: He cannot hide behind John all of his life—although he does cast a large enough shadow that a lot of people could hide behind it.

Mr. Crosbie: Mr. Speaker, before I get into the present situation, I wish to refer to the treaty of March 27, 1972, a treaty negotiated by the Liberal Government of the day.

The Hon. Member for Gander—Twillingate (Mr. Baker) referred to the boundary between St. Pierre and Miquelon and the Province of Newfoundland, or the territorial waters thereof, and expressed the view that a 12-mile limit could not be recognized because of the fact that, in certain places, there is not 12 miles of sea between the two coastlines.

That is dealt with in the Liberal-negotiated treaty of March 27, 1972, a treaty which has given Canada so much difficulty ever since. It is this treaty which is the cause of our present problems. Under that treaty, the Liberal Government gave France the right to fish in Canadian waters, subject to our determining quotas.

In Article 8 of that treaty, it is stated that the line defined in the annex to the present agreement determines, in the area between Newfoundland and the Islands of St. Pierre and Miquelon, the territorial waters of Canada and of the zones submitted to the fisheries jurisdiction of France, zones submitted to the fisheries jurisdiction of France by the then Liberal Government.

• (1040)

In the annex there is a document attached which shows that the equidistance principle applies between the Burin Peninsula and St. Pierre and Miquelon. I will show you, Mr. Speaker, the equidistance line in a diagram which is attached to this Liberal treaty. Here is Grand Miquelon and here is the equidistance line. Here is Brunette Island, the Burin Peninsula and Fortune Bay. Of course, the previous Government recognized France as having a 12-mile territorial boundary around St. Pierre and Miquelon. Where there is not 12 miles between St. Pierre and Miquelon and the mainland of Newfoundland, the equidistance principle applies, as was agreed to by the Liberal Government of the day.

First, with respect to yesterday's events, this action on the part of France in taking under French control the fishing

vessel *Maritimer* is a deliberate provocation, as it must be considered to be.

Under the 1972 treaty small fishing vessels of both countries can fish in each country's territorial waters. We are dealing here with inshore fishermen with small boats, 65-foot longliners and under. There are some 200 Newfoundland inshore fishermen who fish from time to time in the zone that might be called the territorial waters off St. Pierre and Miquelon. There are 20 or 30 St. Pierre and Miquelon boats which fish in the Canadian territorial waters. We have never required the small inshore fishermen from St. Pierre and Miquelon to get licences to do that nor has France ever required our vessels to be licensed to fish in these waters. Yesterday, without any notice or warning to Canada at all, the French authorities took action to arrest or to take under their control the Newfoundland fishing vessel *Maritimer* which was fishing in those waters, as has been the custom. This is, and can only be described as, a deliberate provocation.

Some 10 or 12 days ago the representatives in St. Pierre and Miquelon sent a 200-foot trawler with camera crews, media, a senator and other politicians on board into Canadian waters in a deliberate attempt to get publicity and to challenge Canada's jurisdiction well into the Canadian area, about 50 miles I think it was, off the coast of St. John's West. They were arrested as they had to be and have been charged as they should have been. There is no comparison between that particular event and the action of France yesterday.

As a result of France's actions yesterday, the Secretary of State for External Affairs (Mr. Clark), the Minister of Fisheries and Oceans (Mr. Siddon) and I met. We have directed our representative, Mr. Fortier, who was to have a meeting today with the French representative, Mr. Puyssochet, in connection with trying to establish a process of mediation to try to bring to a successful conclusion this fisheries dispute, not to proceed with any session in connection with mediation—

Ms. Copps: Big deal!

Mr. Crosbie: —as we are going to suspend any meetings in connection with the mediation process until this matter is resolved to our satisfaction.

Ms. Copps: How about the Airbus?

Mr. Crosbie: I might tell the House that we have received a telex from the Premier of Newfoundland expressing Newfoundland's outrage at the actions taken by France. In the final paragraph, he said that "the Government of Newfoundland and Labrador commends the Government of Canada for the swift action taken by the Right Hon. Joe Clark, Secretary of State for External Affairs, in suspending the mediation talks scheduled for later this week between the two countries. The Government in Newfoundland cannot support any resumption of these talks until the full implications of France's actions have been determined".

That is the motion that should be before the House today, not this partisan, silly, frivolous motion put by the Hon. Member for Gander—Twillingate. We should have a motion commending the Government for the swift action that was taken, just as the Government of Newfoundland has commended us for our swift action.

I want to advise the House that the Secretary of State for External Affairs has called in the Ambassador to France—

Ms. Copps: Which ambassador?

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): I would like to hear the Hon. Minister's speech, if I may.

Mr. Crosbie: We can imagine, Mr. Speaker, what the Liberal caucus is like when challenging their leader if this is the kind of noise we have to listen to when we are speaking in this chamber.

The Secretary of State for External Affairs has called in the French ambassador to protest this provocation by France. Of course, the process of mediation will not go forward until this matter is settled to our satisfaction and until we know exactly what France is going to do with respect to the fishing situation in this area that lies between St. Pierre and Miquelon and Newfoundland. Once we know just what France's position is and after the French presidential election is over on Sunday, we will see what then happens in that particular situation.

This is an extremely deplorable action taken by France. I can only outline for the House and deal with the resolution before the House. The resolution asks the House to:

> —condemn the Government for its failure to protect the Canadian fishing industry and its continuing inability to resolve the Canadian-France fishing dispute.

It takes two sides to resolve a dispute. I will outline briefly for the House the steps that we have taken. In the negotiations for the last year or year and a half, we have taken a series of firm steps to try to resolve the dispute with France. We have been unable to resolve it because the Government of France does not respond and is not prepared to accept any reasonable suggestions for the settlement of this dispute. We have followed a step-by-step approach to increase pressure against the French overfishing in the disputed area 3PS. By the way, this incident yesterday did not take place in the disputed zone of 3PS.

In February, 1977, we closed Canadian ports to French fishing vessels. That prevented any diversion of French vessels to Canadian ports for supplies, repairs, or refuelling. Closing the Canadian ports also makes it more difficult for vessels from St. Pierre and Miquelon to operate because they do not have their usual quick repair facilities in Canada. That is part of the action that we have taken to protect the Canadian fishing industry to try to induce France to be reasonable and to settle this dispute. That was a clear signal to the French about our commitment to conservation. We closed the ports because

of French overfishing in the disputed zone of 3PS. We have no authority to stop France's overfishing there, but the French have for the last several years overfished in the area to the extent of something like 20,000 tonnes during one year.

As a next step, we refused to allow the Burgeo Bank, which is a major fishing ground off the south coast of Newfoundland, to be used by France. During the summer of 1987 we closed the remainder of area 3PS outside the disputed zone, which is known as the western gullies, to French vessels. We no longer permit them to fish there. Those areas closed off include other valuable fishing grounds on which the French have depended heavily in the past. This was to show our displeasure at France's overfishing in the disputed area which we cannot control.

On October 9, France broke off negotiations with us on both the *compromis*. We want to get the question of the territorial boundaries and economic zone around St. Pierre and Miquelon and between St. Pierre and Miquelon and Canada to an international tribunal. France refuses unless we agree to give the French certain fish quotas in Canadian waters over the next three or four years. That is what the dispute is about. France broke off negotiations with us in both those areas. We then told France at the end of the year that there would be no quotas granted to the French in Canadian waters— none—in 1988 in the absence of an agreement on sending this boundary dispute to adjudication and in the absence of an agreement on the question of quotas. Our position has remained firm ever since. How juvenile and silly is this resolution to try to condemn the Government for its failure to protect the Canadian fishing industry in light of the steps that we have taken.

We are operating under the provisions of a 1972 treaty entered into by the very people who filed this motion here this morning and who put Canada and Canadian fishermen into this regrettable situation off the east coast of Canada. These are the people who gave the French the right to fish in Canadian waters. The Government of Canada has to set quotas each year for that purpose. This is where the French get their rights from, this Liberal treaty of 1972.

• (1050)

Of course, there may well be a question of whether or not French actions are making this treaty unworkable. That is another question that we will be coming to in due course. However, the very people who caused this problem are the people who are now here with their crocodile tears, going on about the incident that happened yesterday.

The author of the motion, having had his 20 minutes of histrionics in the Chamber, has disappeared somewhere. I suppose he is out before the television cameras or gone somewhere. I did not get the chance to ask this question of him. Perhaps he could tell us now. He claimed yesterday that there was a fisheries patrol vessel in the area when this happened. This is in *Hansard* of yesterday on page 15188. In fact, there was no fisheries patrol vessel in the area.

Then the Hon. Member claimed that there was an RCMP helicopter that flew over and a fixed-wing aircraft belonging to the Coast Guard. We would like to have some evidence of that, particularly due to the fact that there was heavy fog in the St. John's area yesterday.

What we heard from the Member from Gander is what we usually hear from him, a lot of braggadocio, a bilious bunkum, a blithering blatherskiting, that is all we have heard from the Hon. Member. We heard not a scintilla, not a suggestion as to how this dispute could be settled. Not one reasonable suggestion was made as to how we could get France to agree to a reasonable settlement that will protect Canadian fishermen.

We heard not a word of apology for the fact that from 1974 to 1984, he was in the House completely silent, not a word came from his mouth with reference to what was happening in the fishing areas off the east coast of Canada. We did not hear a word when in 1981, his Government gave the European Economic Community 9,500 tonnes of northern cod to take every year. That agreement expired at the end of last year and we have not renewed it.

We hear not a word of apology for the damage that was done to the Canadian fishery by that agreement with the European Economic Community providing 9,500 tonnes of cod a year, not even a crocodile tear from the hon. gnome from Gander who has now disappeared, doing his Hunchback of Notre Dame act somewhere else, I suppose, on the premises. He outdoes Charles Laughton when it comes to theatrical productions.

The Hon. Member was very positive in his statements, positive being—

Ms. Copps: Who speaks for Canada?

Mr. Crosbie: The Hon. Member for Hamilton East (Ms. Copps) reminds me of something Ambrose Bierce said: she is always very positive, meaning she is always mistaken at the top of her voice.

What action is being taken? This vessel is in St. Pierre and Miquelon.

Ms. Copps: Come on, John, you're usually better than that. Settle down, baby.

Mr. Crosbie: Officials of External Affairs intervened here to assist the fishermen involved. Apparently—

Mr. Foster: Send in the French subs.

Ms. Copps: They're already there.

Mr. Crosbie: The French have asked for a bond in order to release the vessel and that will be attended to. The French Ambassador has been called in and a protest delivered, and a protest has already been delivered to the office of the Minister of Foreign Affairs of France in France. We have postponed

until this matter is resolved satisfactorily the mediation process. These are the steps we have taken.

Ms. Copps: That's disgusting.

Mr. Crosbie: We know that the Liberal Members are not interested in the facts. They are not interested in trying to help the fishermen of eastern Canada or of Newfoundland. They are only here to try to score cheap political points and to holler and call out and interject when someone else has the floor.

Ms. Copps: Methinks he doth protest too much.

Mr. Crosbie: I would like to put on the record the following facts so that there is no false feeling of sympathy on the part of any person in Canada in connection with the fishermen of St. Pierre and Miquelon. I would like to remind Hon. Members that there are 28,000 commercial fishermen in Newfoundland. There are only 176 fishermen in St. Pierre and Miquelon. In the period 1972 to 1985, the average groundfish landings in St. Pierre and Miquelon from within and without the disputed zone including the part not in dispute, 3PS, only approximated 6,250 metric tons per year. Yet they are looking now for something in the order of 50,000 metric tonnes per year and they have taken in excess of 26,000 tonnes in the disputed zone in the last several years.

We should note that in St. Pierre and Miquelon, cod landings in 1987, per fisherman, totalled 99 tonnes while, per fisherman on the South Coast of Newfoundland, the catch averaged only 10 tonnes. On a province-wide basis, each Newfoundland fishermen catches about 18 tonnes of fish of various species a year. The St. Pierre and Miquelon fishermen catch about 122 tonnes a year.

Let us not have anyone here in Canada feeling sorry for the poor fishermen of St. Pierre and Miquelon. We should feel sorry for them because they are represented by a Government that apparently does not consider their interest to be of the first priority as we do.

The fishermen we need to be concerned about are our own Canadian fishermen whose catches on average are much lower than the catches of the fishermen of St. Pierre and Miquelon. That is worth remembering when there are theatrical events such as the sending of a trawler with French politicians on board.

I suppose the next thing I would imagine the Liberal Caucus might do is send John Turner out in a 65-foot dragger off St. Pierre and Miquelon and challenge the French authority. That might solve their leadership problem right there.

We have here a motion that is completely misconceived. It is only designed to give the mover a chance to speak in the House in a theatrical manner. It is completely misplaced in trying to condemn the Government for the failure to protect the Canadian fishing industry while the record of the last four years shows the Government putting the Canadian fishing industry first, defending it, advancing its cause, hampered and with our hands tied behind our backs, handcuffed by arrangements entered into by the previous Liberal Government and confirmed by the present Leader of the Opposition (Mr. Turner) when he was the Prime Minister of Canada for those few brief weeks in the summer of 1984. There was an exchange of notes in July of 1984 dealing with the question of mutual restraint by both parties when their fishermen are fishing in the disputed area of 3PS.

We do not have to vote on this motion. It is a pity that we do not, because it is one of the most ill-conceived, weakest, most jejune of motions that has ever been put before the House. If there was ever a case of the pot calling the kettle black, it is this motion moved by the very people who, for the years from 1972 onward, did nothing to protect the Canadian fishing industry. They gave away our rights to the French, to the European Economic Community, to Germany, to Spain, to Portugal and to every other nation. They failed to take steps to adequately enforce the 200-mile limit, the various steps we have taken since which have improved the situation immeasurably.

Mr. Tobin: Why don't you read the dictionary for the next minute? You're afraid of a question.

Mr. Crosbie: I do not need to read the dictionary. Here are some of the steps we have taken. This is a tremendous document. The measures we have initiated include increased fines and the arming of patrol vessels. The Hon. Liberals opposite were afraid to do that. They did not arm patrol vessels.

There has been the placing of fishery observers on all foreign fishing vessels and greater aerial observation including the addition of a twin-engine helicopter to our surveillance capability. Yet we have this ridiculous, silly and in fact misleading and damaging resolution which should be changed so that the Secretary of State for External Affairs is congratulated by the House for the swift action he has taken.

• (1100)

I would urge all Hon. Members, if we have a vote, to throw this motion completely out of the House.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

FISHERIES

CANADA-FRANCE DISPUTE—ARREST OF CANADIAN VESSEL BY FRENCH AUTHORITIES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, in my short time in Parliament I have never seen such a pathetic, weak, and spineless response to yet another insult not just to the people of Newfoundland, not just to the small boat fishermen in Newfoundland, Canada's poorest province, with the highest unemployment rate, but an insult to the

integrity of the Government of Canada. Here we have standing before us a Minister who has not the good sense to know that as a Minister of the Crown he has been insulted once again.

The Minister can go back to the treaty of 1972, he can go back to the treaty of 1872, he can go back to the treaty of 1772, the fact of the matter is that 24 hours ago a Newfoundland vessel, which makes it a Canadian vessel, was illegally arrested by French authorities. The Government of France—

Mr. Speaker: I am sorry, the Hon. Member's time has expired.

* * *

MULTICULTURALISM

CANADA-LEBANON DAY

Mr. David Daubney (Ottawa West): Mr. Speaker, today is Canada-Lebanon Day. Four years ago the Government of Canada so designated May 6 to honour the significant contributions to Canada of Canadians of Lebanese descent.

There are over 200,000 Lebanese Canadians, 20,000 in my city of Ottawa alone, many of whose families have been here for over 100 years.

Last night I was proud to join several hundred members of Ottawa's Lebanese-Canadian community in welcoming the Prime Minister (Mr. Mulroney) and other federal Ministers to the local Canada-Lebanon Day celebrations. This is the first time that a Prime Minister has attended such an event. I join him and all Members of the House in applauding Canadians of Lebanese descent for their immeasurable contributions to Canada. We all hope and pray for a return of peace to Lebanon and the early re-establishment of the Canadian Embassy in Beirut.

* * *

NATIONAL FOREST WEEK

CALL FOR ESTABLISHMENT OF SEPARATE DEPARTMENT OF FORESTRY

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, this has been a notable National Forest Week. A number of events have focused the importance of our forests to Canadians, their importance in employment, in production, in exports, and in aesthetic and ecological terms.

The Canadian Institute of Forestry deserves much credit for its emphasis on these matters. I take pride in recognizing the leadership of Dr. Jim Kayle, President of the Institute, and one of my constituents as former Director of the School of Forestry at Lakehead University. I also want to express appreciation to yourself, Mr. Speaker, for focusing attention on forestry by means of the reception and luncheon you hosted on Wednesday.

We need equally vigorous action by the Government of Canada. We need a full Department of Forestry for a most important resource and industry. We need increased spending on reforestation and research. We need to ensure that Canadians will have forests to enjoy in perpetuity, and the varied employment that our forests offer. New Democrats anticipate the opportunity to create such a federal Department of Forestry.

* * *

[*Translation*]

YOUTH

VILLE DE VANIER'S CULTURAL AND SPORTS GALA

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, I welcome this opportunity today to draw the attention of Hon. Members to an important event held annually at Ville de Vanier which acts as an important stimulus for our young people.

On April 30 this year, the sixth sports and cultural awards gala of Ville de Vanier was held, with André Morin, who is very involved in community projects and a man of great determination and open-mindedness, as honorary president.

The purpose of the gala is to set up a special fund to help young people in the community, while recognizing individual achievements in sports and culture.

All this would not be possible, Mr. Speaker, without the involvement, sustained efforts, creativity, experience and mutual support of many volunteers who shared a common goal and who were committed to making this an unforgettable event.

My sincere congratulations to Nicole B. Morency, president of the gala corporation, to Rachel Francoeur, president of the organizing committee and to all volunteers who worked together to make this an outstanding community event.

* * *

[*English*]

OPERATION RALEIGH

YOUTHS' PARTICIPATION IN THREE-MONTH TREK THROUGH NORTHWEST TERRITORIES

Mr. John Nunziata (York South—Weston): Mr. Speaker, this summer a very special event called Operation Raleigh is scheduled to take place in Canada's North. It is a three-month trek through the Northwest Territories, involving 24 youths

who will be conducting scientific research as well as performing community service.

Perhaps what makes this trip so special is the fact that young people aged 17 to 24 from over 20 countries will be participating in the program. They will be working side by side in a survival program, learning about Canada's northern wildlife, ecology, and culture. The only Canadian leader of this group is one of my constituents, Mr. Patrick Coppinger. Mr. Coppinger is a four-year veteran of the Canadian Armed Forces and was chosen for this position because of his military and leadership skills.

Each participant is required to raise a substantial amount of money from the community to fund participation in the program. When they return from their three-month odyssey they will be giving speeches and presentations on their experience to community groups, schools, and companies.

On behalf of all Members of Parliament I would like to commend Mr. Coppinger and the many other individuals involved in this worthwhile project, and wish them luck on their journey.

* * *

ABORTION

CALL FOR LEGISLATION TO PROTECT LIVES OF THE UNBORN

Mr. Girve Fretz (Erie): Mr. Speaker, I want to draw your attention to an article which recently appeared in one of our national newspapers entitled "Life-and-death issue". The subtitle reads: "Netherlands expected to approve bill providing euthanasia defence". It says:

> After 15 years of sometimes bitter public debate, it seems likely The Netherlands will soon become the first Western country to legalize mercy killing.
>
> Unless there is a new, unexpected outburst of opposition, legislation to permit euthanasia will be approved by the Dutch Parliament within the next few months.
>
> Although there is no prescribed method of death, the consensus in the Dutch medical community is that it would be carried out by injection—ensuring a painless and quick death.

In connection with this article I fear a liberalized attitude toward abortion. If we as a nation do not have respect for the life of the unborn, is public acceptance of euthanasia the next step? Therefore, I urge my colleagues to vote to protect the lives of the unborn when legislation is introduced in the House of Commons.

THE DISABLED AND THE HANDICAPPED

ACCESS TO AIR TERMINALS

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, later this month we will be acknowledging the special needs of the handicapped by designating a special week. However, there is an urgent situation which cannot wait for that designation.

Our society is slowly starting to make advances in the area of rights for the handicapped. Much time and effort have been spent in removing the obstacles to travel for those with impairments.

Although the National Transportation Act provides that carriers must be fair to handicapped travellers, there are no provisions allowing for regulation of air terminals administered by Transport Canada. Last February 24 the Minister of State for Transport confirmed the Government's commitment to the introduction of amendments to the Act to ensure that air terminals are accessible to handicapped people. She promised that the amendments would be passed "before the summer". The Minister said she would "do the impossible" to ensure that this was done.

To date there have been no amendments introduced. I encourage the Minister to get on with it. It is no good to ensure that the handicapped will be allowed to fly if they cannot get to the planes.

* * *

NATIONAL FOREST WEEK

IMPORTANCE OF FORESTRY TO BRITISH COLUMBIA

Mrs. Mary Collins (Capilano): Mr. Speaker, as you know, we are nearing the end of 1988 National Forest Week which has afforded an excellent opportunity to take time to appreciate all the good things our forests provide.

In British Columbia forestry is the number one industry employing almost 300,000 people, directly and indirectly. The federal Government recognizes the importance of this industry and we are currently investing $300 million with the province in the Canada-British Columbia Forest Resource Development Agreement. This program has led to an unprecedented level of reforestation. We are also ensuring that important export markets are maintained and expanded.

Our forests in B.C. produce over $6 billion worth of exports destined for the U.S. With the removal of tariff barriers under the free trade agreement, the B.C. forest industry will become even more competitive, and the door will be open to more value added processing of forest products. Free trade will further promote the good health of our vital forest industry.

FISHERIES

CANADA-FRANCE DISPUTE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am not surprised the Hon. Member for St. John's West (Mr. Crosbie) beat a hasty retreat after the spectacle that we saw this morning.

Some Hon. Members: Order.

Mr. Speaker: I am not sure where the Hon. Member is going, but Statements by Members are not traditionally to be used for any personal attack. However, I will hear the rest of the statement.

Ms. Copps: It is not a personal attack, Mr. Speaker, it is an attack on the Government of Canada. I came here this morning expecting to hear government Members, especially one from Newfoundland, stand up and fight for Canada and defend our interests.

Mr. Turner (Ottawa—Carleton): Read the "blues"!

Ms. Copps: Instead I saw a Canadian government official acting as an apologist for the French Government. He should have had the *Marseillaise* playing in the background. He was practically handing out literature for the French election coming up this weekend. My question is this. Who is speaking for Canada? It is the Liberal Party; it is the Member for Gander—Twillingate (Mr. Baker). We are going to fight for Canadian fishermen, not those limp wimps over there who flop down every time the French Government and the French vessels come into Canadian waters. We have to get rid of the Government because we need someone who speaks for Canada.

* * *

• (1110)

ENERGY

MEGAPROJECTS—USE OF TAXPAYERS' MONEY

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, Canadians ought to be free to decide themselves on an individual basis whether or not they would care to invest their money in petroleum megaprojects such as Hibernia, Terra Nova, OSLO, the Husky Upgrader, or Amauligak.

It is both economically and morally wrong for the state to take their money under threat of force by way of taxation and make that decision on their behalf.

Which, if any, of these projects go ahead should be determined solely by market forces.

Not only would it be a wrongful and wasteful use of taxpayers' money if tax dollars were to be put into one of these projects, it would also mean that the Government would be favouring one area of Canada at the expense of another, contrary to the natural workings of the market-place.

* * *

INTERNATIONAL LABOUR ORGANIZATION

WORKERS' FREEDOM OF ASSOCIATION—CONDEMNATION OF POLISH GOVERNMENT'S ACTIONS

Mr. Rod Murphy (Churchill): Mr. Speaker, on July 9, 1945, Canada, along with other nations, passed the International Labour Organization Convention concerning the Freedom of Association and Protection of the Right to Organize.

Many times in the House we have risen to condemn the actions of either the federal Government or a provincial Government, especially in Alberta, with regard to their neglect of that Convention. Today I want to stand in this House and speak against the actions of the Government of Poland which has deliberately ignored this Convention and has refused to recognize the workers' right to free association, and has refused to negotiate with the legitimate trade union body in that country.

I call upon Canadians from coast to coast to express their solidarity with the workers in that country, and say that the Government must listen to the workers there as well as in Canada.

* * *

LABOUR CONDITIONS

FALL IN UNEMPLOYMENT RATE

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, the unemployment rate nationally has fallen to 7.7 per cent and in the National Capital Region to 5.2 per cent, the lowest in many years.

In terms of job creation, small businesses were responsible for 81 per cent of the 1.2 million new jobs created recently. This trend is continuing.

The Government has taken several initiatives to assist small business. For example, the 1987 federal small business corporate tax rate of 15 per cent will be reduced to 12 per cent effective July 1 this year.

The federal Government has given tax incentives to Canadians to invest in small businesses via pension funds and through labour sponsored venture capital funds. The federal Government implemented an action plan to reduce the burden of paper work on small businesses.

In addition, the Government improved the opportunities for small businesses to participate in federal government procurement programs. Moreover, the federal Government implemented a $500 million capital gains exemption for investments in the shares of small businesses, and moved up the lending ceiling under the Small Business Loans Act from $1.5 million to $2 million.

Small business is important to Canada. We must recognize that 50 per cent of the new jobs created in Canada in the next five years will be created by the small business community.

* * *

CANADA POST CORPORATION

KILLARNEY, ONT. POST OFFICE

Mr. Maurice Foster (Algoma): Mr. Speaker, the Tory Government's plan for postal service in rural Canada was spelled out in the fall of 1986. It was to close 5,000 rural post offices and remove 9,200 jobs, most of them held by women.

It is a plan to take away post office employees' jobs and replace them with short-term contracts, to close post offices and replace them with supermailboxes, and cut back on rural routes.

Now that plan will hit the community of Killarney which will be part of the new Algoma constituency, because the postmaster there has signalled her retirement at the end of this month.

The Killarney post office has a vital and important role in that community of some 500 people and for the thousands of tourists who come to visit there every summer. It is important to the senior citizens who depend on it for service, as it is for business because of the relative isolation of the community.

Now that the postmaster has resigned, the post office is to be reduced from a full-time post office with a full-time postmaster to a retail commission outlet and a part-time service only. If no commercial outlet can be found, it will be reduced to superboxes.

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

* * *

OLYMPIC GAMES

TORONTO'S BID TO HOST 1996 OLYMPICS

Mr. Allan Pietz (Welland): Mr. Speaker, the summer Olympic Games will give many Canadian athletes the chance to compete with the world's best. Several members of the Canadian olympic rowing team have been training on the Henley Regatta rowing course in St. Catharines and on the South Niagara rowing course in Welland.

These clubs are working hard to upgrade their courses, not only to ensure that we continue to offer world class facilities to our homegrown and world class rowers, but also in an effort to enhance Toronto's bid for the 1996 Olympics.

The proximity of these facilities to the main Olympic location, and the commitment of the local rowing clubs to maintaining and upgrading the existing courses will certainly contribute to a positive response to the Toronto bid when the 1996 Olympic site is finally chosen.

* * *

VISIBLE MINORITIES

JAPANESE CANADIANS INTERNED DURING WORLD WAR II—CALL FOR SETTLEMENT OF ISSUE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, during the last election campaign the Prime Minister (Mr. Mulroney) deplored the abuse of the rights of Japanese Canadians during the Second World War and said: "If there was a Conservative Government I can assure you we would be compensating them". Some three-and-one-half years have now passed and the issue is still not resolved.

In 1986 a Price Waterhouse study commissioned by the National Association of Japanese Canadians evaluated the internees' confiscated property and forgone income at $443 million. The Government offered a paltry $12 million and, yes, it said it would generously throw in an apology.

The time has come for the Government of Canada to settle this whole issue with the Japanese Canadian community.

* * *

MENTAL HEALTH WEEK

SUPPORT URGED FOR CANADIAN MENTAL HEALTH ASSOCIATION EVENTS

Mr. Barry Moore (Pontiac—Gatineau—Labelle): Mr. Speaker, I take this opportunity to remind Members of the House and the general public that this is Mental Health Week. For the past 30 years the Canadian Mental Health Association has co-ordinated events to raise national public awareness aimed at reducing the stigma of mental illness and at encouraging community acceptance of those in need of mental health services.

The Department of National Health and Welfare is pleased to collaborate with the CMHA in this worth-while effort to draw attention to the importance of mental health issues. This year's slogan for Mental Health Week is: "Mental Health—Keep it in Mind", and all Canadians are invited to give their full support to the Mental Health Week events that the local branches of the CMHA have planned in their communities.

ORAL QUESTION PERIOD

[*English*]

FISHERIES

CANADA-FRANCE DISPUTE—ARREST OF CANADIAN VESSEL—DEFINITION OF "FRENCH WATERS"

Mr. George Baker (Gander—Twillingate): Mr. Speaker, we all know about the illegal, unlawful arrest of a Newfoundland fishing vessel yesterday by French naval vessels. The Government of France claims that it took the action because the Newfoundland boat "was fishing within the 12-mile territorial sea around St. Pierre and Miquelon".

Fishermen were shocked this morning to hear the Secretary of State for External Affairs for Canada say: "The boat was in French waters". Will the Minister explain to the House what he meant when he said: "The boat was in French waters"? Does he not realize that if France were to declare and enforce a 12-mile territorial sea around St. Pierre and Miquelon portions of Newfoundland would now belong to France? What does he mean by "French waters"? Are the fish also French?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what I mean by French waters is what is defined as French waters in a treaty signed by Canada in 1972. It is a treaty signed by the Liberal Government of Canada, supported by the Hon. Member.

The question is not the 12-mile limit, the question is the application of the provisions of a Liberal treaty signed in 1972. The Hon. Member may not like what the Liberal Government did then, but that Liberal treaty set out the facts, and those facts cannot be changed now at the whim of the Hon. Member whose Party conceived the treaty, and which he supported himself.

• (1120)

CANADA'S 200-MILE ZONE—REQUEST THAT FRENCH METROPOLITAN FLEET BE ARRESTED

Mr. George Baker (Gander—Twillingate): Mr. Speaker, if the Government of Canada recognized that 12-mile zone, why did it not inform the fishermen?

The Government of France in enforcing a 12-mile territorial sea yesterday has virtually scuttled its claim in the so-called disputed zone. I would like to ask the Minister this. Would the Minister now not agree that the waters off the south coast of Newfoundland are no longer in dispute with this enforcement of a 12-mile territorial sea? Therefore, will the Government of Canada now, today, arrest the French metropolitan fleet which is fishing outside the 12-mile territorial sea declared by France but within Canada's 200-mile zone? The Government of France cannot have it both ways.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have to acknowledge the enthusiasm of the Hon. Member and his willingness to allow his enthusiasm to try to roll over the facts. I am not prepared to let him roll over the facts.

Ms. Copps: Roll over, Joe.

Mr. Crosbie: You're good at stabbing. Go stab your Leader, boys.

Mr. Clark (Yellowhead): The Hon. Member for Hamilton East is speaking from her seat again.

Mr. Gauthier: Watch it, Joe. They were after you, too.

Mr. Tobin: He's sitting behind you, Joe.

Mr. Speaker: Perhaps the Right Hon. Secretary of State would answer the question.

Mr. Clark (Yellowhead): The Minister for International Trade and I stand cheek by cheek and jowl by jowl.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Explain!

Mr. Clark (Yellowhead): The NDP has no sense of history.

Mr. Crosbie: Nor any sense of humour.

Mr. Clark (Yellowhead): Nor any sense of the future.

Mr. Crosbie: Nor any sense, period.

Mr. Speaker: The Hon. Member for Gander—Twillingate.

OVERFISHING BY FRENCH FLEET OFF SOUTH COAST OF NEWFOUNDLAND

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Newfoundland fishermen arrested yesterday have experienced a couple of bad years in the fishery, just like every other inshore fisherman along the south coast of Newfoundland. Boats from the north coast of Newfoundland and the northeast coast of Newfoundland are now restricted off the south coast of Newfoundland because of drastic overfishing. We all know who is guilty of drastically overfishing off the south coast of Newfoundland. It is the metropolitan fleet from France.

I ask the Secretary of State for External Affairs does he not realize that Canadians are fed up with this overfishing by the fleet from France, and the Government's inability to solve the problem? When is the Government going to start getting tough with the Government of France where it hurts, pull the plug on the nuclear submarine and put the brakes on the Airbus?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the negotiation is of course an important issue. I think a couple of things should be made clear.

First, what is at issue here in this present bizarre incident is not the 12-mile limit, despite what the Hon. Member has tried to suggest. What is at issue here is the jurisdiction over waters, a jurisdiction that was established by a Liberal treaty in 1972. The Hon. Member should not try to mislead people about the application of the 12-mile limit because that is not what is at issue here.

The second point that has to be made is that this strange incident yesterday involves, among other things—

Mr. Tobin: It's not an incident, it's an insult.

Mr. Clark (Yellowhead): —a break in the practice, a practice carried out by both France and Canada, based upon a principle that this dispute between our two nations would not be fought on the back of small fishermen.

Mr. Robichaud: What do you think they're doing now?

Mr. Clark (Yellowhead): The Hon. Member understands that what is involved here is a small inshore fishing vessel that has been hauled into St. Pierre. It has been the practice of both countries for some time that this dispute should not be fought on the back of small fishermen. The traditional practices protected the small fishermen of both countries. Our position is that those traditional practices should continue.

When we called in the French Ambassador this morning to protest, the French indicated that their position, their policy, has not changed. Naturally, the Government of Canada is supporting the captain of the *Maritimer*. If bail is set the Government of Canada will make arrangements to meet that bail.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): The Liberal Party does not want to help the captain of the *Maritimer*. We intend to. We intend to do that as we have throughout the piece. We intend to continue to do that, to protect that captain, and to protect the other inshore fishermen of Canada.

REQUEST THAT CANADA STOP NEGOTIATING SUBMARINE AND AIRPLANE PURCHASES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, in a letter to the Minister of Fisheries Minister on August 19, 1986, with respect to this dispute the Prime Minister stated:

> I agree that in dealing with this sensitive issue, we must weigh on the one hand the interests of Canadian fishermen and fishing communities and on the other our bilateral relations with France.

The only treaty that Newfoundlanders are interested in today is the treaty they signed in 1949, the Terms of Union between Canada and Newfoundland. They thought it made them Canadians. They expect that when their interests are challenged that this Government, this Canadian Government, will defend their Canadian interest.

Let us quit beating around the bush. Is the Secretary of State for External Affairs prepared to stand and say today that as long as this kind of action continues by France, which the Government itself has described as irresponsible, Canada will cease today any further negotiation on the purchase of submarines from France, worth some $12 billion, and will order Air Canada to cease today any further negotiations for $1.5 billion worth of airplanes from France? Will he do that? Or is he saying that Newfoundland is nothing but an impoverished and disposable bargaining chip in our relationship with France? Is that what he is saying?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it may be that the Liberal Government which signed the 1972 treaty regard Newfoundland as a disposable part of Canada. It may be that Liberal Governments which followed energy policies that were detrimental to the development of Newfoundland regard Newfoundland as a disposable part of Canada. This Government is changing those policies that were prejudicial to Newfoundland. We have done that in other fields. We are doing it now in a negotiation with respect to the fishery, a negotiation which will protect the interest of Canadian fishermen in Newfoundland and elsewhere.

What is at issue now is a bizarre incident to which we have responded. We have responded with a protest to the French Government this morning. We have responded by direct contacts with the captain of the *Maritimer*. We will continue to support him, and to support the other fishermen of the inshore fishery of Newfoundland throughout this incident and into others should they occur.

FRENCH INSULTS

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, there comes a time when a nation must stand up to be counted. The Governor General of Canada was insulted in France during her visit last year. The Lieutenant Governor of Newfoundland was not allowed, for the first time in decades, to visit St. Pierre last summer. A vessel was arrested yesterday.

I am not one, ordinarily, for standing up and saying that we ought to take dramatic measures.

Some Hon. Members: Oh, oh!

Mr. Tobin: I am not asking for a declaration of war. But I am asking, and asking soberly, and the Liberal Party is asking that the submarine negotiations cease today, the Air Canada Airbus negotiations cease today, and that we stand up for Canada. Will the Secretary of State do that?

Some Hon. Members: Hear, hear!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me try to cut through some of this hysteria to place the facts—

Mr. Tobin: Let you try to find your backbone, Joe Clark. You haven't got one.

Mr. Crosbie: Simulated simpleton.

Mr. Clark (Yellowhead): —on the record.

The Hon. Member referred earlier to two treaties. One was the Terms of Union Newfoundland signed in 1949. In our judgment that was a political decision that we celebrate, but which needs to be accompanied by consistent policies to develop the standard of living and the level of opportunities in Newfoundland and Labrador. That is what this Government has done consistently.

The other treaty has to do with 1972. The issue in question last night has to do with a definition of French waters that was agreed to by the Liberal Government of Canada in a 1972 treaty signed by the Liberal Government of Canada. That is the reality. If the Hon. Member, a member of the Liberal Party, disagreed with what his Government did then, we should have heard from him then, not several years too late.

• (1130)

RELATIONS BETWEEN NEWFOUNDLANDERS AND CITIZENS OF ST. PIERRE AND MIQUELON

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister knows very well that the relationship between the Canadians who live in Newfoundland and the French citizens who live in St. Pierre and Miquelon has for years been without conflict. They have enjoyed each other's company socially and have worked well together.

The Minister will also know that this action by the French Government in the past 24 hours, if one considers where the action was taken and the size of the vessel under question, is totally unacceptable.

Has the Government of Canada informed the French Government that the very good relationships that have existed between the people of Newfoundland and the French citizens of St. Pierre and Miquelon are the serious matters that are at risk in the short run, and are at risk in the long run?

If the Government has so informed the French Government, have we made it very clear that it has to be held responsible if there is now major conflict between two groups of people who have always been good friends?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what we have done this morning is called in the Ambassador to Canada of France and protested to him the action of last night. We have made it clear that our interpretation, an interpretation to our understanding shared by France through several years, has been that it would be allowed that smaller fishermen from St. Pierre and Miquelon would be able to fish in Canadian waters, and smaller fishermen from Newfoundland would be able to fish in French waters. That has been the practice for some time. We believe that traditional practice should continue. We have protested the action of France which is inconsistent with that practice.

We intend to continue to support the fishermen of Canada, particularly the small inshore fishermen involved in this dispute.

ROLE OF FRENCH PRIME MINISTER

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the whole international world that is following this incident understands full well that it is the action of a desperate man who is seeking the presidential office in France, who is running well behind the current President of France, and is taking it out on the people of Newfoundland.

Has the Secretary of State for External Affairs made it very clear to the present Government of France that mixing serious international obligations for short run political gain at home is the very antithesis of good international relations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what we have done, and I repeat this, is protested the matter to the Government of France. The Hon. Member understands the practices of international relations between countries, and that is the manner in which we have proceeded in this case. If the event is not resolved in the next several hours, we will naturally consider what other steps we should be taking.

I think the Hon. Member may also know that meetings were scheduled for this morning between the two negotiators of this larger dispute to discuss a mediation process. At my instruction the Canadian negotiator has suspended those meetings respecting mediation.

I understand the depth of the issues involved here. I have been following this file very closely myself with my colleagues, the Minister for International Trade, the Minister of Fisheries and Oceans, and with others. We know the depth of interest of Canadians involved here. We intend to protect those Canadian interests, and we intend to protect them against sudden events that may arise, for whatever reason, in France.

We are proceeding consistently, and we are proceeding in a way that we believe will advance the interests of Canada in terms of the dispute that is now in place, and advance the interests of fishermen in Newfoundland and elsewhere in Atlantic Canada.

[*Translation*]

REQUEST THAT PRIME MINISTER SPEAK TO HIS FRENCH COUNTERPART

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my last question for the Minister is this: The Prime Minister of France has made similar decisions and taken similar action in the past. This is not exactly new, coming from this gentleman. Would the Minister speak directly to the Prime Minister of Canada,

to persuade him to speak directly to his friend, the Conservative Prime Minister of France, and ask him to stop these actions which have a very negative impact on Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have done two things today. First of all, on my instructions, our negotiator has suspended talks with the French negotiator about a mediation process.

Second, we have transmitted a letter of protest to the French Ambassador in Canada, indicating the Canadian Government's profound concern about yesterday evening's events.

We do not want to see small businessmen from St. Pierre and Miquelon or Newfoundland victimized for the sake of an election campaign or for any other reason.

[*English*]

NEGOTIATIONS ON PURCHASING AIRPLANES AND SUBMARINES

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. By way of preamble, the Secretary of State for External Affairs has not explained why, in talking about the treaty of 1972, he sent a note to the French Government saying that the Conservative Government has given to the French fishing quotas far in excess of any obligations under the 1972 treaty.

Why has the Minister twice refused to answer a direct question to the effect that the Government should cancel or suspend all discussions with the French on the purchase of French nuclear submarines, and on the purchase of the Airbus for Air Canada, until the fisheries dispute is settled in a manner satisfactory to Canada?

Why is he evading answering that question? Is it because he is putting the interests of French companies and French workers ahead of the interests of the people of Newfoundland?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think there can be no question about the determination of the Government to give the highest priority to the interests of the fishermen and the economy of Newfoundland. We have done that consistently, and we have done it particularly in this case.

We have a discussion here today because of a very bizarre and strange incident last night. It is an incident that we have protested. When we called in the Ambassador of France to Canada this morning he indicated that the policy of France has not changed. In our judgment that means that there should not be any change in the traditional practices that have benefited the smaller fishermen of both Newfoundland and St. Pierre and Miquelon. We intend to deal with this incident directly on its merits, as we have.

I understand what the Hon. Member is trying to do. He is trying to create a larger partisan question and to start a trade war that would have, among other implications, the likelihood of making it more difficult for us to achieve the settlement by negotiation that is in the interests of Canada, that is in the interests of France, and that is particularly in the interests of fishermen in Newfoundland.

[*Translation*]

Mr. Gray (Windsor West): Mr. Speaker, we have had a whole series of incidents, and the latest one is a serious slap in the face of this country.

[*English*]

INTERESTS OF PEOPLE OF NEWFOUNDLAND

Hon. Herb Gray (Windsor West): I ask the Minister, Mr. Speaker, is it not correct, in saying that the Government does not want to expand this matter into a trade war, that the Minister is confirming that the Conservative Government is putting the interests of the people of Newfoundland second to its desire to buy a nuclear submarine and the Airbus from France? It is trading off the interests of the fishermen of Newfoundland and the people of this whole country for purposes that are not in this country's interest? The Minister has said that in his answer to the first question. Why will he not confirm it now, to the shame of himself and his Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, not only is the allegation of the House Leader of the Liberal Party absolutely false, it is also an attempt to sow divisions in this country, an attempt which I personally regard as contemptible, and should not be carried out by responsible parliamentarians.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The reason we have the incident that is now occurring in St. Pierre is because in 1972 the Liberal Government of the day agreed to a treaty which defined the waters in question as French waters. I believe the Hon. Member was a member of that Government, was a supporter of that Government. If he was concerned about the implications of the 1972 treaty he should have raised that concern in 1972 and not waited for a decade and a half.

• (1140)

REQUEST THAT GOVERNMENT NOT PURCHASE NUCLEAR POWERED SUBMARINES FROM FRANCE

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Secretary of State for External Affairs.

Canadians know that it is foolish enough to attempt to purchase nuclear submarines from any country in the world, but it is compounding the folly for Canada to be proceeding with negotiations to purchase these submarines from a country that has deliberately provoked us, a country that snubbed the Head of State of Canada on her visit to that country last fall, and a country that has deliberately ignored Canadian quotas aimed at the conservation of the fishery.

An Hon. Member: The Head of State of Canada is Her Majesty the Queen.

Mr. Manly: My question for the Secretary of State for External Affairs is as follows. In view of these facts, will the Government now cancel any attempt to purchase the nuclear submarine fleet from France?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what we have here is a proposal by the two opposition Parties in this House to take a very serious fisheries dispute and escalate it into a trade war between Canada and France. That is their proposal.

The Hon. Member for Cowichan—Malahat—The Islands will understand, I would hope, that trade wars claim victims on both sides. Among the Canadian victims of a trade war with France, were Canada to go out of its way deliberately and unnecessarily to start one, would be the employees of Canadair, a company which is trying to sell water bombers to France—

An Hon. Member: We are not talking about a trade war; we are talking about breaking off negotiations to purchase submarines.

Mr. Clark (Yellowhead): Such a trade war would impact on a wide range of Canadians.

Mr. Tobin: So, it is a trade war. It is confirmed. Newfoundland is expendable.

Mr. Clark (Yellowhead): That speaks to the Liberal and NDP proposal that we start a trade war.

Mr. Tobin: Newfoundland can be sold down the drain.

Mr. Clark (Yellowhead): It is the judgment of this Government that, instead of seeking out opportunities to start a trade war, we should be doing all that we can to settle this fisheries dispute, to the benefit of Canadians.

An Hon. Member: Newfoundland is expendable. We have heard it now.

Mr. Speaker: Order. The Hon. Member for Cowichan—Malahat—The Islands, on a supplementary.

Mr. Manly: Mr. Speaker, France has played hardball on this issue. It is not regarded by France simply as a fisheries dispute or a boundary dispute. Rather, it has been allowed, by France, to spill into other areas.

Had this Government taken a stronger position a year and a half ago, this issue would be solved by now.

Some Hon. Members: Hear, hear!

CANADA-FRANCE RELATIONS

Mr. Jim Manly (Cowichan—Malahat—The Islands): My supplementary question for the Secretary of State for External Affairs is as follows. Is he now willing to look at this issue in the light of the total Canada-France relationship, or does he simply want to regard it as a little fisheries dispute, with Canada making one retreat after another, letting France have whatever it wants?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, what odd behaviour for the Hon. Member. Here we have a man of peaceful inclination standing in the House of Commons urging us to start a trade war.

An Hon. Member: Hypocrite.

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

An Hon. Member: Those are your words.

Mr. Clark (Yellowhead): The Hon. Member purports to speak for the people of Newfoundland. Perhaps I might be permitted to read into the record, with all appropriate modesty, a letter signed by the Premier of Newfoundland on May 6, today. I quote: "The Government of Newfoundland and Labrador commends the Government of Canada for the swift action taken by"—and I ask for your indulgence, Mr. Speaker—"taken by the Right Honourable Joe Clark, Secretary of State for External Affairs, in suspending the mediation talks scheduled for later this week between the two countries."

We have acted consistently, vigorously, and effectively to protect the interests of Canadians in this dispute.

* * *

EXTERNAL AFFAIRS

SCHEDULED VISIT BY POLISH PARLIAMENTARY DELEGATION TO CANADA

Mr. William G. Lesick (Edmonton East): Mr. Speaker, my question is for the Secretary of State for External Affairs. It is a serious matter.

The citizens and workers of Poland continue to struggle against the shackles of communism, of a communist regime. The present strikes are the result of popular discontent over unfair price increases.

There are some 500,000 Canadians of Polish origin in Canada, many of whom agonize over family members in Poland whose lives may be in danger as a result of the current unrest in that country.

Why has the Canadian Government agreed to meet with a Polish parliamentary delegation, when press reports indicate that the Polish Government is forcibly suppressing labour strikes in that country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the developments in Poland are of a

great concern to the Government of Canada, and to the people of Canada. The Government of Canada has been in touch daily with Polish authorities regarding these matters. Our concern is based, not simply upon our interest in developments in Poland, but also upon the justifiable concern on the part of the more than half a million Canadians who are of Polish origin about the rights and liberties of their relatives and friends in Poland.

The Hon. Member for Edmonton East questions why we would meet with a Polish parliamentary delegation to this country.

That, Mr. Speaker, is a visit that has been organized under the auspices of your office and the auspices of the Speaker of the other place, and it is one that involves a visit to Canada by a Polish member of the Politburo who is active in the decisions being taken by the Polish Government at this time. Thus, it presents the Government of Canada, and indeed all parliamentarians, with the opportunity to express, directly and forcefully, the concerns of Canadians to a member of the Polish Politburo.

Certainly for the Government's part we intend to take advantage of that opportunity here in Canada to express our views very directly about what should be occurring in Poland, and I would hope that individual Members of the House of Commons who have the opportunity to meet that delegation will also take a strong and forceful position in relation to that situation.

* * *

[*Translation*]

WOMEN

FREE TRADE—IMPACT

Mrs. Lucie Pépin (Outremont): My question is directed to the Minister responsible for the Status of Women. Yesterday, Status of Women Canada published a report on free trade and women, which states that lowering tariff barriers for Canadian industries will help these industries compete more effectively on the U.S. market; and that women will benefit as far as employment is concerned. Mr. Speaker, I would like to know how the Minister can claim this sort of thing, when we know that manufacturing costs less in the United States because the minimum wage is lower, raw materials are cheaper and production lines can be longer. How can the Minister justify this kind of statement?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I was delighted with the report that came out yesterday showing that free trade is going to benefit the women of Canada. It is going to benefit them in a lot of ways.

One reason that manufacturing costs are lower in the United States is the opportunity to have longer production runs. Canadian manufacturing industries compete very well in the U.S. as long as they can get the size and the investment, and certainly free trade will be very good for Canadian women in the manufacturing industry. It is also very good for Canadian women as consumers.

Because of the reductions in tariffs, both in respect of American goods that go into Canadian manufactured products, as well as the Canadian manufactured goods themselves, costs will come down for consumers relative to what they would be otherwise. By way of example, for low income elderly single women, the estimates of the impact of the agreement show an annual savings of about $155 to $240, compared to what the situation would be otherwise.

The free trade agreement is good news for women both in terms of jobs and the ability to train for new opportunities. The service sector, where 85 per cent of women's jobs are, will grow under the free trade agreement. What could be better for women?

Some Hon. Members: Hear, hear!

[*Translation*]

REQUEST FOR FUNDS FOR RETRAINING FEMALE WORKERS

Mrs. Lucie Pépin (Outremont): I gather from the Minister's reply that women as consumers might benefit, but I don't think women working in industries that will be most severely affected will benefit, because they will lose their jobs. We know that most of the latter are immigrants with little education and schooling. I would like to know why the Minister refuses, as she did in committee, to allocate funds for retraining and training women who will lose their jobs or will have to seek employment elsewhere. Could the Minister give the House the assurance that she is prepared to reconsider the answer she gave in committee and guarantee that funds will be available for the thousands of women who will lose their jobs? Will she reconsider her reply and give us those funds?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as I pointed out in committee, the Canadian Jobs Strategy has sufficient flexibility to train people, including women, for job changes throughout the economic system.

I went into some considerable detail on this in committee, and I suggest that the Hon. Member read my remarks in committee.

With the system we have in place now, some two million women require some kind of job adjustment every year. They either change jobs every year or leave the workforce to take a training program.

With the new opportunities provided by free trade there will be additional adjustments. Most will be positive. We have,

within the Canadian Jobs Strategy, the ability to train women now to take advantage of upcoming opportunities.

Free trade, like any other economic condition, is not a static thing. It is going to grow, and it will be positive for women. It will be positive for women in terms of both the manufacturing sector and the service sector.

Some Hon. Members: Hear, hear!

* * *

• (1150)

FISHERIES

CANADA-FRANCE DISPUTE—REQUEST THAT GOVERNMENT NOT PURCHASE FRENCH NUCLEAR POWERED SUBMARINES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to go to the Secretary of State for External Affairs who will know that this latest incident is not the only time the French have pushed Canadians around. He will be aware that the French have been overfishing in our east coast waters; they have insulted our Head of State and they have been harassing and hassling Canadian tourists visiting France. The most recent incident was to stop one of our vessels fishing in waters where they have traditionally fished for many years.

Why doesn't the Secretary of State for External Affairs stand up in the House and say that the Government of Canada is now prepared to send a very clear signal to the French Government, that Canada is not prepared to accept being pushed around time and time again? He should tell the French that we are not interested as a Government of Canada in purchasing any submarines from them. Get tough.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have already done that. We have already made very clear to the Government of France the determination of this Government to protect the interests of Canadians. Among the ways we protect the interests of Canadians as a Government is not to engage in casual trade wars.

What the Member of Parliament is doing now on behalf of the New Democratic Party is suggesting that we should put at risk jobs in Vancouver, jobs in St. John's, jobs in Halifax, jobs in Toronto, jobs in Hamilton—

Mr. Tobin: Damn right we are!

Mr. Clark (Yellowhead): —jobs across this country of people who now are engaged in contracts to France or people who might become engaged in contracts to France.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): There is no reason at this stage for us to contemplate that. We are being very tough and very consistent on the fishing question.

MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I want to say to the Hon. Minister that standing up for Canada means taking some risks sometimes. It is time we started standing up for Canadians in Newfoundland. How many times does the Minister have to be poked and prodded until he realizes that somebody is trying to hurt him?

Mr. Speaker: I ask the Hon. Member to put his question.

Mr. Riis: When you poke away at a grizzly bear long enough, eventually he will start fighting back, Mr. Speaker. I think we have been pushed around too long by the French. It is time for the Minister to stand up now and say that we are prepared to send a very clear signal: "Unless you back off and back off now, we are not interested in negotiating this nuclear submarine contract at all".

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have sent a very clear message to the French.

Ms. Copps: A smoke signal.

Mr. Clark (Yellowhead): We have sent a clear message in the protest. We have done that in the suspension of the discussions on mediation. We do not want to make the fishermen of Newfoundland or people working in factories across this country the victims of some political process of the New Democratic or the Liberal Parties.

We are in the present situation because a treaty was signed in 1972 by the Liberal Government that defines certain waters as being French waters. That situation was established then and it cannot suddenly be ignored.

Mr. Riis: Stand up.

Mr. Clark (Yellowhead): As for standing up for Canada, Mr. Speaker, I have had the opportunity, because I have been challenged before to stand up for Canada. I have been challenged in this House to stand up on issues, and I think any objective reading would say that when I have been called upon to stand up for Canada, I have stood up for Canada.

Some Hon. Members: Hear, hear!

Oral Questions

CANADA PENSION PLAN

ELIGIBILITY FOR DISABILITY BENEFITS

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, my question is for the stand-in for the Minister of Health.

Ms. Copps: A stand-in?

Mr. Wilson (Swift Current—Maple Creek): I do not intend to muddy the waters further.

My question is for the stand-in for the Minister of Health who will know that a small number of Canadians left their jobs some years ago but have not been able to apply for disability pensions because their applications, once received, have been deemed to have been late.

Would the Minister consider amending the Act in order to enable these deserving and needy Canadians, who have paid into the Canada Pension Plan for a number of years but whose applications have been denied for late filing, to apply and receive what they have coming to them?

Ms. Copps: No stand-in; it is a lie-down.

Hon. Pierre H. Cadieux (Acting Minister of National Health and Welfare): Mr. Speaker, I do not intend to lie down as suggested by my hon. colleague on the other side. On the contrary, that used to be the habit of the former Government.

I thank my hon. colleague for his very important question. As he knows, and as he has mentioned, I am standing in for the Minister of National Health and Welfare who is presently at the World Health assembly in Geneva. I will bring the specifics of this very important question to the Minister's attention immediately upon his return on Monday.

* * *

[*Translation*]

EXTERNAL AFFAIRS

QUERY WHETHER GOVERNMENT READY TO RECALL CHARGÉ D'AFFAIRES FROM PARIS

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. At the present time, Canada does not have an ambassador in Paris. Meanwhile, it seems the former ambassador is trying to get elected.

In this case, would the Government be prepared to call back its Chargé D'affaires in Paris to show the French that we take this incident seriously, that we will not tolerate this and that this act of piracy is an insult to Canadians?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have already advised the French Government of Canada's reaction and protest. We have already suspended scheduled talks on mediation. We are protecting the interests of people of Newfoundland and other Canadians. We are here to protect Canadian interests, not to play a public relations game.

QUERY WHETHER PRIME MINISTER PREPARED TO CANCEL VISIT TO FRANCE

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, if the Government is so serious about protecting Canadian interests and about showing the French that we take this incident seriously, is the Prime Minister prepared to cancel his visit to France which will be sometime in May, in fact on May 26? Or are you afraid of offending the French and more interested in protecting the image of the Prime Minister during his visit to France?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the answer is, briefly, no, because I think it is very important for us to keep all options open for influencing the opinion of the French government. But there is another issue, Mr. Speaker: Why do we have this problem today? We have this problem because a treaty signed by the Liberal Government in 1972 gave the French jurisdiction over the waters in question. That was one of the Liberal Government's achievements. It is just one more problem created in this country by the Liberal Party. We are now trying to find ways to solve a problem that was created by the Liberal Government.

* * *

[*English*]

FILM DISTRIBUTION INDUSTRY

ANNOUNCEMENT OF GOVERNMENT POLICY—CANADIAN MARKET

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Communications. In February, 1987, she said that the ability of Canadians to talk to each other would never be negotiable. At the time the proposed policy was that Canadian industry would be guaranteed 15 per cent of the market. We find with the newly announced policy that the industry now has to compete in a bidding war with multinationals for 15 per cent of its own market.

Was it complaints from the Canadian film industry that made her change her mind?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I do want to say that I am in a rather magnanimous mood today. I am not even going to say to the members of the Opposition, "I told you so". But I want to assure the House that the way in which the policy announcements that I made yesterday were received by the industry is indicative of the support that it is giving to this approach.

I would like to say to you, Sir, that this morning I received a communique from the National Association of Canadian Film and Video Distributors which says: "The National Association congratulates you on your initiatives in offering a comprehensive and effective strategy to stimulate and strengthen the Canadian film industry".

Some Hon. Members: Hear, hear!

Miss MacDonald: I realize, Mr. Speaker, that you are indicating that I should wind up, but the communique goes on to say, "Your proposal to introduce legislation to regulate the importation of film products into Canada is an important first step toward breaking the stranglehold of the foreign distributors in our domestic market". They say that this will establish Canada as a sovereign market for film distribution in Canada.

• (1200)

[*Translation*]

NEGOTIATION OF CULTURAL MATTERS—MINISTER'S POSITION

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, after the good news, the Minister knows perfectly well that the film distribution industry in Canada is largely controlled by U.S. corporations.

Why won't the Minister admit that these pressures from the Canadian industry actually suit the U.S. industry perfectly, since it will always have access to the Canadian market?

Will the Minister admit that culture was part of the free trade negotiations with the United States?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I have some more letters today. There is one from Serge Lozique, president and director general of the *Festival des films du monde*. It says: "Madam Minister, the legislation you announced yesterday will be remembered as one of the milestones in our country's cultural history.

For the first time in the history of film, we will exist before the world as a country that is sovereign and distinct from the United States. All Canadians, whether they are politically involved or not, should rejoice in . . . ".

Mr. Speaker: I am sorry to interrupt the Minister, but I don't think it is appropriate to read the whole letter.

[*English*]

A single question from the Hon. Member for Hamilton East.

Oral Questions

HAZARDOUS SUBSTANCES

PAM COOKING OIL—REQUEST FOR REMOVAL FROM SHELVES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the stand-in for the Minister of National Health and Welfare and it deals with the very serious continued distribution of Pam across Canada.

Earlier this week we heard the Minister come to his senses when he said that the Department would move to take the product off the shelves, but he would not give us a date. This morning the president of the company that sells Pam said that there are five million cans sold in Canada every year and that it could take up to a year before they come up with their substitute product.

Given that a substitute is already available, being marketed in the Maritimes and being sold in the United States, and given that five million cans may be sold over the next year while the Government diddles on its policy, I ask the Minister why today he does not simply agree to pull this product from the shelves so that children and adolescents who want to misuse it will not be in a position to do so. If not, if there is another death, he will have to answer to the parents as to why the Ministry of National Health and Welfare was more interested in corporate support than in protecting the health of consumers.

Hon. Pierre H. Cadieux (Acting Minister of National Health and Welfare): Mr. Speaker, as I mentioned a few minutes ago, I am not afraid of standing up in the House. I should recommend to my hon. colleague that she lie low at the rate the knives are flying on the other side of the House.

With respect to this very important question, as I indicated all week, the tragedies that occurred occurred because of a misuse of the product which, if it had been used as intended, is safe for the consumer. That being said, there have been some talks with the manufacturer, as I have indicated, and I am informed that the manufacturer will not only reformulate the product but has been in the process of reformulating the product for a while, and it should be on the test market perhaps as early as next week.

Ms. Copps: It's already been on the test market.

Mr. Speaker: I am sorry, but in view of the time I think we will have to call a close to Question Period.

Tabling of Documents

ROUTINE PROCEEDINGS

[*English*]

COMMUNICATIONS AND CULTURE

TABLING OF GOVERNMENT RESPONSE TO TWELFTH REPORTING OF STANDING COMMITTEE

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, pursuant to the provisions of Standing Orders 67(1) and 99(2), I hereby submit the Government's comprehensive response to the Twelfth Report of the Standing Committee on Communications and Culture entitled *Accommodation Requirements of the National Archives of Canada.*

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to petitions Nos. 332-4194, 332-4195, 332-4209, 332-4210 and 332-4216.

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, pursuant to Standing Order 106, I have the pleasure of presenting a petition from some 400 Canadians, most of whom are from my riding of Nepean—Carleton. The petitions show that schizophrenia is a major illness in Canada, affecting about 1 per cent of the population, causing severe mental anguish and suffering to the patients and their relatives and costing Canadian society more than $3 billion annually. This petition further shows that the research effort in Canada dedicated to schizophrenia is very small and not commensurate with the seriousness and cost of the illness. It further indicates that these petitioners humbly pray and call upon Parliament to make sure that the research efforts on schizophrenia in the future will be commensurate with the seriousness of this illness.

SUPPORT FOR BILL C-54 TO COMBAT PORNOGRAPHY

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I have petitions on several topics. The first is from a number of residents of southwestern Saskatchewan and relates to Bill C-54. The petitioners indicate that they are concerned that pressures exerted by various permissive minority groups may cause the watering down and weakening of this important legislation and the petitioners therefore humbly pray and call upon Parliament to support the Bill which will make it illegal to manufacture, import, sell or rent pornographic materials as defined. They call upon the Government to pass the Bill without dilution in the belief that the Bill gives recognition to the inherent dignity of individuals, particularly women and young children, who are vulnerable to exploitation in this area.

BLOCK AVERAGING OF INCOME

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, I have a number of other petitions relating to an income tax matter. A number of farm people, again from southwestern Saskatchewan, note that the Minister of Finance (Mr. Wilson), in December of 1987, indicated his intention to eliminate block averaging. The petitioners humbly pray and call upon Parliament to take the necessary steps to retain block averaging for farmers as recommended by the Standing Committee on Finance and Economic Affairs in its report in the White Paper on tax reform, stage one.

PUBLIC SERVICE—LANGUAGE TEACHERS LABOUR DISPUTE

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have a petition signed by over 725 Canadians across the country who would like to present this common grievance with the assurance that the House will provide a remedy. The petition says that whereas the Government of Canada, as represented by the Treasury Board, has failed to recognize a principle of just and reasonable preparation time for federal language teachers, and whereas such failure seriously undermines Canada's policy on bilingualism, therefore, the undersigned request Parliament to mandate Treasury Board to negotiate a collective agreement with the federal teachers providing for 15 hours of preparation time per week for language teachers.

[*Translation*]

LANGUAGE TEACHERS—REQUEST THAT UNION STIPULATE TIME FOR COURSE PREPARATION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have another petition on the same subject, signed by 240 petitioners who are asking the Government to make a genuine effort to resolve a dispute that has been going on for several months, and who hope that when negotiations resume next Tuesday on May 10, they will not fail because of the inflexibility of a Government that claims to do everything it can to promote the use of our official languages. Mr. Speaker, this petition asks Parliament to order Treasury Board to negotiate with federal teachers in the Education Group, an agreement that provides for fifteen hours course preparation time per week for language teachers.

REQUEST THAT UNLAWFUL SALE OF CIGARETTES AND ALCOHOL ON KANAWAKE INDIAN RESERVE CEASE

Mr. Ricardo Lopez (Châteauguay): Mr. Speaker, I have the honour of tabling in the House a petition signed by 250 business people and convenience store owners in the riding of Châteauguay and surrounding area. Your petitioners humbly pray the Government to take strong and immediate action to put a stop to the unfair sales of cigarettes and alcohol on the Kanawake Indian Reserve. Mr. Speaker, this practice does tremendous harm to business people in our region, since

merchants on the reserve sell these goods, without charging taxes, to consumers from across Canada.

Mr. Speaker, speaking on behalf of these business people, I hope the Canadian Government will take immediate action to stop these unfair business practices.

• (1210)

[*English*]

NORTHERN TAX ALLOWANCE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, pursuant to Standing Order 106 I am pleased to have an opportunity to present a petition on behalf of a number of people who are concerned that the comprehensive eligibility list for the northern residents tax deduction in its present form is discriminatory. Many communities not on the list are adjacent to listed communities and obviously that is unfair. The petitioners suggest that a practical solution would be for the Government to declare all communities presently in tier 3 ridings, such as Kenora—Rainy River, as eligible for the deduction. That would resolve the problem until the Minister of Finance (Mr. Wilson) conducts his commission of inquiry to sort out this disaster.

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Maurice Foster (Algoma): Mr. Speaker, I have the honour to present a petition signed by several dozen constituents of mine in Elliot Lake concerning the serious problem of schizophrenia facing many Canadians, and the need for additional research by the Government to assist these patients. The petition simply calls on the Government to provide greater financial support for this very serious disease which afflicts some 1 per cent of our population.

[*Translation*]

Mr. Gaston Isabelle (Hull—Aylmer): Mr. Speaker, I welcome this opportunity to table a petition on behalf of 800 Canadians, most of whom reside in the riding of Hull—Aylmer, and your petitioners humbly pray that Parliament allocate far more funds than it does at the present time for research on an illness that affects 1 per cent of all Canadians and which costs this country about $3 billion annually. Your petitioners are asking the Government to start making a serious effort to find a cure for schizophrenia, a mental illness that has biological causes.

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QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions stand.

Mr. Speaker: Agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—CANADA-FRANCE FISHING DISPUTE

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

That this House deplore the unlawful arrest of a Canadian fishing vessel by the Government of France in area 3PS off the coast of Newfoundland; and

That this House condemn the Government for its failure to protect the Canadian fishing industry and its continuing inability to resolve the Canada-France fishing dispute.

Mr. Gauthier: Point of order, Mr. Speaker. I am surprised to see that the Minister who last spoke in this debate is not present to respond to questions and comments.

The Acting Speaker (Mr. Paproski): The Hon. Minister had 10 minutes for questions and comments. Since he is not here I must go to debate. The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) has the floor for debate.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, like the Hon. House Leader for the Liberal Party, I am very unhappy that the Hon. Minister, who took advantage of the question period after the speech of the Hon. Member for Gander—Twillingate (Mr. Baker) to ask questions—

Mr. Hawkes: Point of order, Mr. Speaker.

Mr. Manly: —is not willing to stand in his place and answer questions himself.

Mr. Hawkes: Mr. Speaker, it is a well honoured, and for good reason, tradition of this House that we do not comment on the presence or absence of Members in this House. However, I think the Minister would like the House to know that he is working with other Ministers to bring about a resolution of this problem. That I think should be his priority on behalf of the people of Newfoundland and this Chamber.

The Acting Speaker (Mr. Paproski): I wholeheartedly agree with that. We should not comment on who is or who is not in the Chamber. I regret that the Hon. Minister is not here but the rules of the House state that if he is not in the Chamber, he cannot be asked questions or respond to comments.

Mr. Lewis: You guys do it all the time.

The Acting Speaker (Mr. Paproski): The Hon. Member has been recognized for debate.

Mr. Tobin: Point of order, Mr. Speaker. I agree that Members should not comment on the presence or absence of other Members, but surely it is reasonable that someone be

present to answer questions. There is no one present to answer questions with respect to these negotiations, no one who answered questions today in Question Period, especially not the Minister of Fisheries and Oceans (Mr. Siddon) because he is obviously out on a limb, out of touch, and not allowed to speak on this important question.

The Acting Speaker (Mr. Paproski): May I then get unanimous consent to allow the Hon. Minister of Fisheries and Oceans (Mr. Siddon) to have the ten-minute question or comment—

Mr. Tobin: No, Mr. Speaker, you do not hear unanimous consent.

The Acting Speaker (Mr. Paproski): Order.

Mr. Lewis: Manufactured indignation.

The Acting Speaker (Mr. Paproski): There not being unanimous consent, the Hon. Member for Cowichan—Malahat—The Islands has the floor.

Mr. Manly: Mr. Speaker, the Parliamentary Secretary pointed out that the Minister is meeting with other Ministers to try and find some solution to the problem. I hope he has more to say to the other Ministers than he had to say to the House. What we had was very long on wind and very short on substance.

Mr. Lewis: Where is Jack Harris when you need him?

Mr. Manly: The Hon. Minister for huffery and puffery, if he had been present yesterday off the coast of Newfoundland, could have huffed and puffed and blown the French fleet right out of the water. However, he had very little to say to the House today about a very serious situation facing the people of Newfoundland and Canada.

Mr. Siddon: You were not listening, Jim.

Mr. Manly: We have had insult, provocation and harassment one after the other by the Government of France. Yet our Government has meekly accepted all of it.

I welcome the opportunity to make a few remarks on the motion put forward by the Hon. Member for Gander—Twillingate. Ordinarily the person responding for our Party would be the Hon. Member for St. John's East (Mr. Harris). He of course is in Newfoundland today where I am sure he is going to have a great deal to say about this very unfortunate incident.

Perhaps this incident could be ignored or downplayed if it were an isolated incident. Perhaps it could even be attributed to some mistake by some over-zealous French officials. However, we cannot see it in that light because it forms part of a pattern of provocation and harassment by the French Government. It is also part of the pattern of the Canadian Government meekly accepting that and backing down in one circumstance after another.

Over the past two years we have seen the refusal of the French metropolitan fleet to accept fishing quotas imposed by the Government of Canada in the interests of conserving cod stocks. These quotas were imposed not simply in our interests but in the world's interests in order to preserve those stocks. The French have blatantly disregarded those quotas and tragically overfished.

Last fall there was a state visit by the Deputy Prime Minister (Mr. Mazankowski) and the Governor General of Canada to France and a deliberate snub of our Governor General by French officials. A few weeks ago a French fishing vessel went into Canadian waters and deliberately provoked Canada in order to be arrested. The presence of elected French officials only underlined the provocation. When that French vessel was arrested by Canada, France escalated the situation by harassing Canadian tourists going to France. It seems as though they are not interested in the fact that France has a $161 million surplus in tourism with Canada. Yet there was still that kind of provocation.

• (1220)

Yesterday's incident, with the arrest of the small vessel *Maritimer* by a French naval tug, was only the latest in a long series of these provocations. The question of whether or not it was in French territorial waters has occupied us to some extent this morning, and there has been debate back and forth. I do not want to get involved in the technicalities of that.

What we know and recognize on all sides of the House is that that arrest violates a long-standing arrangement between Newfoundland and St. Pierre and Miquelon, between Canada and France, which allowed both Newfoundland vessels and vessels from St. Pierre and Miquelon to fish in that general area without being harassed or arrested.

What we see from this whole series of events is that it is very obvious that France plays hardball in international affairs. It is certainly playing hardball with Canada. It has some mistaken, outdated ideas of grandeur that it has inherited from Louis XIV and Charles de Gaulle. The colonial mentality that looks upon places like St. Pierre and Miquelon as colonies that can be manipulated in the interests of French policy, quite apart from the economic interests of the few thousand people who live on those two small islands, has to be rejected and condemned.

While France plays hardball and acts with impunity in its relations with Canada, Canada has accepted all of this. Under the Prime Minister (Mr. Mulroney) and his Government, Canada is something of an international patsy. It seems that the overwhelming objective of Canada in international affairs is the photo opportunity.

The House will recall the Prime Minister's visit to Africa and how some of his aides scouted Victoria Falls to find the most advantageous angle at which to photograph the Prime Minister with Victoria Falls for a background. We remember the farce of the Shamrock Summit which, incidentally, points

out another sell-out of Canadian fishing interests. The Canada-U.S. salmon treaty for the Pacific coast was rushed through so that the Prime Minister and Ronald Reagan could sign it at the Shamrock Summit. The Prime Minister's boys were very concerned that they not be outdone by this second-rate show business President from the United States, so they went to great, elaborate lengths to present this grand finale where the Prime Minister and the President sang *When Irish Eyes Were Smiling*. We paid a tremendous price for that PR coup they were able to engineer.

We can look at the latest Summit where the Prime Minister went to Washington and spoke to a joint session of Congress. He got absolutely nothing in terms of the important agenda items concerning Canadians. He got nothing in terms of acid rain but he did get his photo op.

In our relationship with France, we saw that the Prime Minister's refusal to stand up to France on the boundary dispute with St. Pierre and Miquelon was directly related to his desire to have good relations with France for the August meeting of *la francophonie* last year. While it is desirable to have good relations with France and it is a desirable goal to even have photo opportunities, surely there are other goals and issues that are more basic in terms of foreign policy, including standing up for Canadian interests, for the rights of Canadian fishermen and standing up for a decent environment that would not be polluted by acid rain. Those interests have been sacrificed to the photo op.

Last spring we saw the Newfoundland Government dealt out of the talks with France over the disputed zone because the Prime Minister wanted to have a deal with France that would look advantageous to him even though it sacrificed the interests of the Newfoundland fishery.

If the Prime Minister is that interested in a photo opportunity, perhaps it could have been helpful if he was in St. Pierre yesterday afternoon to be on the dock when the French naval tug came in, towing the *Maritimer*. He could have seen where his policies have lead and could have had his picture taken, greeting these Canadian fishermen who were only doing their job. He could have been greeting them, after they had been arrested in violation of an agreement because Canada does not have the gumption to stand up to France.

Unfortunately, there will soon be another economic summit at which there will be more photo opportunities. One can presume that this will probably inhibit the Prime Minister from speaking out on this and a number of other issues. I suggest that the Prime Minister may want to see a doctor to help him get rid of some of these inhibitions. He is very inhibited when it comes to speaking out.

We must take seriously the fact that the 65-foot Canadian fishing vessel, the *Maritimer*, was arrested by the French Government. This action should be condemned by the Canadian Government but rather than condemning it, the Secretary of State for External Affairs (Mr. Clark) is quoted as saying in a CP story: "It is a very strange incident and we want to get more details before we take any further dramatic action". The story goes on to say: "Clark said the French insist the privately owned *Maritimer* out of Fortune, Newfoundland was not arrested but was invited to port".

Mr. Speaker, if someone invited you that way, would you go? What would have happened if the invitation was declined? What would have happened to those fishermen if they did not want to go? Perhaps if there had been a Canadian presence there the invitation could have been turned down successfully. However, as it was, the strength of the invitation was such that a tow line was attached and they were towed into port. Yet the Government seems to accept the fact that it was an invitation.

Rather than condemning it, the Secretary of State says that it is a very strange kind of incident. The only action we have taken is to temporarily suspend the talks that were to take place later this month between Canadian and French negotiators on some kind of non-binding mediation process to provide the French with a secure quota of fish. We have stopped the give-away process of the negotiations. That is all that has happened.

The *Croix de Lorraine* was seized by Canadian authorities for fishing not in the disputed 3PS zone but in Canadian waters. There was a direct violation of Canadian sovereignty in Canadian territorial waters. In 1987 we banned French fishing efforts in Canadian waters. The *Croix de Lorraine* incident was a deliberate act of provocation and one that was designed as a media event by the French. That is why there were French politicians on board.

Indeed, there is no relation between the arrest of the *Croix de Lorraine* and its crew and the accompanying celebrities with the arrest of this working fishing vessel, the *Maritimer*. The only relation is the exigencies of French politics. I suppose the Government is hoping that once the French run-off Presidential election takes place in three days this whole situation can die down and the Chirac attack will be over. I hope that it will be over also. But the point is, why do we stand for these insults? Why do we allow Canadian interests to become tools in French presidential politics? Why do we not have the gumption to stand up for our own interests at a time like this?

• (1230)

Incredibly, only 13 days after the arrest of the *Croix de Lorraine* on April 28, 1988, the Canadian Government reached an agreement with the French "on a non-binding mediation procedure to assist in resolving the Canada-France fishing quota dispute". It is a quota dispute, according to this agreement. It is not a boundary dispute. The agreement does not mention anything about how the boundary dispute is going to be resolved. It is a quota dispute. It is something that is going to give the French a quota to fish in Canadian waters. It is not something that is going to solve the boundary dispute between Newfoundland and St. Pierre and Miquelon. Providing the French, whether they are from St. Pierre and Miquelon

or the metropolitan fleet from France, with a quota merely addresses the symptom of the problem and does not deal with the problem itself, which is the boundary dispute.

In January of 1987 you will recall, Mr. Speaker, how an agreement was reached, that agreement I referred to earlier, wherein the Government of Newfoundland and the Minister of Fisheries had been dealt right out of the negotiations. An agreement was reached between Canada and France which was supposed to set out the process for determining, first, the conditions for the application of the 1972 treaty after December, 1986, when the French fleet was required to leave the gulf area; and, second, the process by which the maritime claims of both countries off the coast of Newfoundland would be determined.

As I pointed out, this agreement in January of 1987 was reached without the knowledge of the Government of Newfoundland. The Government of Newfoundland was not informed that the team was going to France for one last round of negotiations. It was just left out. It was a kind of oversight.

Mr. Epp (Thunder Bay—Nipigon): No wonder he considered leaving politics.

Mr. Manly: It was interesting that that agreement was signed in Paris during the tenure of our former ambassador to France, Lucien Bouchard, who is now the Prime Minister's hand-picked Secretary of State. He will be attempting to run in a by-election. It should be very interesting to see what the results of that by-election will be.

Under his tenure the Government of Canada offered the Government of France unspecified access to northern cod in the 2J3KL zone off northeast Newfoundland, something that had never been proposed before, and something that had been done without the consent of the Government of Newfoundland. It is as though we were offering to give away the hydroelectric resources of Quebec, or some of the mining resources of northern Ontario to some foreign power. That is what we did with the cod stock off the coast of Newfoundland. We were obviously trying to entice the French with these vital fish stock into accepting some kind of binding arbitration process for the boundary dispute. In 1987, in January, we were willing to grant the French access to our northern cod in the hope that there would be eventual acceptance of binding arbitration.

In April of 1988, just last month, we were offering to settle the question of quotas for French fishing vessels without ever addressing the boundary issue in a non-binding mediation process. We have had one retreat after another. We have given away one thing after another.

For 1987 the French were given a total quota in Canadian waters of 22,265 tonnes. In the disputed 3PS zone the French have already taken more than 26,000 tonnes of cod in spite of the fact that for that zone the quota was set at about 6,400 tonnes.

If we look at the importance of this issue we see that there are about 70 fishing communities and 5,000 fishermen located along the south coast of Newfoundland who depend on the resources of the 3PS zone. In both Newfoundland and the gulf region there are an estimated 30,000 fishermen and plant workers who are affected by any decrease in the resource, this resource that is being so heavily threatened by French overfishing. The total annual estimated value of the fishery in this area is $35 million. Yet the French have been continually overfishing in the 3PS zone, and the Canadian Government continues to negotiate with France and to grant concessions. Even after the January 1987 agreement, it took the Canadian Government two additional months to respond to the flagrant French overfishing.

In March of 1987 the Burgeo Bank was off limits to the French, and we closed Canadian ports to French vessels. In June the French responded by another deliberate provocation by issuing two oil licences in the 3PS zone, not that there was any great intention of drilling at the present time. It was just a deliberate provocation.

In August, at the Franchphonie summit, the Prime Minister (Mr. Mulroney) appointed a long time personal friend, Yves Fortier, to be Canada's negotiator on the Canada-France issue. When the talks resumed in September, we hoped to be able to negotiate allocations for the French fleet for the years 1988 to 1991, but in October the French walked away from the table. They wanted to settle only on the issue of quota and not on the boundary issue. That was their goal. The Canadians were reluctant to do that at the time. Now, however, we have agreed.

In conclusion, I think that Canada has to take a much stronger position. If Canada had taken a stronger position two years ago on this issue it could have led to a solution, instead of being the international patsy that we are that has allowed us to fall into this present situation.

The people who are suffering are the small fishers on both sides of the issue, both in Newfoundland and in St. Pierre and Miquelon. They are the ones who suffer.

We want to join in condemning the Government for its failure to resolve the dispute. The settlement of the boundary dispute—not just the quota for the French but the settlement of the boundary dispute—has to be seen as the principal issue that has to be resolved. That should be reserved to international and binding arbitration without either party insisting on preconditions such as the access by the French to northern cod. While that is happening there should be an agreement between Canada and France to restrict fishing in the 3PS zone to a level that is not going to endanger stocks.

Finally, the Canadian Government should be looking at this in a total context of all Canada-United States relations. If anyone wants to ask a question on that point, I would be glad to answer it.

The Acting Speaker (Mr. Paproski): Are there questions or comments?

The Chair recognizes the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) on debate.

Mr. Brian Tobin (Humber—Port-au-Port—St. Barbe): Mr. Speaker, it is traditional to say when one stands in one's place that one is pleased to be in one's place to participate in a debate on a Bill or a motion. I am not at all pleased to be here today to speak on this motion. There is nothing happy about the occasion. There is a great deal that should leave most Canadians rather embarrassed about this occasion.

Canadians now know what this debate today is about. It is about, at the surface level, an arrest yesterday of a Canadian fishing vessel off the coast of Newfoundland, a Newfoundland fishing vessel, and that makes it a Canadian vessel. I should not have to say that but it seems that we have to remind ourselves of that today. On the surface that is what it is about, but only on the surface. It runs much deeper than the incident which filled up our television screens and which fills the front pages of our papers today.

What this debate is really about is what has occurred over the last three years in the relationship between Canada and France insofar as the joint use and management of Canadian waters and Canadian fish and the relationship we have had, the historic relationship, with the people of St. Pierre and indeed with France.

• (1240)

I am tired of hearing a Government that is so without a policy, so without a plan with respect to how to handle this difficulty, this dispute, that it has repeatedly talked about the fishing agreement of 1972. That agreement was signed 16 years ago and the Government drags it out as an explanation for what is happening in 1988. There is no more embarrassing position for a Government to be reduced to than a weak defence. The agreement of 1972 was primarily designed to get the French out of the Gulf of St. Lawrence, the most over-utilized fish stock in the country. I am sure the Minister would acknowledge that fact. The agreement of 1972 got them out of the Gulf. They came out in 1987, 15 years later.

Mr. Siddon: They didn't have to.

Mr. Tobin: They are out of the Gulf. The agreement of 1972 spelled out specific quotas for the French.

Last January the Secretary of State for External Affairs (Mr. Clark) in consultation with the Minister of Fisheries and Oceans (Mr. Siddon) sent a briefing note to the Government of France on our dispute. I have the briefing note in front of me. It was a formal note sent from the Secretary of State for External Affairs on January 27, 1987 to the Government of France. The following is what the Canadian Government said to the Government of France with respect to the 1972 treaty which is now being described as the cause of all our problems: "The Embassy emphasizes that these quotas exceed the legal obligations of Canada resulting from the Canada-France Fisheries Treaty of March 27, 1972 and have been granted only so as to facilitate the process leading to the settlement of the dispute between Canada and France over the maritime claims of the two states off the coast of Canada and St. Pierre and Miquelon."

In a note to the Government of France, the Canadian Embassy said to France that we are giving you quotas that are far and away above and beyond our obligations under the 1972 treaty, and we are doing it as a gesture of goodwill to try to resolve this dispute. That is the 1972 treaty, and enough of that red herring.

What happened when the Government goes beyond the 1972 treaty and attempts to engender goodwill? I agree it is a reasonable attempt for the Government to make. I do not condemn the Government for that. It was an act of diplomacy. But how has it been answered? How has every act of diplomacy, good faith, and goodwill by Canada been answered by France? It has been answered, Mr. Speaker, with an arrogance that is born out of an illusion of an imperial power, with an arrogance that can only be attached to a nation with a colonial mentality.

What nonsense it is in 1988 that because of a small community called St. Pierre and Miquelon off the coast of North America, that France should claim a 200 mile limit off the coast of North America. What nonsense it is in 1988 that the Government of Canada should seriously negotiate such a claim by a nation that lives in the past with illusions of colonial powers. That is the real issue.

What have we seen from our attempts to be reasonable? We have seen the Governor General of Canada, and Canadians will recall since it was recorded in the news services of this country, go to France and be repeatedly insulted by no less a person than the Prime Minister of France. The Right Hon. Jeanne Sauvé, who embodies Canada when she travels abroad, was insulted and deliberately so. That was the response to the gesture of goodwill.

Last summer the Lieutenant-Governor of Newfoundland, and a very distinguished Member of this House for nearly 30 years, the Hon. James McGrath, for the first time in two decades was denied the right to visit the islands of St. Pierre and Miquelon. This has been done for decades as a gesture of friendship between Newfoundland and St. Pierre. For the first time in decades the Lieutenant-Governor was told that he was not welcome in the islands of St. Pierre and Miquelon. That is how France answers the gesture of goodwill.

We saw France take a vessel with four French politicians and deliberately ask that they be arrested. They made it impossible for Canada not to arrest them. That is how France answered our gesture of goodwill. Yesterday we saw France in the most ridiculous action of all and the greatest insult of all, not arresting a Canadian vessel with Canadian politicians looking for cheap press, not arresting a Canadian vessel that

was deliberately seeking to escalate the conflict by seeking to be arrested, but arresting a Canadian vessel with fishermen who are trying to make a living in order that they can put bread and butter on the table for their family back home in the communities in which they live. That was the final insult and the final answer to Canada's repeated gestures of goodwill.

Where are we today as a nation, Mr. Speaker? We can satisfy ourselves that we have followed the diplomatic route. We can satisfy our consciences that we have attempted at each and every turn to be a responsible, mature nation that seeks to avoid conflict and instead seeks discussion and a resolution of differences. We have done that. But this dispute has reached the point where we have now to satisfy ourselves and satisfy Canadians that this collection of provinces and peoples from Newfoundland to British Columbia, this Confederation that Newfoundland attached itself to 40 years ago in 1949, is a nation; that Canada does comprise a people that stands sovereign, strong, and independent and are prepared to act like a nation.

Today I asked the Secretary of State for External Affairs is it not time, not to declare a war, not to put gunboats off the coast of Newfoundland, not to arrest French vessels, not to fish under force of arms, but is it not time to say to France that the $14 billion submarine contract that is being discussed is on hold, that the $1.5 billion Air Canada purchase of planes from France is on hold. I asked him the question, and what did he tell me? He said that we cannot do that. There might be a trade war. Some workers in Québec or Ontario might be affected in that trade war. He told me that, a Member of Parliament by definition concerned about all of Canada, but also a Member of Parliament from Newfoundland.

I think that I understand Canada better than does the Secretary of State for External Affairs. The Canada that I know and love and have attached myself to would never say that Newfoundland or any part of Canada must be sold down the drain in the interests of a possible negative reaction somewhere else in the country. The people of Canada that I have met from British Columbia, Alberta, Ontario, and Québec would never say to me as a Newfoundlander: "Yes, we know your rights have been trampled. We know your livelihood is being destroyed, but you must take it, my son, in the interests of ensuring that none of the rest of us in Canada ever have to pay a price for standing up for your rights as a Newfoundlander and as a Canadian".

That is not the Canada that I am a part of, Mr. Speaker. I say to the Secretary of State for External Affairs that I do not know a Canadian from coast to coast who would share his sentiments. The Canada in which I live has citizens in every province who are outraged today at the actions of France. The Canada in which I live has citizens in every province who say: "So be it if we must put a submarine contract on hold, or if we must put an Airbus contract on hold. If we must stand as a united nation to put an end to this insult to this nation and to Newfoundland in particular, then we are prepared to stand as one, take the risk, and pay the price".

• (1250)

That is the Canada that I believe in and the one that the Secretary of State for External Affairs lives in. The Canada that is selfish, the Canada that is brutal, the Canada that says that the poorest and weakest parts of this nation are expendable, are disposable, in the same way that a Kleenex is disposable, exists only in the mind of the Secretary of State for External Affairs.

If that is this Government's worry, if that is this Government's rationale for selling Newfoundland down the drain, for selling Atlantic Canada down the drain in this dispute with France, then it need not be concerned, because the people of Canada are far greater, far more proud, far more independent, and far more united than the paranoid mind of this Minister would indicate, a mind that decides that one part of this nation is expendable.

It is time to put an end to endless debates about treaties. It is time to put an end to endless debates about history. It is time to put an end to endless discussions and the turning of the other cheek. It is time for Canada to stand up and be counted.

I do not condemn this Government for its past attempts at seeking to strike a responsive and conciliatory chord with France. But, when faced with the inevitable, when faced with the reality that France only understands, at this stage, a tough measure, faced with the reality that France will only understand, at this stage, that one part of this country shall not be sacrificed, this Government does not act, and for that I condemn it.

The way for this Government to act is to hit France where it will understand it best, and that is in its pocketbook. France ought to be told that $14 billion worth of submissions cannot be sold to Canada in the face of its action off the coast of Newfoundland—

Mr. Dick: You have just increased it by $2 billion in the last hour. You said $12 billion during Question Period.

Mr. Tobin: Mr. Speaker, is it not a tragedy that, at a time such as this, this narrow and shallow man—a man who, were he but a pair of shoes, could walk across a lake and never get his ankles wet, he is so shallow—would completely misunderstand the importance of the moment and the issue at hand, to the point where he, this junior Associate Minister of Defence (Mr. Dick), wants to debate whether these submarines are going to cost $12 billion or $14 billion.

Mr. Dick: You just do not care about $2 billion?

Mr. Tobin: Mr. Speaker, the truth is that the submarines will probably cost $20 billion. But, the dollar figure is not what counts. Principle counts; backbone counts; courage counts; integrity counts. The Minister cannot count, Mr. Speaker—not when it comes to any of the values that make up the nature and character that define a country; nor can he count when it

comes to the cost of these submarines. I would advise him to listen and to learn.

We on this side are asking the Government to put both the Airbus and the submarine contracts on hold, to freeze the negotiations in respect of those acquisitions.

If by some circumstance—one that I cannot imagine—the forests of British Columbia were being held ransom in an international dispute, I am sure Newfoundland would rally to that cause; if the oil and gas resources of Alberta, through some circumstance, were being held to a ransom in an international dispute, I know we would rally to that cause; if the hydro power of the Province of Quebec were being held up to ransom in international dispute, I know that each and every other part of this nation would rally to that cause; and if the mining resources of northern Ontario were held to ransom in some dispute, each and every part of this country would rally to that cause. And, Mr. Speaker, I know in my heart of hearts, notwithstanding the fears and the paranoia of the Secretary of State for External Affairs, that as Atlantic Canada, and particularly Newfoundland, and its resource, the backbone of its economy, is being held to ransom in an international dispute, each and every Canadian from coast to coast will rally to Newfoundland's cause.

I invite the Government of Canada to have the vision and the courage to do the same.

The Acting Speaker (Mr. Paproski): The Hon. Member for Nunatsiaq (Mr. Suluk), on questions and comments.

Mr. Suluk: Mr. Speaker, I have a question for the Hon. Member in relation to the purchase of nuclear submarines by Canada.

I know that the New Democratic Party would prefer that Canada continue to rely upon three diesel powered submarines. I know that the New Democratic Party would prefer that we not acquire new and modern submarines.

Given the renewed interest in Arctic waters and the question of sovereignty, I think most Canadians understand that the acquisition of nuclear powered submarines is no longer an issue that is subject to question.

This past winter, I heard the Leader of the Opposition (Mr. Turner) say that he was not interested in acquiring a nuclear submarine fleet; that he would consider cancelling any such acquisition. However, given the troubles that that Party already has, I would think that to be unlikely. My question for the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) is whether the Liberal Party has changed its position in respect of the acquisition of a nuclear submarine fleet.

Perhaps the Hon. Member will take this opportunity to clarify whether he is now in agreement that Canada should in fact acquire a nuclear submarine fleet, thus enabling Canada to grow stronger, and ensuring that, in the future, should we ever have to confront other nations, we have sufficient power to back up the words of the politicians.

An Hon. Member: What you want is a war!

Mr. Suluk: I know that the New Democratic Party would like us to just give in, whether it be to the Soviets or to other nations of the world. I would like to know where the Hon. Member stands in that regard, and particularly whether or not there has been a change in the policy of the Liberal Party in respect of the need for a nuclear submarine fleet.

Mr. Tobin: Mr. Speaker, I thank the Hon. Member for Nunatsiaq (Mr. Suluk) for his question. I know he will want it answered at this time, given that he has already announced that he will not be running in the next election. As a result, this may be his last opportunity to ask me that question.

Mr. Suluk: So . . . ?

Mr. Tobin: I am merely pointing out that obviously the Hon. Member is not too enamoured with the process that he has been a part of on that side of the House.

Mr. Suluk: Just answer the question.

Mr. Tobin: Mr. Speaker, I shall make two points in response to the question of the departing Member for Nunatsiaq—a decision he has taken, obviously, because he does not enjoy the political process in the Progressive Conservative Party. There are two points that I shall make in response.

First of all, he has lost sight of the issue. The issue is not one of submarines or airplanes. As it happens, submarines and airplanes happen to be the subject matters of two sets of contract negotiations in which the Government is involved with France. It is not something that involves the private sector. I have not asked that Canadians stop buying French wine, or any other product. The airplanes in question are being purchased by a Crown corporation. That is Government. The submarines are to be purchased by the Department of Defence. Again, a purchase by Government. Here we have two areas where our Government can respond. That is why we talk about submarines; that is why we talk about airplanes.

The issue is Canadian sovereignty and the protection of our fishery, a renewable resource. We raise the issue of submarines and airplanes in that context. It could have been a purchase by this Government of billions of dollars worth of toothpicks. As it happens, the contract negotiations involve submarines and airplanes.

On the larger question of submarines, we in the Liberal Party are opposed to Canada acquiring nuclear-powered submarines for the purpose, in the words of the Hon. Member, of "backing up our words with military might". We do not suggest that the solution to this conflict is that Canada ought to confront France militarily. We suggest that the solution is to hit France where it hurts, in its pocketbook. That is the difference between the philosophy of the Liberal Party and that of the Progressive Conservative Party.

While the Progressive Conservative Government says that it is acquiring submarines to patrol our Arctic waters, we now know from the departing Hon. Member for Nunatsiaq the real reason, that being that it has some fantasy about a military nuclear confrontation that it wants to be able to deliver on one of these days.

• (1300)

I say this to the Hon. Member for Nunatsiaq (Mr. Suluk) who comes from Canada's North that the way to establish Canada's sovereignty in the North is not by putting nuclear-powered submarines under the ice. The way to establish our sovereignty in the North—he should know this, he ought to be preaching it but he is not—is to help the people who live in Canada's North to live a decent life, one of equality, one with equal services, one with employment, one with jobs, one with the dignity of a paycheque, because ownership and possession is 90 per cent of the law. Let us help our people who live in Canada's North, the people in his riding, live a quality life. Let us do that. Let us put the money into that, and the Hon. Member will not need to have submarines to protect an empty land because it will be a full and happy land, inhabited by the people who have not been forgotten by their Government in Ottawa and who have the same quality of life and the same services as the people who live elsewhere in this country. The Member should be preaching that rather than departing this Chamber with his tail between his legs, never to run again.

Mr. Suluk: You have never elected a Liberal in the North.

[*Translation*]

Mr. Robichaud: Mr. Speaker, I attended Question Period this afternoon and I heard some answers that made me angry. When I heard a Minister of this Government say that we could not defend the property and rights of Newfoundland fishermen for fear that it might harm some other region of the country, I felt angry because I believe that we are all Canadians from coast to coast. I think that this Minister owes us an apology. He should correct the statement he made this afternoon as soon as possible. I was just saying to my colleague, "Shouldn't the Prime Minister demand this Minister's resignation right away?"

[*English*]

Mr. Tobin: Obviously, Mr. Speaker, this is not a question to which I will have to give a lot of thought. My colleague says that when a Minister of the Crown puts forward in a nation, diversified but reconciled by unity, the notion that one part of the nation is expendable, then that Minister fails in the most basic sense to understand his responsibility as a Minister of the Crown. Of course he ought to come to his senses quickly. He ought to put his finger back on the pulse of this nation quickly or take leave of his responsibilities as a Minister of the Crown.

I hope that when the Prime Minister (Mr. Mulroney) goes to France on May 26, when he goes to his next photo opportunity, he will find more than the backbone of a jellyfish accompanying him and that he will tell the leaders of France in no uncertain terms that Canada is whole and unified and that parts and pieces of Canada will not be traded off like some chip in a monopoly game, because that is the case. Voices from every part of this country will be heard to say that we are not prepared to sell one part of Canada down the drain in some Machiavellian poker game which the Prime Minister and his Government think they are playing.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Minister of Fisheries and Oceans (Mr. Siddon).

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, as I begin my remarks, I can assure the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) and all Members of this House that our Government does not intend to trade off any part of Canada or the interests of the people in any part of Canada as some kind of a bargaining chip, as the Member described it in this matter. Quite the converse is true. The record of our Government in advancing the cause of Canadian fishermen and asserting sovereignty over our fishing resources out to the 200-mile limit is unprecedented in the history of previous Governments at any time in the history of Canada.

I am grateful to the Hon. Member for Gander—Twillingate (Mr. Baker) for bringing forward this motion, which enables us to debate an issue of extreme importance to the Government of Canada, to all the people of Canada, but especially to the fishermen and the people who live in the inshore communities of Newfoundland and other areas surrounding St. Pierre and Miquelon.

On the other hand, I do not appreciate the distortions, the out of context allegations and pure misinformation which are reflected in the kind of diatribe which first emanated from the lips of the Hon. Member for Gander—Twillingate when he heard of a problem arising in the fishing grounds near the Burin Peninsula yesterday afternoon. What could be worse than having a government running this country made up of the Hon. Member for Gander—Twillingate, the Hon. Member for Port au Port—St. Barbe and the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) who spoke for the NDP earlier? Their kinds of comments belie a shoot-from-the-hip action, "do not think but take an act first" approach to problems. This approach could have serious consequences for Canada and for the very people we are trying to help, the fishermen of these inshore communities of southern Newfoundland and all of Newfoundland.

The comments made yesterday inside and outside this House to the media by the sponsor of this motion, the Hon. Member for Gander—Twillingate, who seems to have left this House for the day, are absolutely irresponsible, as they have been in cases of his previous outbursts in reaction to events which have developed over the past year in regard to the Canada-France fishing dispute. Of course the Hon. Member for Port au Port—St. Barbe, the Leader of the New Democratic Party, and it seems all Members on the opposite side,

would wish that we would act now, escalate this issue even further, if not by a trade war, then by a shooting war, from their perception. We know, Mr. Speaker, that a government has to be far more responsible than that, it has to be methodical and extremely careful in responding to such provocation.

Yesterday the Member for Gander—Twillingate said in this House at about 5.45 p.m., as recorded at page 15188 of *Hansard*:

> —at this very moment there is a French patrol vessel towing a 65-foot Canadian dragger that was fishing legally in the disputed zone off the south coast of Newfoundland—

We are told this vessel was fishing within the 12-mile territorial sea of the islands of St. Pierre and Miquelon as recognized by the 1972 treaty which a Liberal Government introduced, approved and then remained silent about for some 12 years. The Hon. Member made a false allegation. Had the vessel been apprehended in the disputed zone, you can be assured, Sir, that Canada's response would have been far more swift and it would have been a far more serious provocation of the relationship between these two countries.

The Member then went on to say:

> We talk about the attitude of the Canadian Government. I will tell you what its attitude is. Over this vessel being towed flies an RCMP helicopter.

That is not true. Because of the fog in Newfoundland yesterday, there were no aircraft flying in that vicinity of which we have knowledge. I have checked. There were no Coast Guard aircraft in the area. There were no RCMP aircraft in the area. There were no Fisheries aircraft or vessels in the area. The Member went on to say:

> Then there is a fixed-wing aircraft belonging to the Coast Guard. There is a fisheries patrol vessel in the area.

Then the Hon. Member went on to suggest:

> —that at least what should be done is for the Canadian patrol vessel in the area to stick its nose in front of the French patrol vessel, communicate with it and say, "Look, you are not allowed to arrest somebody aboard a vessel in the disputed zone—"

All of that is rubbish and nonsense, Mr. Speaker. It is an emotional extreme false misrepresentation of a situation which suggests that any persons who would react from the hip in that manner never deserve to sit in the Cabinet of the Government of Canada.

I want to point out in this House that we have made great progress since January 24, 1987, in bringing the French to their senses in realizing that within our Canadian sovereign waters our fish are there for the first benefit of Canadian fishermen. We have, therefore, taken a number of important steps to persuade France and, indeed, where it was necessary, to take forceful action to ensure that the interests of our fishermen are held over and above all other obligations which France or other countries might feel we have to them.

• (1310)

I wish to point out that our over-all effort in this initiative has been unprecedented in Canadian history. It is to protect Canadian interests in the Atlantic area in the face of these difficulties which have developed with France.

Second, this is the first time anyone has interfered with the activities of the small-boat fishermen off the south coast of Newfoundland, the little guys in the inshore fishery, so to speak, who have traditionally fished on both sides of that inshore area between the Islands of St. Pierre and Miquelon and the Burin Peninsula. This is the first time that traditional arrangement has ever been challenged as it was yesterday, and in that respect, Canada will not stand idly by and allow this to happen.

Our principal objective is to settle once and for all the boundary question around the French Islands of St. Pierre and Miquelon. I am told that back in 1972 when Mr. Jamieson and Mr. Sharp and others were in the Cabinet of Canada, they had an opportunity to accept a boundary which would set the limit of the extent of French sovereignty around St. Pierre and Miquelon to something like 20 miles, but they refused to accept that very, very attractive offer which would have prevented all of these problems from occurring. It would have meant that our fishermen would not have had to deal with French overfishing and French presence within our waters or within a disputed zone extending some 180 miles to the south of these islands.

The activities of these vessels are putting our stocks at great risk. We want to settle that boundary question and to establish clearly, beyond a shadow of a doubt, Canada's sovereign right, our right, not some other foreign country's right, not some opposition Party's right but the Government of Canada's right to conserve and manage the fish stocks in the area off the south coast of Newfoundland for the benefit of our fishermen. We have taken unprecedented steps in this regard to limit the French fisheries in Canadian waters to their traditional quotas under the 1972 Canada-France treaty, taking into account the expiration of the metropolitan fishing rights in the Gulf of St. Lawrence in 1986.

When the Liberal Government of 1972 signed an agreement with France, it included the right for large freezer trawlers which became factory freezer trawlers based in France, in St. Malo, principally, to come across the Atlantic and fish in the Gulf of St. Lawrence. This was pointed out by the Hon. Member for Port au Port—St. Barbe. They fished in the Gulf of St. Lawrence for 15 years by the will and with the consent of a Liberal Government, and each year of the last five years they took in excess of 21,000 tonnes of fish from that area, of which all but 4,000 were sent back to France for processing.

We have ended that practice. It was this Government which ended that practice and removed that presence from the gulf so that that resource could be turned over to the people of the ridings of the Gulf of St. Lawrence, including those of the riding of the Hon. Member for Westmorland—Kent (Mr. Robichaud). We are patriating those resources for the benefit of our fishermen.

In a larger sense, this Government has taken unprecedented efforts to remove all foreign fishing presence from our non-surplus stocks within the Canadian economic zone and to bring into force deterrents and penalties that will ensure that those resources are respected and made available to Canadian fishermen. I think that by now all Members of the House know what a great benefit that has been to the fishermen.

This Government has taken those steps. This Government has been firm. This Government has been reasonable, but it has advanced methodically over the past 12 or 14 months, in the case of its relationship with France, the position that our fishermen and their needs come first. This was not done by some other Government. No previous Liberal Government had the courage to do so. This was done by the Government led by the Prime Minister (Mr. Mulroney), the Government of which I am proud to be a member.

France has claimed an enormous part of the Canadian 200-mile zone for its two tiny islands off the South Coast of Newfoundland. This is an unreasonable claim, and in fact, we believe that when it is eventually submitted to a court of international arbitration, the decision will be awarded in Canada's favour.

A small, tiny speck of rock adjacent to our Atlantic provinces cannot possibly claim an equitable division of resources with the large continental mass of that rock known as Newfoundland. France knows very well that it will not succeed before any international court in giving effect to the claim of a huge part of the outer Gulf of the St. Lawrence which is Canadian territory. The channel dispute is witness to that. It was awarded in France's favour that islands which are sovereign islands of Great Britain but within the French territorial sea could not claim a large fishing zone around those islands for Great Britain.

It is regrettable that France has made this enormous and unreasonable claim and has at the same time, to put pressure on Canada, escalated its fishery in the disputed zone to four times France's traditional allocation of some 6,400 tonnes of fish in that area. In so doing, France has endangered the stocks and the livelihoods of Canadian communities and the residents and fishermen of those communities, particularly in the vicinity of the southern and eastern coasts of Newfoundland.

France has resisted and continues to resist submitting the boundaries dispute to an international court, demanding from Canada even more fish as the price of an agreement to get the boundary matter into adjudication. As Hon. Members know, these demands are outrageous and cannot be substantiated. Canada will not yield to them. Canada continues to insist, however, that the boundary issue must be submitted to international adjudication before it is too late and the well-being and livelihoods of our fishermen in that area are permanently destroyed.

We want to negotiate with France on a reasonable basis quotas which are fair in the interim period, while the matter is being subjected to arbitration, but we will not give up quotas which will disadvantage our fishermen merely in order to allow ourselves to give in to this kind of pressure—I could use a stronger word to describe it—because we must stand for the interests of our fishermen first.

There are 70 small communities on the south coast of Newfoundland. The unemployment rate there is 22 per cent. Of the 26 fish plants in that area, 15 are closed for at least three months of every year. We are talking here about the livelihoods of almost 5,000 commercial fishermen and 3,400 plant workers on the south coast of Newfoundland alone.

On average, each Newfoundland fisherman catches about 18 tonnes of various kinds of fish in that area, worth about $8,000 to each fisherman per year. In contrast, the 176 fishermen of St. Pierre and Miquelon catch something in the order of 100 tonnes per year, more than five times what our fishermen catch, worth some $55,000 for each one of the 176 fishermen of St. Pierre and Miquelon. The truth is that it is our fishermen who are being disadvantaged and who will be absolutely devastated if we do not eliminate the French overfishing and solve this boundary question as quickly and as swiftly as possible.

That is why we have acted on behalf of these fishermen. We have responded to their concerns by putting pressure on the French, step by step. When we went into discussions early last year, we found that France, by the end of February, had already exceeded the quota we granted it within those waters outside the disputed zone, and we closed, therefore, Canadian ports to French fishing vessels. They had exceeded their 6,400-tonne quota and we therefore closed the ports. We next refused to allow France to fish on Burgeo Bank, an important fishing ground outside the disputed zone to the west of the Burin Peninsula. During the summer of 1987 we closed the rest of area 3PS outside the disputed zone to French fishing, including the western gullies which are very important and precious fishing grounds which they have fished for many years.

• (1320)

The result of these closures has been a significant reduction in French fishing in Canadian waters and, indeed, in the disputed zone. Traditionally, some nine large factory freezer trawlers came from France to harvest our fish. This year I am told that that number has been cut in half because of the strong measures we have taken. You know that when a wayward trawler, a political escapade, if you like, sailed into our waters two or three weeks ago, some 50 miles off St. John's, Newfoundland, and openly defied our decision that no quotas would be granted to large trawlers this year, we arrested them, brought them to port, and charged all of the members of that crew, with the exception of members of the media who were aboard.

On October 9, France walked away from the negotiating table. Although we had put a reasonable proposition on the table for interim quotas, France rejected it, and therefore we said that no further quotas would be granted to French

fishermen anywhere in Canadian waters in 1988. That is a great step forward. No previous Government has ever had the courage to do that. It has brought significant benefit to our fishermen. In the absence of an over-all fisheries agreement and without an agreement to send the boundary dispute to international arbitration, there would be no fish for France outside the disputed zone.

What I am saying is that we are making considerable progress in spite of the strong and misleading protests of opposition Members, that is, until France decided to arrest the little guy, the Newfoundland southshore fishermen whose livelihood has been at the heart of this dispute since the outset.

There is an inshore zone some 25 miles across between the Burin Peninsula and the Islands of St. Pierre and Miquelon. In that zone there has been an understanding that these small inshore fishermen, both from St. Pierre and Miquelon and from Newfoundland, would be free to fish unimpeded as they have been for decades. They fish alongside. They do not have sophisticated navigational aids. They are not the large, 150 or 200-foot trawlers with efficient processing on board. These are small trawlers, longliners, local fishing boats, and both Canada and France have understood that the interests of those immediate communities and fishermen should be respected by allowing this arrangement to continue. All that ended yesterday when the little guy got hit hard by big France through the apprehension of one of our vessels by a French naval vessel.

We will not stand idly by and watch our fishermen from these communities which are so dependent on this resource, these inshore fishermen whose earnings are far lower than those of the fishermen of St. Pierre and Miquelon, to be harassed in this way. That is why the Government took the swift action announced this morning by the Secretary of State for External Affairs (Mr. Clark). We will suspend the discussions between our negotiator and the French negotiator which were directed toward finding a way of mediating this problem. The Secretary of State for External Affairs called in the French Ambassador and issued an official protest over this matter. We will defend and support our fishermen, the captain and crew of the vessel concerned.

As conditions develop, other measures, I am sure, will be taken as necessary. Therefore, I would just say in conclusion that it is most irresponsible, unacceptable and reprehensible that members of the Opposition demand some kind of escalation. If it is not a trade war, it is a physical war they advocate. How could we fight such a war with our country as defenceless as it is? This is an absolutely ridiculous suggestion. We are being moderate and we have made great progress on behalf of the fishermen of Newfoundland and Atlantic Canada and will continue to do so. We are prepared to sit down with France and seek an orderly settlement of this question, but not until they reverse this totally unacceptable provocation which they wreaked upon Canada yesterday.

The Acting Speaker (Mr. Paproski): Questions and comments.

[*Translation*]

Mr. Robichaud: Mr. Speaker, in his speech, the Minister told us right at the beginning that the Hon. Member for Gander—Twillingate (Mr. Baker) was telling all kinds of lies, that there was no plane, there was no helicopter, there was no boat in that region for surveillance. Nevertheless, the Minister assures us that the Canadian vessel was inside the boundaries of St. Pierre and Miquelon.

My first question is: If there was no surveillance, how can he say that our boat was indeed inside these boundaries?

He then said that it was his Government that had managed to get the boats of the metropolitan fleet out of the Gulf. But should those boats not have been out, under Section 3 of the 1972 Treaty that states:

[*English*]

"Fishing vessels registered in Metropolitan France may continue to fish from January 15 to May 15 each year up to May 1, 1986." It is not our Government that made it so that the metropolitan fleet would be moved out of the gulf.

I ask the Minister if he would comment on that, please.

Mr. Siddon: Mr. Speaker, the Hon. Member raises two important questions. He asks, if we allege that our vessel was within the territorial waters of St. Pierre and Miquelon, how would we know that if there were no aircraft or vessels present? I can assure the Hon. Member there were no vessels or aircraft of the fisheries service, the Coast guard or the RCMP in that vicinity, I am told. However, the point at which the vessel was apprehended was very close to the boundary, and I understand that the Master himself may well have admitted that he was within the territorial waters of St. Pierre and Miquelon.

This illustrates the danger of shooting from the hip and reacting in an inappropriate manner, as the Hon. Member for Gander—Twillingate did yesterday. I think that shows a lack of forethought, a lack of caution. Had the vessel been outside the territorial waters of St. Pierre and Miquelon, the incident would have been a far worse provocation. Notwithstanding that this is an unacceptable provocation in its present form, we cannot at this point be absolutely certain that our vessel was in the territorial waters of St. Pierre and Miquelon. The evidence of whatever proceedings follow will show that. However, I can assure the Hon. Member that when the Hon. Member for Gander—Twillingate alleges that an RCMP helicopter was flying overhead and Canadian patrol vessels were nearby, he is absolutely and totally misleading this House and the people of Canada.

With regard to the 1972 treaty and the withdrawal of the French metropolitan fleet from the gulf, the Hon. Member will know, if he studies history a little bit, that there were three five-year renewals of that 15-year right to fish in Canadian waters from 1971 to the May period of 1986. There were three consecutive renewals. The treaty did not specify the quantity

of fish. That was established by the then Minister of Fisheries and Oceans who, for a large portion of that time, was the Hon. Member's predecessor as the Hon. Member for Westmorland—Kent. As I recollect it, he granted quotas which increased in each of those five-year periods to a level of 21,000 tonnes in the last period between 1981 and 1986. The result was that when I became Minister we had to take drastic measures to reduce quotas in the Gulf of St. Lawrence because it had been massively overfished. That 21,000 tonnes had a lot to do with devastating the livelihood of fishermen from the Hon. Member's riding in northwestern New Brunswick.

• (1330)

Mr. Manly: Mr. Speaker, first I have a brief comment. The Minister referred to the settlement regarding the Channel Islands. I think the Minister would acknowledge that that settlement very clearly indicated that it was not to be a precedent for any other similar situation. The Channel Islands settlement does not apply across the board to St. Pierre and Miquelon. France was cagey enough to ensure that it received that proviso.

The Minister said that great progress has been made since January, 1987, in bringing the French to their senses on the whole question of fishing and coming to terms with Canada. Will he be specific? What have we got? We have seen the French involved in provocations, sending the vessel *Croix de Lorraine* into Canadian waters.

The Minister himself admitted a few minutes ago that this is the first time the arrangement between Canada and France, Newfoundland and St. Pierre and Miquelon, for small vessels has been broken. We have seen continued overfishing.

How have the French come to their senses? What have we got? The Minister referred specifically to international arbitration. When will that international arbitration take place? There is an agreement that there will be a process by which France will get quotas while we are waiting for international arbitration. When will international arbitration begin and in what form?

Mr. Siddon: Mr. Speaker, I think the Hon. Member's question is very appropriate. He asks what we have from all these events, even the anguish in the past year, since January 24, 1987. We have the present situation in which, for the first year in our history, there are no French fishing vessels fishing anywhere in the undisputed waters of Canada, from Davis Inlet, down through the areas we call 2GH off the coast of Labrador. There are no quotas of northern cod which they have traditionally fished under their share of the European long-term agreement, which we also terminated last year.

There are no French vessels fishing in the area 3NO on the Grand Banks. There are no French vessels fishing in the Gulf in the area 4RS and 4RT or on the Scotian shelf.

The only place where the French are still fishing within waters that we claim to be ours is in the disputed zone, largely south of the islands of St. Pierre and Miquelon, and the smaller area which the inshore vessels of St. Pierre have shared with our inshore fishermen, which is the area that was the subject of yesterday's incident.

We have removed the French presence. There are no large quantities of fish going back to France as there were every year for as long as France has been present in the waters of Canada. That is a great step forward.

We have also noted this year that the number of large trawlers which have traditionally come across the Atlantic to fish in our waters has dropped by almost one-half. We are told that there are signs in France that the owners of these vessels will increasingly find it difficult to contemplate coming to Canada and fishing that resource. I think that bodes well in terms of a solution to the overfishing in the disputed zone by those large trawlers from France. We see a continual decline of their enthusiasm to come across the Atlantic and fish in these waters.

I suggest that we are making very steady progress. A measure of that progress is the rather extreme, alarmist kind of reaction in which France is engaged, first with the silly voyage of the *Croix de Lorraine* some three weeks ago to draw international attention to this great injustice. However, that backfired and was seen in Canada and abroad as an unacceptable infringement on our sovereignty.

Then it provoked this silly confrontation yesterday in an area where our inshore fishermen have lived according to certain arrangements for a long time. It is the inshore fishermen of St. Pierre and Miquelon and southern Newfoundland who are being victimized by this latest provocation.

The answer to the question is that we do not know the date on which France will agree to refer the boundary issue to international arbitration. I suggest, however, even with all the debate and controversy that surrounds this issue, that we have made major progress toward persuading France and creating the pressure of international recognition that France's demands in this matter are unreasonable and that just as in the case of the Channel Islands decision which went in favour of France, a just solution to Canada's benefit must be found soon.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, today we are debating a motion of condemnation of the Government. The motion declares that this House deplore the unlawful arrest of a Canadian fishing vessel by the Government of France in area 3PS off the coast of Newfoundland; and that this House condemn the Government for its failure to protect the Canadian fishing industry and its continuing inability to resolve the Canada-France fishing dispute.

That motion is of enormous concern to Newfoundlanders and Canadians. I emphasize that it is a concern to the people of Newfoundland because I know how much our new colleague, the Member for St. John's East (Mr. Harris), would like to be in the House speaking to this motion. As happens so often with Members of Parliament, on Fridays they are back

in their constituencies. He has the opportunity to speak directly to the people in Newfoundland and express his own outrage at what has happened and mobilize their support for strong action from the Government.

In his stead, I and my colleagues recognize firmly our obligation to speak for the people of Newfoundland and the people of Canada in putting pressure on the Government to do the right thing to arrive at a resolution of this matter.

In this respect, I am thinking of the Ministry and its members. The Member for St. John's West (Mr. Crosbie) spoke before Question Period to express himself strongly on behalf of Newfoundlanders. The Minister of Fisheries and Oceans (Mr. Siddon) just spoke and expressed the strong feelings of the Canadian Government.

The Secretary of State for External Affairs (Mr. Clark), who surely has a central role in such questions of relations with other countries which involve the very boundaries of the Canadian nation, has not spoken. He was here in Question Period, quite naturally receiving the shots of one Member after another pressing him to take action to bring this dispute to a proper resolution.

I want to focus for a few moments on the actions of the Secretary of State for External Affairs since our condemnation is of the lack of success and action of the Government.

It is worth considering what the Secretary of State for External Affairs does in situations like this in other parts of the world. I am not specifically referring to boundary disputes, but the way in which he grapples with difficulties and disputes of whatever sort. Canadians were struck—some pleased, some outraged—by the strong stand the Secretary of State for External Affairs took in regard to the Israeli occupation of the territories it seized in earlier wars, where the Palestinian population has been protesting against the occupation for some months.

I note only the fact that he spoke very firmly. If there was any sense that the Canadian tradition was one of quiet diplomacy behind the scenes, when he spoke that particular day to the Canadian Israeli community there was not very much evidence of quiet diplomacy to be seen.

• (1340)

It was not the only time that the Secretary of State for External Affairs spoke out in such a firm way. I think of his strong statements about Canadians of the Sikh faith who belong to certain organizations when he sent a letter to a number of Premiers urging them to have nothing to do with a certain number of organizations. He took a very, very strong stand. Some people saw this as a response to the pressure of the Government of India and to those who were concerned about trade. They saw this as yielding to another Government.I would not want to draw a final conclusion on that.

At least once in this House some months ago questions were raised regarding the treatment of a Canadian who was from south Asia who was imprisoned in India, whether justifiably or not. We know that the Draconian laws of detention now in effect in the Republic of India allow persons to be held for two years without any charge. The person can then be brought to court and the charge can be renewed for another two years. This detention is in utter disregard for that long-standing principle of habeas corpus that we all value so much which came out of the development of English law. To the credit of the Secretary of State, he recognized the harshness of the treatment of this person. He said quite clearly in the House in Question Period that this was not behaviour that the Government of Canada approved of. I was sufficiently impressed that I went over to him to discuss whether or not this was the first time perhaps that a Canadian Secretary of State for External Affairs had spoken so firmly about a sister nation of the Commonwealth in being critical of some actions that it took.

The pros and cons of these various cases can be debated. However, I do not see any strong action. I know, to the credit of the Secretary of State for External Affairs, the kind of position he has generally taken in Central America. But there I want to begin modifying the picture. We well know that he has been challenged in the House. He was challenged by my friend, the Hon. Member for Winnipeg—Birds Hill (Mr. Blaikie). He was challenged to speak some words of condemnation, particularly of the United States which has been pressing against the sovereign state in Central America and against the Nicaraguan people. The Secretary of State for External Affairs refused to do that. There those old traditions of quiet diplomacy came to the fore.

I suggest that whatever may happen in some places far from Canada dealing with countries that have limited impact on Canada, the Secretary of State is prepared to be forceful and firm. However, when it comes to dealings with France and an attempt to resolve this long-standing difficulty involving fishing rights based on the islands of St. Pierre and Miquelon, he has been with his Government a Government that has certainly been equivocal at various times. He has not followed a straightforward and consistent policy that might bring this whole dispute to a resolution.

The Minister of Fisheries spoke a few minutes ago. At one point in his comments he indulged in a certain amount of rhetoric. In fact, he indulged in a little hyperbole about Newfoundland, that glorious rock, and then drew into it the great domain of Canada and how the fishing rights of these little islands could be put up against the fishing rights of the Canadian people. There is, of course, a danger in that rhetoric.

The Islands of St. Pierre and Miquelon have remained a French possession from the days of the French regime precisely because of the fishery. Anyone who goes back to the peace negotiations that ended the Seven Years War in the early 1760s, more than 200 years ago, knows perfectly well that France held on to these islands as a way of maintaining its part of the fishery on the gulf and beyond. The fishery of

North America, the coastal waters and beyond North America, the fishery around Newfoundland, has been famous for centuries. The Europeans had fished their territory out. John Cabot carried out exploration for the fishermen of the west country of England. There was the arrival of fishermen from all up and down the western coast of Europe, from Spain and Portugal to the Basque territories of France and the port cities of France and England. The fishery off the North American coast has been one of the great fisheries of the world. The French interest in that is clear and long-established.

Now, of course, the changes that have occurred in terms of the extension of boundaries out to 200 miles, as well as the establishment of responsibility under international treaties, the situation of these islands and the French claims to them have been clearly put in contention. The reorganization of the fishery and the determination of what France's rights should be in this new situation were something that should have been dealt with about the time that the situation of the Channel Islands was dealt with. Surely the Canadian Government of that time should have been in consultation with the British Government. We can always look back to our days in the Empire and our continuing ties with the Commonwealth, even with the British involvement and the European Economic Community which reduces our ties with Britain in many ways. Surely that was the time to say to the British Government: "Let's be sure that when you settle the rights of the Channel Islands and British subjects out there close to France, let's make sure that at the same time we take care to settle the rights of France near the coast of Canada, right off the Island of Newfoundland, in a very similar way". It can only be profoundly regretted that the settlement that was arrived at there is not to be regarded as a precedent.

If it is not possible for Canada to go to France directly and to say that that is a precedent upon which we should settle, then what can be done is to say to an arbitrator: "The resolution that was arrived at for the Channel Islands indicates how these matters need to be resolved. We do not ask you to make it a precedent. We just ask you to contemplate the situation in the gulf and around St. Pierre and Miquelon. As far as French rights are concerned there, treat them in a similar way". That is all that is wanted.

It seems to me, and lawyers may protest, that this is an attempt to prevent something from being a precedent. However, if it is a sound resolution, then how can the French deny that the settlement there was not a sound one? It was one that they wanted. It seems to me that one does not have to concede very much to that particular kind of legalese in pressing the point.

Mr. Siddon: You assume that it is a reasonable world.

Mr. Epp (Thunder Bay—Nipigon): The Minister says that it is a reasonable world—

Mr. Siddon: You're assuming that.

Mr. Epp (Thunder Bay—Nipigon): I want to get to the ways in which it is not a reasonable world. I have been talking about the way in which the Secretary of State has faced up to some situations that were not reasonable.

Surely, in thinking about this situation we have to consider what happened in January of 1987. An agreement was made which indicates how unreasonable the world can be and how unwise the Government of Canada was at the time. It arrived at an agreement which it was hoped would quiet down the French and take care of things. It was an agreement that gave the French some rights. In fact, it gave them unspecified access to the northern cod stock in another area off northeast Newfoundland, the 2J3KL zone. To arrive at that kind of agreement without having consulted with the Government of Newfoundland was an incredible piece of irrational behaviour. It was not reasonable to do that.

A good deal of the difficulties that the Government got into politically resulted from that particular failure to consult with the Government of Newfoundland. This particular grant of fishing rights is short of what is actually required, which is a resolution of the boundaries question. It is not enough to buy the happiness of the French by giving them some fishing rights. What we want to do is to settle the matter.

• (1350)

It is worth recognizing that the reaction or fire-storm of protest that broke out in Newfoundland when that agreement came to public attention has reverberated very far through the halls of Canadian power. As a matter of fact, if one looks at the constitutional Accord arrived at at Meech Lake, and considered further at the Langevin Building last spring, the proviso is that in perpetuity the fishery be a topic for discussion at constitutional conferences, of all places. This is evidence of how badly and irrationally the Conservative Government of the day acted in arriving at some type of concession to the French without properly dealing with the Government of Newfoundland.

It is not surprising that late last fall the Premier of Newfoundland apparently considered getting out of politics when he noted that type of behaviour on the part of his federal friends. They were not even people from another Party. When Manitoba got shafted by the Government on important decisions such as the CF-18 contract, Premier Pawley could always think it was partisan, that the Manitoba New Democratic Government did not matter a whit to the Conservative Government of Canada. But for the Conservative Premier of Newfoundland to experience that type of behaviour from a Government of his own stripe was surely cause for the outrage that he expressed, which continued for months, and also the type of outrage expressed by the people of Newfoundland.

What is clearly required is to find the means of bringing the French to arbitration. What we did today in Question Period is attempt to find the means and to suggest the means to Government to do this.

Perhaps to the credit of the Government, which is not something that we do all the time, cutting back on the fishing rights to which the Minister referred in responding to questions from my colleague, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), actually begins to focus the issue. To cut back on the right to fish for French fishermen, and to make the failure of the agreement on boundaries as costly as possible for the French, is surely the only way to go. When the Government took those steps in reaction to the fire-storm of protest that came last year from the people of Newfoundland, and calls here in the House in Question Period for days, that action was certainly on the right track. I am very pleased to hear that far fewer trawlers are coming over.

This is a question of the fishery of Metropolitan France which has often extended incredibly far across the oceans. While Metropolitan France is not doing its thing in the Gulf area and around Newfoundland as it has in the past, and thank goodness for that, that is the type of action that is required. In this context, perhaps it is the desperation of the French that has been expressed in actions over the last several weeks, for example, the action on April 15, of the *Croix de Lorraine*—a good historic name. Perhaps it is worth remembering President de Gaulle from Lorraine and the Croix de Lorraine which is part of his symbolism. It is a a marvellous name to have on a ship, and a marvellous expression of French grandeur—if it does not have power, throw some muscle around a little bit any way. When that ship sails into the area with politicians on board and the media present, it creates an incident and attempts to dramatize the matter.

We should perhaps recognize in that action an indication of the desperation of the French as they find themselves under severe pressure, and find themselves getting caught. Are those the circumstances in which the Government of Canada should be giving anything away? I think not.

Let us look at the agreement that the Government came to, which was announced on April 28. The Secretary of State for External Affairs the Minister for International Trade, and the Minister of Fisheries and Oceans, all three of them, announced that agreement had been reached on a non-binding mediation procedure to assist in resolving the Canada-France fishing quotas dispute.

What is this about "non-binding mediation"? It is just about as bad as precedents that one cannot use, or agreements that do not amount to precedents. That is not what is wanted when the pressure is on the French. What is wanted is no fishing, or as little fishing as can possibly be allowed to the French until they recognize that this matter has to be resolved by arbitration and they are only going to get rights established through an arbitration process. The event yesterday adds insult to the injury of the April 28 agreement, where a French naval tug dragged a fishing boat, by means of a cable fastened to the bow of the fishing boat, into harbour in the French islands.

That additional act, which has produced the outrage in this resolution, only underscores the need for strong action. As I scan over the agreement I notice that there has to be agreement on a mediator by tomorrow, May 7. These are circumstances in which this particular announcement and the agreement should be torn up. These are circumstances in which to send the French back and say to them, "You can go and talk to Prime Minister Chirac", who is preoccupied with becoming president these days, a position he will likely not achieve on Sunday. "You go back and talk serious business".

We were all interested to note this morning in our news that the French people, at least Parisians who are at the heart of Metropolitan France in the capital city, have not been told about this matter. I bet the Chamber of Commerce or the fisheries in St. Malo know all about it. I wonder how many votes Prime Minister Chirac is hoping to get up and down the west coast. If some of the reporters took themselves out there and did a little checking, I am sure that everyone up and down the coast knows what is happening with this particular piece of tugboat diplomacy by Prime Minister Chirac, or as someone stated earlier, this particular "Chirac attack" that we have had off the coast of Newfoundland.

What is required is decisive and clear-headed action. We have had a little, but not nearly enough from the Government of Canada. We want a lot more. Let us keep the French out of the fishery as much as we possibly can, under the laws that exist, and get them into the arbitration that is required to settle the boundary dispute. Once that is resolved, and once we have the type of international decision, which we expect will be to the advantage of the fishermen of Canada while allowing some rights which have existed in European history, one is tempted to say, from time immemorial, that the French do some fishing here, once we have established how much of a right France has in this type of context, we will have an end to the difficulties that the French have been imposing, not so much on the Canadian people here, but on individual fishermen.

I have not said very much about those men who were fishing where they have fished for a long time, where the fishermen of St. Pierre and Miquelon and Newfoundland have fished together without dispute, and now to have the metropolitan power intrude as it has through the French Navy is entirely unacceptable. The Government of Canada is on its mettle to resolve this as fast as it can.

Mr. Siddon: I would like to ask the Hon. Member for Thunder Bay—Nipigon (Mr. Epp) a couple of questions. I appreciate the seriousness and the particular perspective on history which he brings to this issue. I am sure he is far more qualified than many other Members in the House to deal in questions of history. In view of his appreciation of history, he will realize that difficult international diplomatic problems are rarely solved in a fortnight or in a year, and sometimes even in a decade or more. I appreciate the fact that he has recognized some progress has been made.

If we look at the 1972 treaty, it is true that the treaty recognizes that historical presence going back centuries

referred to by the Hon. Member. The economy and the people of the islands have depended on the surrounding resource as their main sustenance and their main reason for being on this side of the Atlantic. We also appreciate that. The Government has always wanted to be understanding and supportive of the people who live on St. Pierre and Miquelon. In some respects they are being exploited or used as a pawn in this international debate.

The agreement of 1972 was designed to phase out the Gulf fishery by a fleet from Metropolitan France, which in times past have not fished in the tens of thousands of tonnes which they did claim for that 15 year phase-out period. But it recognized, and France recognized, that at the end of the 15-year period, they were to be gone. As well, it recognized that unspecified quotas would be available in other parts of Atlantic Canada, once boundaries were extended and jurisdiction established.

• (1400)

The Hon. Member would appreciate that that jurisdiction cannot be finally established until the boundary around St. Pierre and Miquelon is resolved through international arbitration.

There was recognition in the treaty that the small boats operating out of St. Pierre and Miquelon should have certain basic quotas, and that is something to which we have attempted to be sensitive.

In my view, the treaty provides the possibility for solution, but it is something that will only start with the resolution of the boundary question. Certainly, this Government wants to be reasonable in its approach to this whole matter.

My question for the Hon. Member is whether he would not agree that the debate which was triggered on January 24, 1987, has a great deal to do with the progress that we have been able to make to date, in an orderly way. During that debate, Canada has shown that we are not going to play second fiddle to anyone in looking after the rights and needs of our fishermen.

Will the Hon. Member not agree that Canadian public opinion, not just in Newfoundland but from coast to coast, and indeed international opinion, has been polarized to recognize the basic justice of Canada's appeal that the boundary matter be resolved?

I have a second question for the Hon. Member. In view of the historical perspective of the Hon. Member, I would ask for his view as to why France would take actions which would appear to hurt its own citizens, the people of St. Pierre and Miquelon.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, there are moments when those watching the telecast of these proceedings see the House operating at its best, and certainly the exchange we are having at the moment is a good one.

I should like to pick up on some of the thoughts that the Minister has articulated, and to respond to them.

The importance of developing Canadian opinion in support of firm action by the Canadian Government is obvious. In terms of the agreement entered into in January of 1987, we had a fire-storm of protest in Newfoundland, and reaction in the House on the part of many Members. As the Member for Thunder Bay—Nipigon, a riding located on that large inland sea, Lake Superior, I join with others in support of a motion moved by a Newfoundland Member. In fact, the member of the NDP caucus who preceded me in this debate was the Member for Vancouver Island.

While the motion itself was moved by a Newfoundland Member, it is a motion that expresses, for Canadians generally, as happened in January of 1987, the importance of taking the appropriate and proper action.

We had the same reaction, of course, in January of 1987, when as well we had forceful representations made to the then Minister of Transport, the Hon. Member for St. John's West on the question of taking appropriate action in respect of the agreement entered into at that time.

The motion moved by the Official Opposition today calling upon the Government of Canada to take strong action in connection with this matter is very important in terms of making it possible for the Government of Canada to do the right thing.

The Minister, in the preamble to his question, talked about the importance of the history of this dispute. He spoke of the terms of the agreement and the importance of settling the boundaries dispute.

I can assure him in that respect that the notes provided by the Hon. Member for St. John's East in connection with this debate focused on the importance of the boundaries question and the fact that it is a matter that has to be resolved.

The background notes state that the dispute on the boundary should be referred to international and binding arbitration, without either party insisting upon any pre-conditions, such as access by the French to northern cod. If in a 16-year old or 17-year old treaty there is a promise of access to be had somewhere or other in the future, one might find people in External Affairs, given the calibre of advisers the Government surely has, to put context to that.

Was this access that would be worked out following on the resolution of the boundary question? And if so, then obviously the French are walking away from the bargaining table. If they are refusing to negotiate properly, they would have no right to access, with the result that it would remain unspecified—meaning, presumably, at zero, until France is prepared to settle the matter. Part of the settlement of the boundary question will be to arrive at the proper quotas for France, thus constituting recognition of their rights for all time in the future.

These are times when one might be tempted to invite the people of St. Pierre and Miquelon to forget their old ties with France and to become Canadians. In a country which, for some 20 years now, has been officially bilingual, and proud to be so, they might not feel all that out of place, or certainly one would hope not. But of course they are not simply residents of the New World, if you will; they are inhabiting those two islands in a French context.

Why a Government would do this type of thing to its citizens, I do not know. Is it possible that a Prime Minister desperate for the presidency would really forget about what happens to the little people, to the fishing folk of St. Pierre and Miquelon? Of course, he is thinking of the fishermen of St. Malo and the other coastal ports of France itself. I guess he takes the view that those closer to home will be voting more immediately, and more in number.

These are terrible choices that people make sometimes, and dreadfully wrong choices. But they make them nevertheless.

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, it is a great pleasure for me to have the opportunity to participate in this debate. At the outset, permit me to call to the attention of the Members of the House certain facts, as follows: The Department of External Affairs received a preliminary report concerning this incident about 2.30 p.m. yesterday, from the Canadian Honorary Consul in St. Pierre and Miquelon. The Consul had just been notified by the Maritime Administrator of SPM that the small Canadian trawler, *Maritimer* had been found fishing for cod within the 12-mile territory limit of those islands by a French naval tug, the *Tenace*, and was being escorted into harbour at St. Pierre.

The *Maritimer* was approached by a boarding party from the *Tenace*, and two men, apparently unarmed, were placed on board and remained there until arrival at St. Pierre.

According to Captain Willoughby Bolt of the *Maritimer*, this request was made at 3.40 p.m., or 1.40 p.m., Ottawa time. Less than an hour elapsed before the Department of External Affairs in Ottawa learned of the action of the French vessel.

The *Maritimer* arrived in St. Pierre about 7 p.m., after sailing some three hours. The vessel was met at the dock by the Canadian Honorary Consul, Mr. Jean-Pierre Andrieux for the purpose of providing all possible consular assistance to the captain and the four other crew members.

It was confirmed last evening by the Honorary Consul that the captain and crew members, all residents of Newfoundland, had not been arrested, and the vessel, which had only a small quantity of scallops on board, had not been impounded.

The Consul said that he had the key to the trawler's engine. The crew had all been courteously treated by the French authorities. The crew planned to sleep on the vessel overnight.

At 8 a.m. today, they attended before the fisheries authorities, the SPM Maritime Administration, at which time a decision was made to charge the captain and to impound the *Maritimer*. The crew was accompanied throughout by the Honorary Consul to ensure that their rights were fully protected. The charges are in respect of fishing without a licence in French territorial waters. The vessel was carrying 450 kilos of cod. Indications are that a bond in the amount of no less than 500,000 French francs, approximately $110,000 Canadian, will be required to obtain the release of the trawler. Arrangements are being made by the Canadian Government to post this bond with a view to releasing the vessel today.

• (1410)

There was never any question that the *Maritimer* was not fishing in the disputed zone where Canada and France have observed for some years mutual restraint in the enforcement of their fishery regulations. We were informed that the crew of the *Maritimer* have admitted to the French authorities that they were fishing within five or six miles of the northeasterly side of the Islands of Miquelon and Langlade, that it was their long standing practice to fish in that area without hindrance from the French authorities and they were unaware of any requirement to obtain a licence. The location of the incident was between these islands and Newfoundland, and thus within the maritime boundary allocated to France under the 1972 treaty.

In fact, Mr. Speaker, the inshore fishermen of both countries have for a long time, indeed decades, pursued their activities in each other's waters without hindrance. That was done in recognition of the particular circumstances of small inshore fishing vessels, and that practice has been long recognized. To change these traditions and abandon such reciprocity could have the most serious consequences for the communities along the south shore of Newfoundland and for St. Pierre and Miquelon as well.

Since the French Government appears determined to act against this long- standing practice, Canada will most certainly protest vigorously and take whatever action may be necessary. We have already been in touch with the French authorities to register our concern over this regrettable incident in which there appears to have been no deliberate flouting of French law.

In the present circumstances and until the matter is clarified to our satisfaction, it is unthinkable that the process of mediation in which we have been engaged and in which we were making substantial progress, can be allowed to follow its course as if nothing had happened. Indeed, we find it difficult to understand why this incident has occurred at the very moment our negotiator, Mr. Fortier, was en route to Paris. Canada cannot be counted on to show understanding and a spirit of compromise when simultaneously France, through the rigid application of the letter of its laws, modifies a long-standing practice by both sides of non-interference with the traditional activities of our inshore fishermen. These are the people who require and deserve the most generous treatment. We intend to continue protecting their interests with every means at our disposal.

External Affairs officials in Ottawa were in contact twice last evening and again this morning by telephone with Captain Willoughby who assured them that all the crew were well and in good spirits. He proposed to have their families advised by telephone of their well-being.

An External Affairs officer has gone to St. Pierre to assist with the consular representation of the members of the crew. The Canadian Government will continue to follow matters closely and will take whatever action is appropriate in the light of developments.

The Acting Speaker Mr. Paproski): Are there any questions or comments? Debate. The Hon. Member for Westmorland—Kent (Mr. Robichaud).

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I rise to speak in support of the motion moved by the Hon. Member for Gander—Twillingate (Mr. Baker) which says, and I quote:

> That this House deplore the unlawful arrest of a Canadian fishing vessel by the Government of France in Area 3PS off the coast of Newfoundland; and
>
> That this House condemn the Government for its failure to protect the Canadian fishing industry and its continuing inability to resolve the Canada-France fishing dispute.

Mr. Speaker, I deplore yesterday's events, first of all because here we have the captain of a fishing vessel and his crew who were arrested for working at the only trade they know, which means going out to sea, fishing and bringing their catch safely back to port for processing in the plants on shore, thus providing jobs for the families that live there. These fishermen were arrested in Area 3PS where, as the previous speaker mentioned, there has been a long-standing practice of non-interference. Now, all of a sudden, France decided to make arrests for reasons that are very much its own. The arrests have been made. The Government tells us it will take action, but from what we have heard today, the Government's position and the action it proposes to take are not very convincing. Mr. Speaker, Canadians are appalled at the failure of this Government to take a strong stand.

This Government is not prepared to defend the interests of its fishermen and the people of the Atlantic region, and I was also appalled when I heard the Secretary of State for External Affairs, (Mr. Clark), tell us that we should not act too aggressively, because we might harm other regions in the country. The Secretary was more or less implying we should sacrifice the interests of Newfoundland fishermen to avoid harming people in other regions, and that, Mr. Speaker, is really appalling. And I also deplore the fact, that this Government sees this action by the French as just another bizarre incident. Mr. Speaker, you will agree that the action taken by the French is an insult to all Canadians, not just to the people of Newfoundland and the Atlantic region but to all Canadians from coast to coast.

The Government should take advantage of this opportunity to take a strong stand. I am not saying it should go to war, but just take a strong stand and show the Atlantic fishermen that it intends to defend their rights, because when we talk about Area 3PS, we are talking about cod and treaties and the livelihood of the people of the Atlantic region. Newfoundland is often mentioned because the people there are very close to Area 3PS, but the fish that swim in those waters move all over the Gulf, which means there is an impact on fishermen from Nova Scotia, Prince Edward Island, New Brunswick and Quebec as well. So the Government should take this opportunity to take a strong stand and tell the fishermen: Enough is enough, and we intend to tell the French we mean it!

We have the tools to show the French we mean what we say. These tools are the current negotiations for the purchase and construction of submarines. We are considering buying submarines worth over $10 billion, and I don't think we need them, but in any case, negotiations are under way. So we should tell the French: If you don't want to negotiate in good faith, negotiations on the submarine deal are off and will stay that way until we settle the problem about the contested area.

Negotiations are also taking place between Air Canada and Airbus about the purchase of aircraft for a total of over $1 billion. There again, the Government could take a strong stand and tell the French: Until we settle the fisheries dispute, negotiations with Airbus are off.

The Prime Minister who had planned to visit France sometime in May should take also this opportunity to tell the French: I have decided to postpone my visit because of the bad faith you have demonstrated in the St. Pierre and Miquelon fisheries affair. Also, Mr. Speaker, we should recall our Chargé D'affaires again to emphasize to the French that the action they took was serious and an affront to Canadians.

I suggest that if the Canadian Government showed some resolve, the French would certainly be more prepared to negotiate an agreement to end once and for all the problem in that area.

Mr. Speaker, I could have dealt with the Treaty, those who signed it and under what terms. I could have spent time describing what was or was not done. But we are now faced with the *de facto* situation of a Canadian fishing vessel which was illegally arrested. I therefore urge the Government to be firm and demonstrate to the French that we are not going to roll over, that we are going to defend our fishermen's rights and that the sooner we can settle this problem, the sooner the whole situation between France and Canada can get back to normal.

• (1420)

[*English*]

Mr. Fretz: Mr. Speaker, I would like to pose two or three questions to the Hon. Member who just spoke, the Hon. Member for Westmorland—Kent (Mr. Robichaud). I would like to remind the Hon. Member of New Brunswick's lobster

exports to France which I believe generate millions of export dollars for that province and indeed for Canada. Eventually, those dollars spin off into other industries including shipbuilding, processing and electronics. Is the Hon. Member aware of that? What would be the impact on his province if trade relations with France were discontinued or if this war were to be escalated? Does the Hon. Member indeed want to escalate the situation into a trade war? Would that help his Province of New Brunswick?

Would it not be the height of irresponsibility, as we heard the Minister say during Question Period today, to escalate this war? Would it not be the height of irresponsibility, both in terms of Canada's relations with other sovereign states and in terms of one region of Canada versus another?

[*Translation*]

Mr. Robichaud: Mr. Speaker, I am greatful to the Hon. Member for his question. I am certainly well aware of some trade being conducted between my province and a number of European countries, including France. I am also aware that we export lobster and various species of fish.

I must tell the Hon. Member, however, that New Brunswick fishermen are quite concerned about the overfishing in the 3PS zone, because they do not only fish off New Brunswick, but also both inside and outside the Gulf. I can tell you that when fishermen hear and know that there is overfishing in that area, they react in a very negative fashion. I am sure that if we were to act firmly to end this problem, New Brunswick fishermen would react positively.

The Acting Speaker (Mr. Paproski): The time for questions and comment is over. Debate.

[*English*]

The Acting Speaker (Mr. Paproski): With the conclusion of this debate, the proceedings on the motion now before the House have expired pursuant to Standing Order 82(12). Shall I call it three o'clock?

Some Hon. Members: Agreed.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being 3 p.m., this House stands adjourned until Monday at 11 a.m., pursuant to Standing Order 3(1).

The House adjourned at 2.28 p.m.

HOUSE OF COMMONS

Monday, May 9, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Derek Blackburn (Brant): Mr. Speaker, I have the privilege to rise in my place this morning, under Standing Order 106, and present a petition from quite a few people in my constituency who are totally opposed to the Government's proposed trade agreement with the United States.

They call upon the Government to dissolve the House and go to the people so that they can decide whether or not they want this trade deal.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present a petition on behalf of a group of constituents from the Shellbrook-Canwood area near Prince Albert, Saskatchewan.

They suggest that since the Conservative Government has no mandate from the people of Canada to conclude the free trade agreement, the Government should go before the people of Canada in order to give them the opportunity to accept or reject the proposed free trade agreement during a national general election.

[*Translation*]

HOMELESS—REQUEST FOR GOVERNMENT ACTION

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, the petitions that I am tabling today are signed by residents of Halifax; Rimouski; Winnipeg; Burlington; Crysler, Ontario; Summerside, Prince Edward Island; Florenceville, New Brunswick; Saint-Bruno; Laval; Greenfield Park; Pierrefonds and Laval-des-Rapides.

These petitioners deplore the fact that more than 100,000 people were homeless in Canada last year, that the number of homeless young people, women and whole families is steadily growing, that the number of affordable housing units is always decreasing and that the Government has not yet done anything to solve this problem.

For these reasons, the petitioners humbly ask Parliament to act immediately so that all Canadians can be given healthy, appropriate housing and that social programs be established so that these disadvantaged Canadians can re-enter Canadian society.

* * *

[*English*]

QUESTIONS ON THE ORDER PAPER

(Question answered orally is indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following question will be answered today: No. 301.

[*Text*]

CONTRACTS BETWEEN GOVERNMENT AND AMERICAN SUPPLIERS

Question No. 301—**Mr. Howie:**

1. At the present time are there any contracts for the procurement of goods and services outstanding between the government and American suppliers and, if so, what is the (*a*) number (*b*) total dollar value of these contracts?

2. To the knowledge of the Government, will this situation change following the full implementation of the free trade agreement and, if so, in what ways?

Hon. Otto Jelinek (Minister of Supply and Services): 1. It is impossible to provide a direct response which enumerates the number and value of contracts currently outstanding between the Government and American suppliers because the current system of data collection only carries contracts which have been formally signed during a given fiscal year. However, SSC awarded 10,331 contracts with a value of $750 million to U.S. based suppliers in 1985-86; representing 11.2 per cent of the total value and 3.3 per cent of the total number of contracts awarded. In 1986-87, 9,160 contracts with a value of $438 million were awarded to U.S. based suppliers, representing 5 per cent of the total value and 3.1 per cent of the total number of contracts awarded.

2. The implementation of the free trade agreement will result in some opening of both the Canadian and American government procurement markets. Additional opportunities valued at $3 billion will be opened to Canadian suppliers in the U.S. market, and opportunities valued at $400 million will be opened to U.S. suppliers in the Canadian market.

[*English*]

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

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

Some Hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, I wish to advise the House that Wednesday of this week, May 11, will be an allotted day.

• (1110)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—DROUGHT IN WESTERN CANADA

Mr. Vic Althouse (Humboldt—Lake Centre) moved:

That this House urge the government to provide for emergency financial assistance to grain and livestock producers in the southern Prairies and in Central British Columbia in the event of a continuation of the current drought conditions in those areas, and to establish a long-term plan to deal with environmental disasters such as droughts, floods, and pest infestations.

He said: Mr. Speaker, the motion is put before the House today because of a disaster that seems to be looming but, more correctly, because those of us who have lived on the Prairies all our lives know that disasters do not occur necessarily this early in the season. It often appears very bleak in May and early June. Rains will turn that around. However, the statistics on this particular drought show that it is probably more all encompassing and more well entrenched than virtually any time previous in the history of recorded weather; and because the Government has said that as a result of the experience that we had with the 1985 drought it was to put into effect a long-term strategy to deal with such disasters. Since no long-term strategy was put into effect, we thought it would be desirable at this time to remind the House and the Government of the commitments that it made back then.

As you will recall, Mr. Speaker, in the speech to this House on November 27, 1985, the Minister of Agriculture (Mr. Wise) who is still the Minister of Agriculture said, and I quote from *Hansard*, as reported at page 8869:

The $150 million program we are announcing today will provide immediate relief and we will continue our efforts to develop a long-term approach to emergency funding.

He went on to say, as reported at page 8870:

It is disruptive to producers to live with the uncertainty of not knowing what back-up assistance they will receive when natural disasters occur. Nor is it easy for the federal Government to take on substantial new financial commitments which have not been previously budgeted. That is why we are viewing the Crop Disaster Assistance Program as a field test for a permanent emergency assistance program which could be offered to farmers as a complement or extension to the current Crop Insurance Program.

Later in the year the Ministers of Agriculture for all provinces met. A national agriculture strategy was outlined. In that strategy it was pointed out that such a long-term disaster program was of great necessity.

Here we are in May of 1988 and no one knows what the long-term disaster program is because it has not been put into effect. That is the point of my motion today.

The data that are facing us are quite overwhelming. We have a drought of proportions not seen in western Canada for a long, long time. Some of the data that I have collected show that we are in a type of dry spell that has not been recorded very often in the 100 or more years of recorded history in terms of weather in that part of the country. We should notice that the threat of drought, given the current Environment Canada statistics, is that there is only about a 30 per cent chance of recovery this year. Thus we have less than one chance in three of getting lucky on this one.

To point out just how well ingrained this drought is, we should note statistics from the various recording stations in the country. In Saskatoon this is the worst drought that has been seen for 81 years. In Prince Albert it is the worst in 96 years. In Regina it is the worst in 88 years, and in Swift Current it is the worse in 101 years. This is not just a short-term drought of a few months' duration; it is a very well entrenched type of drought.

The people from Environment Canada point out what most of us know, that is, south of the Yellowhead Highway it is very dry. When one gets farther south of the No. 1 Highway, which covers about 35 per cent to 40 per cent of the prairie grain belt, it is described as really, really dry. When one looks at the record of the small communities and the farmers who are trying to cope with this lack of moisture that has been building for close to a year now, one sees that the dug-outs are going empty.

For a big chunk of the territory about which I am speaking, in particular Palliser's Triangle, it is very difficult to strike water for wells. Surface moisture must be relied upon, and there is no surface moisture. There was no surface moisture in the soil last fall. All small sloughs and potholes have gone dry, as have many small lakes. Farmers were pumping water from whatever sources they could find to their dug-outs close to home, as were towns and villages. Many of those are now down to 10 per cent or 20 per cent available water supplies from reservoirs.

Governments cannot make water. They cannot create it. However, they can by setting out long-range programs to work out methods of coping with a shortage of water. The Prairie Farm Rehabilitation Administration has been doing that to

some extent ever since a very bad drought in the 1930s. It has been supplying long pipelines and large pumps to transfer water from where it exists to where it is needed. The options are very limited. There are not very many sources left.

The problem is not limited only to the Palliser's Triangle in the Prairies or the area south of the Yellowhead Highway. It has extended with a vengeance into central British Columbia. To give Hon. Members some idea of this, I wish to quote from a couple of reports. An official from the Quilchena area, a spokesman for the Vernon irrigation district, said that they can only operate at about half supply this year. Five mountain reservoirs feeding the Vernon district stand at 10 per cent of capacity and are not expected to climb about 50 per cent during the melt and run-off. The official said: "We cannot create water, no matter what the public thinks we can do as a Government".

In the forest area foresters point out that the lack of moisture can create a very bad fire season this year. This will occur because some of the logs that are lying on the bed of the forest are now drying out and are becoming very combustible. This makes it easy for a forest fire to get started and to carry. This will have an effect on the tourist industry.

British Columbians in the central part of the province are already predicting a reduction in tourism, as they are expecting they will need bans on campfires and camping in the forest areas which attract people to that part of the country. As well, fishing lakes are now losing the volume of water they have and many lakes are significantly lower this year. The lower water levels result in more fish dying off. As well, it makes it very difficult for them to spawn and to move upstream. It is impossible for a fish to move up a stream that does not exist any more. Thus the long-term effects on the environment in that part of the country are quite scary as well.

• (1120)

On the Prairies the lack of surface water will have a long-term effect on the amount of wildlife that survives, particularly water-fowl that use the prairie region as their major flight path. Many species also use it as their major nesting site, including Canada geese and field duck. A great many of those species have their traditional nesting sites in farming areas on the Prairies.

We are concerned that the Government has failed to provide a long-term financial plan to deal with disasters such as those that occur with drought, flood, massive forest fires, or an influx of grasshoppers or other forms pestilence. The Government could have done something about that, but it has failed to do anything even though it promised to be back in the fall of 1985.

Apparently the Government has also not paid very much attention to the long-term trends that the Department of the Environment points out is a reality. I am speaking now of the greenhouse effect. Most Members in the House will know that is an effect that scientists have discovered over the past 10 or 15 years. It has resulted in a layer of carbon dioxide being formed in the stratosphere. As forests and fossilized fuels burn they create carbon dioxide which has not been recycled in the normal manner by the breathing of plants and trees to utilize the carbon dioxide and transpire oxygen. As forests disappear and the burning of carbon fuels increases, a surplus of carbon dioxide has been produced which has created a layer that has tended to trap the heat from the sun within the earth's atmosphere. That has been slowly raising the mean temperatures of the earth.

Environmental experts tell us that in Canada this will mean an increase of mean temperature from 2° to 5° centigrade depending on which part of the country one is speaking of. Of most pertinence to this dissertation is that the prairie region, particularly Palliser's Triangle and central British Columbia, will be the areas that appear to be most likely to reap the benefit, if one can call it that, of the 5° temperature.

According to scientific projections, this will come into full being somewhere around the year 2000 or 2010. I believe at the present time we are seeing the beginning of that phenomenon in Palliser's Triangle of the Pairies and in central British Columbia. This particular drought will not go away easily, but we will be faced with these high temperatures and limited rainfalls that are projected as the greenhouse effect exacerbates in those regions of the country.

This effect will require a massive change in technique for people to survive in that region. It will require some assistance from federal and provincial Governments. I think that the Ministers of Agriculture for the provinces and for the federal Government were correct in 1985 when their assessment was that there should be a long-term agricultural strategy which would take this effect into account. I regret that that strategy has not been put in place, and no long-term funding has been established on the part of the federal Government or in conjunction with the provinces in order to address these types of long-term issues. The answers will not be found by simply sitting back in a rainier part of the country and observing those areas with telescopes, preparing reports, or attending in the areas. Stringent scientific work will have to be done to delineate the problem. There will have to be recourse to the engineering and ecological knowledge that we presently have to make better use of moisture supplies in those areas in order that they do not turn into the semi-desert that the greenhouse effect is projected to have on those particular regions.

As I mentioned when I commenced by speech, 35 to 45 per cent of prairie grain land lies in this region; much of the fruit belt in the Okanagan is dependent on the water supplies that are generated in central British Columbia, as are the beef industry and the grazing industry, very large parts of the agricultural component of central British Columbia. As the pastures dry up and the water disappears, there will be less chance of producing calves and beef in that area. A reduction of 50 per cent in the water reservoirs will make it very difficult to keep the apple and soft fruit industries alive and healthy in that part of the region.

This particular drought is not only isolated to Palliser's Triangle in the Prairies; it goes much beyond that. I submit that because this is a well entrenched system and it has been well defined by international scientists that the greenhouse effect will be with us for a long time until the earth can be reforested and the consumption of fossilized fuels is reduced. Therefore, a long-term solution and plan developed if we are to keep populations on that semi-arid part of the Prairies as it turns into a semi-desert.

The Government was remiss in not acting upon its own good advice in 1985. I close my remarks by reminding the Government that it has neglected to handle the wealth of the country in a proper manner by putting water wells and collection sites in place in the intervening years. It has been remiss in not taking seriously the drought situation on the central Prairies and in central British Columbia. This motion draws the matter to the attention of the country and of the Government in order that the Government can correct its lack of policy for the last two and a half years.

Mr. Maurice Foster (Algoma): Mr. Speaker, the resolution before us today concerning the prairie drought situation calls upon the Government to take two actions. The first part of the motion seeks to provide emergency assistance to the Prairies facing the worst drought in a hundred years. The second part of the motion calls upon the Government to put in place long-term programs to deal with the drought situation.

As the Hon. Member from Saskatchewan has already indicated, the Government should have known in 1984 and 1985 that we were not dealing with a casual occurrence of an occasional drought. Clearly there have been two important influences on world weather patterns. The El Niñgo effect which caused tremendous drought in the Sahel region of Africa has had its influence in the last year or so in the prairie regions. That is a cyclical event; it comes along from time to time. But more important is the long-term problem of the greenhouse effect of warming of temperatures due to increased carbon dioxide in the upper atmosphere.

I am very conscious of the issue because in the fall of 1986 in my own constituency, which is on the shore of Lake Huron and has the same water table levels as Lake Erie and Lake Michigan, there was the highest water levels in 100 years. Yet one year later, in the fall of 1987, there was a drop of some two and a half feet in the lake level of Lake Huron, Lake Michigan, Lake Erie, and the compensating effect on Lake Superior.

• (1130)

Only through a tremendous increase in temperatures generally, with a corresponding reduction in moisture levels, could we have experienced a drop in the level of the Great Lakes Basin of some two and a half feet to three feet. The western Prairies have been hit by the same kind of reduction in moisture levels and the same kind of increased evaporation rate due to warmer temperatures, resulting in the lowest moisture levels in 100 years. The last time the western Prairies and certain areas of B.C. experienced moisture levels comparable with those being experienced today was in 1889.

The motion now being debated calls upon the Government to take appropriate action to deal with this emergency, and to put in place longer term mechanisms to deal with the drier prairie conditions being experienced.

I had occasion this morning to speak with a farmer in southern Alberta, who told me that the actual top soil was dry to a level of two and one-half to three feet. Given the total lack of ground moisture, the small showers that they do experience have practically no impact.

I had occasion last week to talk with some long time residents of southern Alberta, individuals who speak from actual experience when they speak of the drought of the 1930s, and they feel uncertain about the current situation. While everyone hopes that the present lack of moisture is a temporary situation, time is running out for this year's crop. Livestock operations are equally affected. Clearly, if there is no substantial rainfall by mid-May, summer pastures will be irretrievably damaged. Without sufficient moisture, we even face the possibility of grains not germinating.

I should like to quote from an article on the prairie drought which appeared in *The Ottawa Citizen* of May 2, 1988, as follows:

> Since last summer, parts of Western Canada, especially in southern Saskatchewan and Alberta, have had only about 50 per cent of normal precipitation. Some areas have received only one quarter.

That confirms the kinds of effects we have seen in other parts of the country.

The article goes on to quote a Mr. Allan Moore of the Prairie Farm Rehabilitation Administration, as follows:

> "I think it's as dry, if not drier, than the Dirty '30s," said Allan Moore of the Prairie Farm Rehabilitation Administration in the nearby town of Gravelbourg, Sask.
>
> "It's so dry, the land is just like a sponge".

There was also an article in *The Globe and Mail* of May 2, 1988. The article is datelined as originating from Tilley, Alberta, with the headline being: "Albertans bracing for drought".

The article quotes Mr. Thomas Jensen, of Alberta Agriculture as follows:

> "They're all sitting out there waiting, debating whether to seed. If we don't get rain in May it could be a catastrophe. But it's not just Alberta. There is a similar situation in California, Montana, Utah and Idaho. It's a continental thing."

And, of course, the "they're" refers to the agricultural producers.

A recent press release dealt with the desertification of the world, areas which are becoming drier, and drier, and drier. The maps which accompanied that press release showed

eastern B.C. and the southern parts of Alberta and Saskatchewan as being among those areas which are becoming more and more desert-like.

The farm producers to whom I have spoken say that dug-outs are dry; that there is no spring run-off, and no possibility of those dug-outs, which are so important in terms of cattle operations, being filled this year. For the first time, many wells have run dry. In many areas of southern Alberta, one can go down to two and one-half to three feet without finding any moisture whatsoever.

We are experiencing one of the driest periods in the history of western Canada and, while we all hope that it will be of a temporary nature, clearly the Government must now indicate the type of emergency system that will be provided, whether it be by way of dug-out construction, the drilling of wells, the construction of water pipelines, or other measures.

The Government of Alberta has already indicated that it is prepared to provide some $20 million for the purpose of making emergency supplies of water available to these areas.

The second matter to be addressed is the provision of feed supplies for livestock. The situation in respect of grain crops will become clearer toward the end of this month, and certainly by early June. We may be faced with a situation of there being insufficient moisture to bring about germination.

The producers to whom I have spoken in the last week stress the need for a livestock assistance program on an urgent basis. They need to have a commitment from the Government on what it is prepared to do.

To sum up, what the western agricultural community needs is a commitment that there be provision for making emergency water supplies available, together with a commitment to address the ongoing problem of water shortages, and a commitment in respect of emergency supplies of feed to support the livestock.

In some areas of Manitoba, cattle can be moved to feedlots. However, that is not a solution for southern Alberta and Saskatchewan. It is simply not possible. The grass supply in the community pastures in southern Alberta and southern Saskatchewan is such that those pastures are refusing to accept any cattle. That is a first for those areas of the country.

In addition to the drought, the western agricultural community continues to face the whole farm debt problem, the insolvency of the Farm Credit Corporation itself, and the dropping of land values.

These are all matters that need to be addressed. In addition, the higher Canadian dollar *vis-à-vis* the U.S. dollar leads to lower prices, the reason being, of course, that most farm commodities are traded in U.S. dollars.

Clearly, there are a number of ongoing problems facing the agricultural community. Maintaining interest rates in Canada at 2.5 per cent above the American rate pushes the Canadian dollar up in value *vis-à-vis* the U.S. dollar. I suppose that is part of the "gentleman's handshake" on the Canada-U.S. trade deal. The result, of course, is that we end up with lower effective prices for Canadian livestock, together with higher interest rates.

• (1140)

What has the Government's response been to date, Mr. Speaker? In answer to a question which I put to the Minister, he said that he would probably be answering the need for additional assistance for water supplies and would consider taking money from the long-term soil conservation fund which the Prime Minister (Mr. Mulroney) announced last December. He did not give any indication whether the full amount of the funding would be made available. The $75 million is a cost-shared program. Alberta has already made a commitment of $20 million. If the federal Government were to do the same, I suppose there would be enough in that fund, but it has not yet been indicated what the Government has not yet indicated what it will do. It seems to me this is an emergency and that we should not be taking funds out of the long time soil conservation and degradation fund. It seems to me that we have a contingency fund of a couple of billion dollars. That is from where the funds should be coming so we can get on with the long-term soil conservation and degradation program as has been done in other years when we faced this same kind of problem.

So far there is no clear commitment of assistance to move feed into the drought areas. There is no clear commitment as far as I can see on the number of dollars for emergency water supply funding or for emergency systems such as expanding or developing new dug-outs, wells, or pipeline systems. Equally important in the long run is the need for long-term expansion of PFRA funding for the water management program, to put in place measures and programs for improved water storage, new wells, and so on. We should have increased funding for that because this does not appear to be a short-term policy.

In the Minister's press statement of November, 1985, he indicated that the Government was working toward a long-term disaster assistance program in place of this year's plan. In the agriculture committee meeting a couple of nights ago, when the Minister of State for Grains and Oilseeds (Mr. Mayer) was asked whether the Government was going to put in place a long-term program, he said that it was difficult to have an ongoing emergency planning operation. By definition, if it is an emergency, it is pretty tough to know what it is one should be doing. Whether the Government will put in place a long-term emergency program is clearly not apparent at this time.

We need today a commitment from the Minister that, if the emergency continues to develop, there will be systems on an equalized basis for pipelines, for emergency dug-out development, for water supplies, and so on, as well as a commitment of funding for the provision of feed in the drought areas. That would strengthen prices which have dropped for stock cows and cow and calf operators at this time.

Those issues must be faced because long-term problems require time to develop fully. Clearly there is a need in the southern Prairies for more long-term water storage management and funding for the PFRA. From the presentation made last week by the various farm groups, such as the Canadian Federation of Agriculture, funds under the PFRA program are totally committed for this year. We need long-term funding for a consistent policy of developing water storage for irrigation. We may have to face this in the future. We may have to change the types of crops that are grown in some areas of the southern Prairies. We know that with the PFRA program projects have been put in place which ensure water supply and have made a big difference this year. Some farmers have been able to irrigate crop land and can seed a crop. That is perhaps not a first, but it is rare. Usually the irrigation system is used to supply moisture at a later stage, not just for the seeding operation itself.

These are urgent issues and I hope the Minister will be able to give a clear commitment of the Government's plan in this regard. The western drought situation, on top of the whole downturn in the oil industry and the whole downturn in commodity prices for grain, is leading to a big disaster. The West is waiting to know exactly how much of a commitment the Government is prepared to make to meet this emergency, to maintain livestock herds, and ultimately to provide assistance for the grain crops if and when that becomes necessary.

Mr. Deputy Speaker: Are there any questions or comments? Debate. The Hon. Minister of Agriculture (Mr. Wise).

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome this occasion for the House to pay attention to and examine the serious water conditions in western Canada and in certain parts of the Province of British Columbia.

I want to assure Members opposite, indeed all Members of the House, as well as all primary producers, and others in the agri-food industry that our Government is fully aware of the situation. The Prairies are faced with low soil moisture reserves, low spring run-offs, and virtually no rain to speak of.

Most areas of southern Alberta, southern Saskatchewan, and the southwest portion of Manitoba are those areas most seriously affected. Topsoil is dry in many locations. Dug-outs and water supplies for livestock are low. The below average quantity of snowpack in the mountains is a cause of concern for irrigation districts and for producers who rely heavily—and some rely exclusively—on irrigation for crop success.

In the Province of British Columbia, a serious lack of water this year may—and I underline the word may—affect livestock producers in the central and southern ranching areas and fruit producers in the Okanagan Valley. In some cases, below normal water levels have been experienced for several consecutive years. We are fully aware of these conditions, as are, I hope, most Members of the House. It is obvious, of course, that some Members are not aware of the considerable effort the federal Government is expending right now, even as I speak here today, to deal with these adverse conditions in western Canada.

• (1150)

We are actively monitoring the situation in co-operation with the provinces, and there are federal-provincial drought committees in each of the affected provinces. A special Agriculture Canada task force has been working for several weeks now to assess conditions and to look at the adequacy of our present programs. In fact, just last night, there was a meeting of Deputy Ministers, my Deputy Minister and his counterparts in the western provinces. I am pleased to say that the Assistant Deputy Ministers' committee is being formed to work with Agriculture Canada's task force and the provincial drought committees. They will advise Ministers, both federal and provincial, on a daily basis.

We are acting and we are responding. We have safety net programs in place to deal with the situation. We already have a framework for action to deal with drought and similar disasters. There are a number of elements in that framework.

The Prairie Farm Rehabilitation Administration, of course, is one of these elements, and a very important one. Since 1935, PFRA has been at work developing rural water supplies and conserving prairie topsoil. The federal Government set up PFRA to respond to the terrible conditions in the Dirty Thirties. Its job was to ensure that communities and producers got water when they needed it and to ensure that soil would not blow away and turn them into another dust bowl.

The PFRA continues to this day to develop water supplies to help drought-proof the Prairies, no small task. It has been a lot of work, but it has been a bona fide success story. Because the PFRA people are working very closely with the provinces to monitor the soil and weather conditions, we are ensuring that we get the maximum mileage out of our complementary water programs. We are providing technical assistance and advice. Pumping equipment is also being utilized. Of course, there are community pastures which are proving to be especially useful, and helpful, at this time.

PFRA will spend about $7.2 million on its rural water development program this year. It will help farmers dig wells, plan dug-outs, as it will help with stock-watering dams, and irrigation projects. In fact, since 1935, more than 165,000 farmers have obtained assistance for these projects from this program.

Grants and advice are available to groups of farmers wanting to build common reservoirs for irrigation projects. Small communities can receive financial and technical help for developing water sources and water resources.

Over the years, PFRA has built more than 100 major dams, reservoirs, and irrigation works. There is the Gardner Dam-Lake Diefenbaker project, built at a cost of some $100 million. More recently, there has been the Weyburn Dam in Saskatchewan, the Carseland Dam, the Brooks Aqueduct and the

rehabilitated Bassano Dam in Alberta, and finally, the raising of the PFRA dam in Morden, Manitoba. These activities demonstrate the federal commitment to providing water to the ever thirsty Prairies.

In British Columbia, action is under way to use the federal-provincial agri-food development agreement, or ARDSA as it is called, to develop better long-term water supplies. We are working with the local irrigation districts in fruit growing areas to divert new supplies to reservoirs or to lower dam projects.

Very importantly, we are working to conserve water by using available supplies as effectively and efficiently as possible. In the cattle regions of British Columbia, we are looking at perhaps extending the ARDSA to help cover on-farm water supply projects such as digging wells. Cattle producers, fruit growers, and other farmers have the continued support of the federal Government as they seek solutions to their water problems.

It is clear that we are taking steps to deal with the present situation which is a water shortage situation, not a crop drought situation, as this debate will indicate today. We are working co-operatively with the provinces and with the producers. We will do what we can to ensure that our present programs help out as much as possible.

I am pleased that the motion before the House recognizes that additional measures are not necessary at this time. It is too early to speak of losing crops or of losing livestock. Agriculture Canada's research scientists are advising farmers on how to deal with the current soil and water situation.

For instance, the Lethbridge research station advises that the season is still early. Adequate and timely rainfall between now and August will still ensure a good harvest. I understand that the problem area has already been reduced in Manitoba as a result of rain on the weekend. There was also rain in certain parts of southeastern Saskatchewan, the Estevan and the Weyburn areas. It is too early to make predictions.

The motion before us asks the Government to establish a long-term plan to deal with emergencies like drought. I wonder if opposition Members have an appreciation of what PFRA has been doing in that specific area for the last 53 years: in two words, drought-proofing; in a phrase, making the prairie farming community more stable and viable. However, what happens in those years when crops are still hit by drought or some other disaster like floods or pests? We have a long-term plan to deal with crop failures. Again, in two words, it is crop insurance.

In 1959, the Crop Insurance Act was passed by the federal Government, and since then we have been providing to farmers a way of protecting them against crop losses. It is a vital element in our over-all strategy because there are now some 230 different insurance plans for the 87 crops that are covered across Canada. In 1987, some 134,000 farmers participated and more than 42 million acres were covered.

The federal Government contributes 50 per cent of the premiums in all provinces with the exception of Newfoundland and Quebec. In these provinces it pays 25 per cent and half of the administrative costs. In no province does a farmer pay more than 50 per cent of the premium.

In fact, last year, the federal Government paid some $181.5 million toward farmers' premiums and it was money well spent. It provides the kind of protection needed in the risky business of farming, and this Government is committed to crop insurance as the main way to hedge our bets against the whims of Mother Nature.

Let us look at the drought years of 1984 and 1985. For those two years a total of some $24 million was paid out in the Province of British Columbia, $79 million in the Province of Manitoba, $487 million in the Province of Alberta, and some $640 million in the Province of Saskatchewan. That is an awful lot of protection, but it was not perfect, so in 1984 and 1985 the federal Government paid a total of $75 million in livestock drought assistance. In November of 1985 we announced a $150-million prairie crop drought assistance program.

After these special measures, we took a hard look at crop insurance to see whether or not it was doing the job adequately. Indeed, the federal Government and the provinces agreed that it was doing a good job of covering crop losses at a reasonable cost. However, the federal and provincial Agriculture Ministers agreed that additional protection should be provided to meet widespread successive losses. This was so that special measures would not be required again.

More crops across Canada are now insurable, and in western Canada major improvements have been made. There is expanded and improved feed security-forage insurance and there is now a multi-year disaster benefit. We made special efforts this year to publicize the deadlines for both forage and crop insurance. I can report that western farmers, particularly livestock and forage producers, have responded quite positively. Not only is the number of farmers insured for forage up by 60 per cent, farmers have purchased some 130 per cent more protection. Increased participation is also expected for crop insurance. In short, we have long-term measures in place to deal with disasters. We have PFRA. We have all-risk crop insurance. Just as important, particularly at this very trying time for Canadian farmers, especially those in western Canada, we have the record of commitment by this Government.

● (1200)

Since September, 1984 federal spending on agriculture increased by over 400 per cent. In 1986, we introduced the Special Canadian Grains Program, the largest federal farm initiative in the history of the country. We put $1 billion into the pockets of grains and oilseeds farmers reeling from the effects of the international subsidy war. Again, in 1987 we outdid ourselves by extending the program another year,

seeking an additional $1.1 billion for farmers. About $975 million of that is for western producers.

Last month, my colleague, the Minister of State for Grains and Oilseeds, announced a western grain stabilization interim payment of some $695 million, but that is not all. We are also writing down $750 million of the Western Grain Stabilization Fund deficit. We have extended the farm fuel tax rebate program until 1991. We put more money into the Farm Debt Review Boards, and we are providing additional funding to the Farm Credit Corporation.

On the specific subject of soil and water conservation, we announced a $75 million national soil and conservation program to prevent losses of our most precious resource. In the dry conditions being experienced in parts of the West right now, the need for soil conservation becomes all that much more important. We cannot let our future blow away.

Those are just some of the things which show the Government's commitment to Canadian farmers. I think that upon assessment by any fair-minded individual the record speaks for itself. The farmers of Canada know this Government has gone to bat for them and will continue to do so, both on the domestic and the international scene. They know we have supported them with technical and financial assistance. They know we have supported them with long-term development programs like PFRA and safety nets like the Western Grain Stabilization Fund. With the renovation and updating of crop insurance, they know they have the ongoing protection from disaster they need to continue in the business of farming.

In conclusion, we have built a sound foundation for the future. Our aim is a prosperous, stable agriculture industry in western Canada, indeed in all provinces and regions of this country.

Mr. Deputy Speaker: Questions or comments.

Mr. Foster: Mr. Speaker, I wonder if the Minister could indicate whether there will be a specific amount of money allocated for emergency water supplies. As I understand the situation, the most urgent need is for a commitment regarding emergency water supplies and funds for livestock feed. In 1984, I believe it was, the Government provided a direct payment of about $30 per stock cow. The Minister mentioned in the House on May 4 that he was prepared to take funds out of the long-term soil conservation and degradation program for emergency water supplies. Is the Minister indicating that he is prepared to match the amounts allocated, for example, by Alberta of $20 million for wells and dug-outs and pipelines? Is he prepared to indicate what the funding will be?

In addition, the Minister mentioned the all risk crop insurance. Does that preclude special assistance, as well, for grain producers who may not be fully covered by that insurance? I realize, of course, that question will not be fully canvassed until we receive information about the crop situation much later this year.

Mr. Wise: Mr. Speaker, I do not want the Hon. Member to take exception to my response. He has put some pretty good questions to me, but I am not so sure that they are not hypothetical. However, that is somewhat immaterial. What is important is that they are premature.

He talked about the emergency, the response I gave to him the other day with respect to the $75 million soil and water conservation program, and whether the revised crop insurance program would preclude any additional measures. I can only say at this point that the federal-provincial task force is continuing its job. It will do so on a day-to-day basis. As in the past, as things develop, at the proper time, and when they are in a position to assess the seriousness of the situation and report with certain recommendations to which we can respond in a reasonable and effective manner, then and only then will I be in a position to respond to those questions. I think the Hon. Member knows exactly what I have in mind.

When I responded to him in the House, I believe it was last week, with reference to the $75 million I meant this and nothing more. When we have an emergency situation, sometimes common sense and good judgment dictates that we change our priorities. First, I hope Mother Nature looks upon us favourably. Second, I hope it will not be necessary to respond with any special program because I hope ongoing programs meet the need. Consequently, I hope it will not be necessary for us, even during an emergency, to readjust our priorities so that perhaps we might have to consider taking money from that fund.

It is an important subject. We lose $1 billion worth of topsoil a year. We could not sit by as a Government and do nothing. We have been doing a fair amount through PFRA, of course, but because of its importance it needed additional funds.

Discussions have been ongoing between PFRA and the various provinces. In most areas, particularly western Canada, we are reaching the position where we are just about ready to sign accords with the various provinces. They can match dollar for dollar, and consequently we will have $150 million in funding in that area.

• (1210)

In response to his last question with regard to whether or not it will preclude it, that will depend on a number of factors. Even though participation in crop insurance has been at an all-time high, we will have to await the assessment of that federal-provincial task force. When it sends its recommendations to us we will respond.

Mr. Althouse: Mr. Speaker, in the Minister's response to the Hon. Member for Algoma (Mr. Foster) he mentioned that he believed he is about to be able to sign accords with the various provinces regarding to a long-term strategy. What has caused the delay over the past two and a half years? Did it take another imminent drought to get all the parties back to the bargaining table? What has been the delay since the national

agricultural strategy was agreed to by the 10 First Ministers of Agriculture and the federal Minister himself?

The intention of all parties concerned seemed to be very clear. What has taken so long to get the four western agriculture Ministers to read an agreement? Was it not prepared until the drought became more imminent and the disaster became more real, or were there technical considerations in the way? What is responsible for the two and a half year time lag?

Mr. Wise: Mr. Speaker, there was not a two and a half year time lag. The Hon. Member refers to the national agricultural strategy. That, of course, was one document. Our $75 million soil and water conservation program was announced and made available when the Prime Minister (Mr. Mulroney) spoke in December at the Agricultural Outlook Conference. December 1987, is not two and a half years ago. There has been no delay in this program at all.

Subsequent to that announcement in December PFRA officials began their negotiations with various counterparts across the country. Therefore, the contrary would indeed be the case. Significant progress has been made and was only made when we put that $75 million in the window, with the condition that it had to be matched by provincial funds. That made a lot of sense because agriculture is a shared and joint responsibility. In land use and matters more closely related to soil and water conservation one will find that there is an awful lot of provincial jurisdictional responsibility. If you do not think so, just challenge the provinces on that particular aspect.

The only way to make progress in that area is to put up some dollars, identify the problem as a serious one, and tell the provinces that as they have a responsibility as well they should match our dollars; then, at the end of the day, we will have $150 million which we can invest in this specific area.

Mr. Althouse: I take it from the Minister's answer that he was referring in his remarks only to the soil and water program rather than to the long-term crop disaster fund about which I thought he was talking; he sort of mixed the two together in his response.

I would like to shift to the central British Columbia problem with its low snow melt and shrinking reservoirs, some of which are at less than 50 per cent levels. Since those reservoirs are also being used as part of the water supply which provides power through an international river into the United States, could the Minister list for us what the priorities will be from the Canadian side with regard to power requirements, human use, food growers' use, cattlemen's use, watering lawns, and so on? Is there a priority list for usage? I would think that there must be some such plan in existence, since the problem existed last year as well and appears to be getting even worse this year.

Mr. Wise: Mr. Speaker, that is a timely and excellent question. I wish that I were in a position today to respond accurately and in detail to the Hon. Member. I am somewhat cautious to do so in the time available. While there may well be no question in my mind about what the priorities should be—and I think common sense would dictate that—I am cautious about listing them at this time because we may well be precluded by some international agreement. I would at least want to have the opportunity to check whether such an international agreement exists. I am quite certain that it does. I am sure that it is public information. I will be seeking that information and, when I find it, I will be happy to share it with the Hon. Member.

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I want to say a few words in this debate about drought on the Prairies. I want to address my comments for a few minutes to a different area, that is, farm stress.

I came back from my constituency about a week ago where I attended 12 public meetings in the last four or five days of April. Some were in farmers' houses to which they invited their neighbours and friends to get about 15 or 20 farmers together. I was able to acquire a very good understanding of the situation farmers are facing.

As the Minister of Agriculture (Mr. Wise) knows, the drought problem is not as acute in my riding as it is in some, as my riding is a bit more toward the northeast. In fact, in the northern part of my riding, which is near Swan River, Manitoba, they have a bit too much rain. Mr. Speaker, you may have seen on the news that Swan River has a bit of flooding, and that comes into my riding a bit. However, when one gets further south near the City of Yorkton one starts running into the drought problems, and the farther southwest one goes toward Regina the more severe it becomes. Therefore, while the drought is a problem in my riding, it is not as severe as it is in the south near Swift Current and Moose Jaw.

However, we must do whatever we can to relieve what I call the farm crisis in general. In addition to the drought there is an economic crisis facing farmers. There are the grain wars between the Europeans and the United States. There has been a tremendous drop in farm income. A large part of farm income is now received from farm stabilization plans, the Western Grain Stabilization Plan, deficiency payments, and other such things. As a result of economic hardship and the very severe drought, there is now a great deal of stress and emotional problems for farmers right across the prairie basin.

My colleagues from Humboldt—Lake Centre and Algoma mentioned many of the statistical realities of the drought—farm income going down, water reservoirs going down, dugouts drying up, shallow wells drying up, the need to dig deeper wells, what is going to happen to the crops, the greenhouse effect, and the semi-arid part of the southern prairie belt which will turn into a quasi-desert if this situation continues.

We all know what happened in the 1930s as a result of the drought. Behind those headlines and those realities is another reality, that is, the tremendous stress upon the farmer and the families involved in this kind of an economic crisis. I want to spend a few minutes speaking about that this morning. I hope

we can start thinking about what we can do to help farmers out of this situation.

Behind the headlines there is a great feeling of despair, a great feeling of helplessness, and a great feeling of hopelessness for the many thousands of farm families in the southern part of the prairie belt. A very recent study was commissioned by the provincial Government of Saskatchewan into the whole area of farm stress. The study by the Burgam Consulting Company talked about the tremendous increase in alcoholism, depression, family violence, suicide, drugs, and so on, with respect to farmers. I want to suggest that we all take a look at some of the findings. I have here a copy of the May 2 edition of the Regina *Leader-Post* which gives a very good report of the study conducted on this question. It talks about alcoholism being on the increase and how depression is increasing because of what is happening on the Prairies, not just because of drought but because of economic hardship in general. I would like to quote Derrell Rodine of Weyburn who, for a number of years, has conducted farm stress workshops across Saskatchewan. He says that many of the problems are as a result of shattered dreams. He states:

• (1220)

"You get married and have lots of dreams," Rodine said.

"When things begin to fall apart there are feelings of guilt and a person tends to turn on the people they love."

Every day Rodine sees the toll that tough economic times are taking on farm families.

"Some farmers are carrying an immense burden of guilt for not being able to manage their land well in either physical or financial terms," he said.

Many fall into a form of "psychological paralysis" and are unable to work.

While many rural people are under a great deal of stress and some have been pushed into depression, a few fall into the ultimate depression and take their own lives.

Two years ago 26 people killed themselves.

"I had a woman come up to me in tears—she said her husband stopped the combine in the middle of the field, got off and shot himself," he said.

The aftershocks of suicide rip through a family and the community, leaving scars that often never heal.

These are signals of what is happening right now across rural Canada. I am not sure whether the federal Government can provide more leadership on the problem of farm stress, but perhaps when I complete my remarks in a few moments, the Minister of Agriculture can make a response in the period for questions and comments whether or not there is any new initiative the Government is contemplating in terms of farm stress.

I want to refer to another study that was done by the University of Manitoba, which indicated that farmers in financial crisis suffer more stress than a police officer three days after a shooting incident. When I first saw that headline I found it hard to believe, but I would like to read the very short article that summarizes this particular state:

Financially troubled farmers face higher levels of stress than police officers in shooting incidents, according to a Brandon University study.

And farming is ranked in the top 10 per cent of high stress occupations, according to studies carried out in the United States.

The Manitoba farmers, interviewed for the Brandon study, suffer from headaches, marriage problems and irritability at a greater rate than Royal Canadian Mounted Police officers contacted within three days of a shooting incident, said the study by James and Lily Walker of the university.

Another study by the Walkers said 11 per cent of Prairie farmers had considered suicide. Meanwhile, a survey in north-central Saskatchewan found that 80 per cent of farm families exhibited signs of stress.

For their first study, the Walkers interviewed 643 Manitoba farmers and compared the results with a study of 56 RCMP officers involved in shooting incidents.

They found that 16 per cent of the farmers had increased their consumption of alcohol, compared with nine per cent of the RCMP officers.

Twenty-seven per cent of the farmers reported marriage problems compared with two per cent of the police officers and 58 per cent of the farmers experienced sleeplessness compared with 50 per cent of the police officers.

In addition, 78 per cent of the farmers said they were irritable and losing their temper, compared with 11 per cent of the police officers.

This is the result of a study conducted by Brandon University about the relative problems of stress between police officers after a shooting incident, which is a pretty serious thing, and farmers in severe financial difficulty. The stress level is higher for farmers living under severe financial difficulties. I think these kinds of studies point out in very vivid detail that there is a real crisis in rural Canada, particularly in prairie Canada where it is compounded by the drought situation which is forcing many, many farmers to the wall in terms of their very survival. There are increasing rates of suicide, drug abuse, alcoholism, depression, emotional problems, and so on. It is also creating very serious community problems.

When there is a crisis like this more and more farmers leave the land. We can see this in my riding and in many other rural ridings in western Canada. More and more people leave the small towns, and then the whole fabric of community organizations start to deteriorate and disappear. The people who are left feel more and more isolated because many of their friends have moved away to large towns and cities. Many of the services in these rural communities start to disappear because the population base drops, and of course the economic infusion drops. There are fewer people to support community events and activities. There are fewer people to organize sporting events, social events, and so on. In many ways the community itself then starts to re-enforce the depression and stress the farmer is facing, and people become very isolated. That is the very, very serious social problem facing many farmers in Prairie Canada today.

I referred to a series of excellent articles in the May 2 edition of the *Leader-Post*. It might be worth while reading it. It is a summary of the stress study done by the provincial Government of Saskatchewan and the University of Manitoba. There is also a reference to what is being done in the United States in terms of farm problems.

Also in the same newspaper is an article under the headline "Alcoholism Exacting a High Price in Rural Saskatchewan". It concerns the tremendous increase in alcoholism related to

the economic and drought crisis now plaguing farmers in rural Saskatchewan. In some ways the very occupation of farming, because one is alone so much of the time, makes alcoholism a lot easier than in other occupations where one is working more closely with others. The farmer is often alone. He goes out on the combine or tractor, or he goes out to check the cattle. It is very easy to consume a mickey of hard alcohol, or even 26 ounces of hard alcohol, and be able to hide it from his family and friends. He can hide his problem a lot easier than if he was a teacher at elementary or high school. Alcoholism is a way of forgetting some of the economic problems one has.

I do not want to go on at great length and repeat the facts placed on the record today by my friends, the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), the Hon. Member for Algoma (Mr. Foster), and the Minister himself. We all know there is a very serious problem in terms of drought in western Canada. We all know there is a very serious economic problem in terms of the grain wars around the world. We all know there is financial insecurity, deterioration of rural communities, and so on.

What I want to do this morning is point out some of the human consequences and tragedies behind the headlines of the newspapers and behind the television footage we see in terms of the crisis facing farmers. I was wondering if the Minister would get up in the question and comment period to tell us what his thoughts are about farm stress. Perhaps he could elaborate on what we could be doing as a Parliament and what he could be doing as the Minister to provide some type of support, more than what we already have provided to help farmers who are in this type of situation.

• (1230)

I know that he has been doing something in terms of initiative and in terms of the drought question itself. There are committees now at work. He has talked about various financial solutions. All these items are, of course, very helpful. I am wondering whether or not the Minister can add more in order to offer some hope to those facing farm stress crisis.

I want to underline that this is a very serious problem. We all hope, of course, as the Minister said, that Mother Nature intervenes to solve the problem for us. But that will not necessarily happen. Even if it does happen, the world trade wars which create financial crises, have created a lot of stress for the farmers of this country.

I will stop there and invite in a rather bizarre way the Minister to comment on these matters, or perhaps to ask me a question as a way of telling us what he is thinking about in terms of farm stress.

Mr. Wise: Mr. Speaker, I said when I began my speech a few minutes ago that I welcomed the occasion in the House to assess the potential drought problems in western Canada. Of course, I certainly do welcome the debate today. The lead-off spokesman for the Official Opposition and also the spokesman for the New Democratic Party were somewhat premature in dealing with the subject-matter today.

However, I want to compliment the previous speaker, the Hon. Member for Yorkton—Melville (Mr. Nystrom), for taking his time to touch on a very serious problem which exists today. More than likely, unfortunately, it will persist in the country for some time in the future. I suppose I am here to make certain that I respond. If there were no response it might leave the impression, the very false impression, that we were not aware of the situation related to stress that exists in certain sectors of the farm community. I hope the Hon. Member will appreciate that one can hardly be the Minister of Agriculture of Canada and not be aware of the tragic events in the primary sector, particularly during a time when certain sectors of the industry, primarily grains and oilseeds, are facing the toughest times ever in 50 years.

One observation I want to make is with respect to the fact that we often talk only about the stress on farmers. It is true that farmers have stress, but I wonder if we ever stop and think about on whose shoulders and in whose heart and mind that stress really ends up. It is at least shared. I think the heaviest share probably falls in the heart and mind and in the lap of the farm wife. This is why we have given a much higher priority to the concerns and day-to-day problems that have been overlooked and ignored for decades by previous Governments and how those problems and concerns relate to farm women.

Farm women have been the unsung heroes of the primary sector of the agricultural industry in Canada and, indeed, in many other countries I suppose going back to day one. We have been dissatisfied with that. We have given them a much higher profile. Indeed, we have increased our budget by some 300 per cent or 400 per cent to pay greater attention to the issues and concerns of farm women.

I do not want to leave the wrong impression here because we are fully aware of this. I think the Hon. Member will appreciate the fact that Agriculture Canada's responsibility, while recognizing this and trying to do something about it within its own shop, is really not the primary deliverers of programs of this kind. In fact, if one looked at some of the areas about which the Hon. Member talked, and they are shared, there is some federal responsibility. There is no question about it. If one examines the record one will see that the Government has responded in that particular area. However, a good number of them more appropriately fall within provincial jurisdiction. We do not have the facilities, the network, the people on the ground, or the extension people that provincial agricultural Departments have. There are reasons for this.

One must recognize what has happened in the past decade, or even less than a decade.

One has only to examine in detail the majority of cases that are going through the farm debt review process to find that almost without exception they fall into one category. That category includes those people who were told certain things and advised to do certain things in the early 1970s, because

certain things were going to happen in the 1980s. They took that advice. They did those things. They expanded their operations very dramatically. Then, of course, they were hit by 24 per cent interest rates and had to refinance. Some of those people are able to get through with some real difficulties.

But people who are in the grains and oilseeds sector are the ones who unfortunately are not able to get through. These are really days of paradox in Canadian agriculture. There has been record farm income in 1986 and 1987. Record farm income is being predicted for this year, 1988. This would not be the case if it had not been for the support programs provided to Canadian farmers by the Canadian Government.

From an agricultural point of view nothing is perfect. However, the record will stand the test of time. We delivered on all our campaign commitments. We have increased the budget by 400 per cent. We have taken 585 initiatives, delivering more than $9 billion, most of which has gone out in the form of direct farm support.

After having said that, I would not want anyone either in the agricultural community or anyone in Canada for that matter to think that this Minister of Agriculture, my cabinet colleagues and my caucus colleagues are not very much aware of the stress mentioned by the Hon. Member. We are going to try to do everything we can not only to minimize it but, hopefully, to eliminate it completely.

Mr. Nystrom: Mr. Speaker, I appreciate the comments of the Minister. A great many of these matters fall within provincial jurisdiction, especially in terms of social services, health, and so on. It might be worth while for the Minister to consider putting this item on the agenda for the next meeting he has with provincial Ministers of Agriculture. I am not sure when that is. I believe it is in July. They will be discussing the general problems facing farmers across the country. There might be some value in pursuing this item at a special conference. I do not want there to be a big study done, something which will delay things and cost all kinds of money. However, it may be worth while to have it as an agenda item and perhaps to have a working group from the federal and provincial ministers' conference to take a look at farm stress.

It is particularly important on the Prairies, as the Minister has said. In the grains and oilseeds sector there is a world crisis. That has been compounded by the fact that there is a drought. I am just thinking on my feet as we go along. I had not thought of this until the Minister got up. Perhaps it can be considered as an agenda item or for a working group to consider. It can offer some hope in this particular area. It can, if nothing else, co-ordinate the approach among the provinces.

• (1240)

The Minister mentioned one thing that is really important, which is the emotional weight falling on the shoulders of the farm woman. The study conducted by the Government of Saskatchewan stated that there is now an increase in abuse of the farm wife and an increase in the abuse of children. The report states: "According to one special counsellor there is an increase in wife and child abuse, including sexual abuse, but also non-sexual abuse". Obviously the load falls more heavily on the unsung hero who is the farm woman. Over the years the farm woman has made a tremendous contribution not only to rural Canada but to Canada in terms of doing more than her fair share of the work on the farm and of making it a productive unit. She is the person who often receives no wage, no pension plan, and does not have the social net that many women working outside the farm and outside the home would have in an urban setting.

Mr. Wise: Or, had her total salary go into the farm.

Mr. Nystrom: Yes, or have her total salary go into the farm operation. Even in the best of times, the role played by the farm woman is a very difficult role and must be a very stressful role.

I grew up on a farm. I left the farm and went to university in the city. I know many farmers in my own riding, and in my community over the years since I was a small child. I know the contribution made by many of the women during those days. Even in the better days, in the 1950s and 1960s, and the booming agriculture days in western Canada in the 1970s, there was still an extra burden borne by farm women. Today they have this type of stress. I can think of examples in my riding where the male farmer is horrendously depressed by of things he cannot control by his own hands or brain in terms of his own operation because of trade wars or the rain does not fall, and in many ways the burden is even greater on that farmer's wife.

I wish to underline what the Minister has stated, but perhaps he could consider the possibility of this being an agenda item at the conference.

Mr. Deputy Speaker: Is there unanimous consent to allow the Minister a further comment?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: The Minister of Agriculture.

Mr. Wise: I appreciate the unanimous consent granted, Mr. Speaker. I know that the time for questions and comments has expired, but I would just like to utilize this opportunity to respond to the Hon. Member's request that we place this item on the agenda at the next federal-provincial agricultural ministers' meeting.

I would like to indicate to the House that I will seek concurrence from my provincial counterparts to add this particular item to that agenda.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Resuming debate with the Hon. Member for Kent (Mr. Hardey).

Mr. Elliott Hardey (Kent): Mr. Speaker, today we are discussing the depressing problems of water shortages in western Canada, and the long-term strategies to protect Canadian farmers from flood, drought, and pest infestations. There are many other examples where Canadian farmers find themselves facing disaster. One example in southern Ontario relates to peach growers. In the late winter or early spring if temperatures have a dramatic change, for example if the temperature goes up to 15° or 18° Celsius for a few days signalling to those peach trees that spring is arriving, and then suddenly the temperature drops drastically to minus 15° or 20° for two or three days, just that quickly peach farmers in that area are denied a crop and there is a total wipe-out of the peach crop. I could cite other examples of disasters that happen on a gradual basis such as drought which is what the West is facing today, or something can be as fast or painful as the peach problem I mentioned.

When we are considering the role of the federal Government in attempting to develop strategies to guard against such problems and disasters, I wish to talk about the role of federal-provincial crop insurance programs that are specifically and exactly designed to protect against this type of crop loss.

Crop insurance is a proven, long-term strategy. For over a quarter of a century it has provided emergency financial assistance to Canadian producers. Today, it remains one of the best means available to aid farmers hurt by drought, flood, pest infestations, and other natural disasters.

Government supported crop insurance is necessary because all-risk crop insurance is too costly to attract private insurance carriers. The Crop Insurance Act was passed in 1959 to help the provinces establish all risk crop insurance programs. The federal Government contributes to approved crop insurance programs, administered by the province, that conform with the provisions of the Act.

The Act also provides for federal loans to provinces in years when indemnities greatly exceed reserves to pay claims. As an alternative to loans, the federal Government may enter into a reinsurance agreement with a province to cover a portion of the liability of the province for payments of indemnities under insurance plans.

The objective of the crop insurance program is to stabilize an individual producer's income by providing financial protection against production losses caused by uncontrollable natural hazards. This program helps producers to continue farming after they have gone through natural disasters. It reduces or eliminates the need for special and *ad hoc* assistance.

The federal Government must relate to all Canadians, not only regions. Crop insurance programs operate in all 10 Canadian provinces. There are two cost-sharing options available under crop insurance legislation. One, the federal Government contributes 25 per cent of the premium and half of the provincial administrative costs; two, it contributes 50 per cent of the premium, if the province pays for all administrative costs. Newfoundland and Québec have selected the first option, while all other provinces have opted to pay for the full administration costs and have selected option two. In all provinces the individual farmer pays no more than half the total premium.

Most major commercial crops are insurable across Canada. Approximately 230 individual plans offer protection to 87 crops. Crop categories include cereals, oilseeds, forage, tree fruit, small fruit, vegetables, and special field crops such as tobacco and white beans. Crop insurance also provides special extended coverage for fruit trees and unseeded acreage.

The responsibility for operating a crop insurance program lies with the province. Provincial officials are close to the local agricultural scene, so it makes sense that that administration takes place there. They are familiar with regional farming practices. They know about production problems and local risk factors. Provincial officials are in a good position to recognize local priorities. Insurance programs can therefore incorporate a degree of local flavour that helps to make the program more acceptable to producers.

The administration of the program is performed by an agency of the province, either a commission or a Crown corporation. The federal Government co-ordinates crop insurance policies to ensure that farmers are treated equitably across the country. The federal Government ensures the crop insurance plans are self-sustaining. We are constantly monitoring the plans to make sure that they are financially sound. In addition, federal officials provide advice and recommendations to the provinces about insurable crops, insurable hazards, premiums, and coverages.

• (1250)

The provincial governments, which are responsible for the enabling legislation for the respective plans, administer the all-risk insurance plans. The province appoints a board of directors, which oversees the day-to-day operations of the crop insurance program. This board acts as a liaison between the province and the program's management team. The management is responsible for calculating premium rates and coverage levels, marketing the insurance, adjusting losses, and paying claims.

The federal-provincial Crop Insurance Program is now 25 years old. At first, it was slow to be accepted. Manitoba was the first to join the pilot program, in 1960, with the last two provinces coming on board in 1974.

The farmers themselves did not embrace the program when it was first created. Many felt that the coverage was too low and the premiums too high, and that not enough crops were included. It has, of course, always been a volunteer program, with farmer participation being constantly encouraged.

The program has evolved. There have been amendments to the federal legislation, the most notable being a reduction in

the farmers' share of premiums from 80 per cent to 75 per cent in 1966, with a further reduction to 50 per cent in 1973.

The program has also been made more flexible. Farmers can now opt for 60, 70 or 80 per cent coverage in some provinces. Since 1973, enrollment in federal-provincial crop insurance plans has increased significantly. Last year, almost 135,000 farmers participated in the Crop Insurance Program. More than 42 million acres were covered by insurance, with the federal Government contributing more than $180 million to crop insurance schemes across the country. Of that amount, more than $145 million was provided to western Canada.

Mr. Speaker, the Crop insurance officials are well aware of the dry conditions in much of western Canada. They well remember what happened in 1984, and again in 1985. This year, those officials have made a special effort to encourage farmers in the West to enroll in insurance plans. The deadlines for applications for crop insurance were widely publicized, and especially so in western Canada. Farmers had until the end of March to apply for coverage for forage and feed crops, and until the end of April for annual crops.

Estimates for this year indicate that more than 95,000 farmers from the prairie provinces will be covered by the Crop Insurance Program, with the breakdown being as follows: 16,800 farmers in Manitoba; 48,000 in Saskatchewan; and 30,500 in Alberta. Almost 3,000 farmers in British Columbia are expected to be covered.

The federal Government is pleased by the response of the producers. We are especially pleased that the registration of forage producers is up about 60 per cent, and that they have purchased 130 per cent more protection.

The federal-provincial crop insurance scheme has a proven track record. It is a vital part of the federal strategy, a strategy that very much addresses the concerns of the motion now being debated by this House. Crop insurance is in fact one long-term response of the federal Government to help protect Canadian producers against environmental disasters.

This Government is committed to crop insurance as the best means available to protect against crop loss. With crop insurance, farmers can be confident that they are well protected against the whims of nature—and that, Mr. Speaker, is what we are discussing this morning.

Mr. Deputy Speaker: On questions and comments, the Hon. Member for Prince Albert (Mr. Hovdebo).

Mr. Hovdebo: Mr. Speaker, I have both a comment and a question in respect of crop insurance.

As I am sure the Hon. Member is aware, one of the concerns with having insurance as a long-term tool is that we eventually stabilize at a lower level as a result of a continuing reduction in production levels. That is a concern of those farmers who have experienced lower and lower production levels over a period of three or four years. Farmers in that circumstance are now at a point where they are insuring at a level at which it no longer becomes worth while buying insurance.

In my region of Saskatchewan, the return on crops has dropped to a level where the insurance pay-out is not sufficient to pay one's production costs. That is a weakness of the Crop Insurance Program that is making itself felt in respect of a number of agricultural products.

I am wondering whether the Hon. Member has any suggestions to offer to federal-provincial crop insurance officials in respect of the problem of insurance levels dropping to the point where they no longer return even the cost of production to the producer.

Mr. Hardey: I appreciate the comment and the question from the Hon. Member for Prince Albert (Mr. Hovdebo). Certainly I am aware of the ongoing discussions aimed at making the Crop Insurance Program as lucrative as possible for the producer. The program itself is designed to insure against disasters of nature, providing for those who suffer from such a disaster a return close to the average that would have been realized in normal circumstances.

I hope that the Hon. Member for Prince Albert is not confusing the 5-year averages with the stabilization program, something about which we all have a concern in respect of the development of averages. Certainly in my area of the country, regional averages have not been dramatically adjusted as a result of natural disasters impacting on crops. While we are now facing average lower incomes as a result of market prices, yield averages have not been drastically affected, to my knowledge.

Individual production records are carefully maintained by the crop insurance officials and individual producers can develop their own averages, based upon their own pattern of production, with the result that an individual producer, in the event of a disaster, can realize a return that reflects that producer's past yield pattern. Certainly, this is the case in my area of the country, and I am sure that it is not very much different in the western part of Canada to which the Hon. Member for Prince Albert referred.

I agree that we should try to do whatever we can to make the crop insurance plan as workable and as lucrative as possible for the producer. We need to have ongoing efforts aimed at encouraging producer participation.

The crop insurance plan is there for a purpose, and it is achieving its purpose. That is not to say it cannot be improved. Every system can stand improvement, and certainly we encourage efforts toward that end.

Mr. Deputy Speaker: It being 1 p.m., I do now leave the chair until 2 p.m. this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

HOUSING

THE HOMELESS—GOVERNMENT RESPONSIBILITY

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, a recent press release from the office of the Public Works Minister (Mr. McInnes) announced that the sale of federal property had yielded over $170 million.

The purpose of this program was to reduce the number of surplus federal properties and to help bring down the federal deficit.

We would have hoped, Mr. Speaker, that the Conservative Government would take this opportunity to ensure that some of these spaces and buildings were converted into housing for Canada's 100,000 homeless.

On reading this press release, I noticed that several properties will be developed by private consortiums. For example, the Canlands in Ottawa will become an administrative complex; an old office building in Vancouver will be transformed into chic retail spaces; the RCMP building in Westmount will be replaced with twin towers for luxury housing; Dufferin Street in Toronto will be used for an industrial development and office building project. Unfortunately, Mr. Speaker, the homeless have no voice in this House. The Minister has forgotten them.

On their behalf, I accuse the Minister of lack of leadership in this issue.

* * *

[*English*]

VISIBLE MINORITIES

JAPANESE CANADIANS INTERNED DURING WORLD WAR II—CALL FOR COMPENSATION

Mr. Alan Redway (York East): Mr. Speaker, about one month ago Canadians of Japanese origin held a giant redress rally on Parliament Hill. Since then the United States Senate has approved a redress package for Americans of Japanese origin which includes individual compensation of $20,000 per person.

As the House and the Government reflect on these events, I am sure that they will bear in mind the comments of the Prime Minister (Mr. Mulroney) as reported in *The Globe and Mail* for May 16, 1984:

> —Canadian citizens whose rights were abused and violated and trampled upon indeed should be compensated.

S. O. 21

DISARMAMENT

STUDENTS AGAINST GLOBAL EXTERMINATION

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I wish to congratulate the students and faculty of John Abbott College of Ste. Anne de Bellevue, Quebec, for having recently declared their school a nuclear weapons free zone.

The effort to establish a nuclear weapons free zone at John Abbott was spearheaded by the Students Against Global Extermination, SAGE. They are justifiably proud of their important achievement. In their letter to me the students wrote:

> We hope that in our act and the acts of groups like ourselves, in communities across Canada and the world, we will demonstrate that ordinary citizens will not tolerate the nuclear arm's race any further.

Their declaration is not simply a symbolic gesture. Rather, it is tangible evidence of a clear and compelling message that many Canadians share, that continued nuclear deployments, expansions, and modernizations are untenable and unacceptable.

* * *

ABORTION

RIGHT TO LIFE OF UNBORN CHILDREN

Mr. Gordon Taylor (Bow River): Mr. Speaker:

> Why is there always such a controversy over when life begins? Even if there is doubt that it is a human being from conception, what gives one the right to take that life? Am I free to shoot a rifle at an object if I am not certain what it is, especially if it might be a human being? The doubt must give that little unborn child a right to life that is equal to that of the mother. If there is not a human being at conception, at some point the fertilized ovum becomes one. If I had difficulty in believing that human life began at conception, I certainly would not want to be in the position of deciding whether it began at eight days, one month, three months or at birth. Anyone who claims to do that is taking the place of God.

This quotation came to me from Rev. Father Ken Forster of Fort St. James, B.C.

I believe that life begins at conception. When we write an abortion law, let us make sure it is based on the truth that the unborn have the right to live.

* * *

DISASTERS

1985 GANDER AIR CRASH—JUDICIAL INQUIRY URGED

Mr. Brian Tobin (Humber—Port-au-Port—St. Barbe): Mr. Speaker, evidence is mounting daily which seriously contradicts the findings of the Canadian Aviation Safety Board's preliminary report into the terrible tragedy which took the

lives of 248 U.S. servicemen in Gander, Newfoundland, in December, 1985.

Members of the ground crew who worked on the ill-fated DC-8 prior to its fatal crash stated over the past weekend that "there was no ice build-up whatsoever on the aircraft prior to takeoff".

This is in direct contradiction to the findings of the Board's preliminary report which concluded that "icing caused this terrible crash".

Canadians are asking when the Minister of Transport will stop stonewalling this important issue and call for a full judicial inquiry so that the families of the crash victims and the Canadian public can learn the real facts behind this tangled web which was shrouded from the beginning in contradiction and mystery.

Lives have been lost, Mr. Speaker. We have to make sure it is our responsibility that this tragic incident is not repeated. We can only do that with the facts.

* * *

[*Translation*]

FINANCE

IMPORTANCE OF FLOW-THROUGH SHARES

Mr. Guy St-Julien (Abitibi): Mr. Speaker, thanks to the new measures announced last week by the Progressive Conservative Government of this country, flow-through shares have once again become an attractive tax shelter. For the next two and a half years, flow-through shares will remain the best tax shelter available in this country.

We owe this victory to the Prime Minister of Canada (Mr. Mulroney), the Minister of Energy, Mines and Resources (Mr. Masse), the Minister of State (Forestry and Mines) (Mr. Merrithew), the Minister of Finance (Mr. Wilson) and Deputy Minister Pierre O. Perron, who, thanks to his experience and competence, was able to correctly advise Members in mining areas, and Régis Labeaume, president of the Quebec Prospectors Association, the only association in Canada whose members have been digging in their heels since June 1987.

Mr. Speaker, ever since the White Paper on Tax Reform was tabled, I have fought side by side with our prospectors in Abitibi—Témiscamingue. It wasn't easy, but thanks to the joint efforts of our prospectors, the mining industry and the public, we have been able to make the mining industry in Abitibi—Témiscamingue and Quebec one of the pillars of the sustained economic growth we need in Quebec.

• (1405)

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—MINISTER'S QUESTIONNAIRE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, despite the Government's hard sell and $14 million in propaganda to try to push the U.S. trade deal, even the Finance Minister's own constituents are worried about it. I have here the results of a questionnaire sent out by the Finance Minister (Mr. Wilson) in his "Householder".

These results show that 38.4 per cent of the Minister's own constituents are strongly opposed to the trade deal while only 34.9 per cent strongly support it.

The biggest concern for those against the deal is the loss of Canadian sovereignty, with 36.1 per cent saying that was why they opposed the deal. They realize how this deal is eliminating Canadian freedom in energy policy, investment, publishing, automotive policy and so forth.

Nor do the Minister's own constituents see this deal as being a big boost to jobs. More oppose the deal because of job concerns than support it—

Mr. Speaker: I am sorry, but the Hon. Member's time has expired.

* * *

[*Translation*]

MANPOWER

MANPOWER ADJUSTMENT COMMITTEE OF SOUTHWEST MONTREAL

Mr. Claude Lanthier (La Salle): Mr. Speaker, last Friday in Montreal, I had the honour of representing our Government when a grant for $50,000 was announced to establish and fund a manpower adjustment committee for southwest Montreal, including Ville Émard, which is part of my riding.

As a long-time resident of this part of Montreal where my family has lived for generations, I am confident that those representing federal, provincial and municipal governments, employers, unions and community organizations on this Committee will make use of every available resource to revitalize the labour market and the economy in southwest Montreal.

A special word of congratulations to the Member for Verdun—Saint-Paul (Mr. Chartrand) who has been working on the Committee for two years and is now about to see his sustained efforts bear fruit!

[*English*]

TAX REFORM

ELIMINATION OF EXEMPTION FOR CHILDREN 18 YEARS OR OLDER

Miss Aideen Nicholson (Trinity): Mr. Speaker, under stage one of tax reform, parents of healthy children 18 years or older who live at home lose the current personal exemption of $1,200. A tax credit of $850 is offered for handicapped children. There is also a tax credit for post-secondary education tuition fees, but an 18-year-old still attending high school is not eligible, and in Ontario most grade 13 students are 18.

Single parents are hit hard. A single parent who formerly claimed the equivalent to married deduction for a dependent child over 18, valued at $3,740, can no longer do so. Imagine the financial burden being placed on a single person with a child over 18 still at home, either in high school or unemployed. Family allowance payments have stopped, support payments for the child from the other spouse have more than likely stopped, and now there is no tax relief.

In November of 1987 the Finance Committee recommended that the Government reconsider these proposals, but the Government has decided against it. The high cost to parents of supporting 18-year-olds should not have been ignored by the Government.

* * *

[*Translation*]

FREEDOM OF SPEECH

MONCTON DEMONSTRATIONS AGAINST PRIME MINISTER

Mr. Gilles Bernier (Beauce): Mr. Speaker, a shameful incident occurred in Moncton, New Brunswick, during a demonstration organized by labour union leader Greg Murphy, a former NDP candidate. The wife of Canada's Prime Minister was insulted and attacked, and several children were injured. The demonstrators acted in a way that was degrading and harmful to the image of this country. In its Saturday edition, the Moncton *Times* reported that representatives of the federal NDP in Moncton had urged people to join the demonstration organized for that day.

The newspaper's report read as follows: "The Moncton wing of the federal NDP gave its unanimous support to a public demonstration organized to coincide with today's visit to Moncton by Prime Minister Mulroney".

I hope the Leader of the NDP will make a public statement to the Members of his Party and all those who contributed to this show of violence, and tell them that this kind of behaviour is anti-democratic and unacceptable for any political party in this country. We were familiar with the verbal violence of Shirley Carr and Bob White, the labour leaders who are in bed with the NDP. But now, with organizers like Murphy, we have seen physical violence in Moncton!

* * *

• (1410)

[*English*]

FILM DISTRIBUTION INDUSTRY

CRITICISM OF GOVERNMENT POLICY

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the backing down by the Government last week on film distribution policy was another cave-in on our independent cultural policy, and it is certainly not the last as a result of the influence of the free trade deal. Listen to what Jack McAndrew of Video Atlantic has to say about it:

> Flora's bill has about as many teeth as one of my chickens—and they have more heart.
>
> Not only will Canadian distributors be required to bid against Americans with more resources; the Americans can use their clout in controlling the American market to force the addition of Canadian rights to U.S. rights. It simply means more paperwork in signing two contracts instead of one. Flora's distribution fund won't do much in the face of that economic power.
>
> We are seeing the first cultural casualty of the Free Trade Agreement.
>
> The Americans squawk like a rooster in heat, and the Tories furiously lay another egg—a cracked egg.

* * *

IMMIGRATION

BREACHES OF LAW CONDEMNED

Mr. John Oostrom (Willowdale): Mr. Speaker, the Liberal dominated other place has placed politics above the Canadian people by allowing the immigration system to become a world-class joke. Without passage of Bill C-55 and Bill C-84, Canada has to contend with the present inefficient and slow-moving refugee process.

The criminal element has seized this opportunity to escape prosecution in their own countries. Recently an American wanted for murder was using our liberal immigration law, which was passed by a Liberal Government, to thwart his return to the U.S. by claiming refugee status.

Our refugee laws are only to be applied to those who meet the UN definition of convention refugees. Criminals are exempt from these regulations. Only genuine refugees and the Canadian people are being hurt by the Liberal Senate's lack of responsibility.

S. O. 21

FISHERIES

CANADA-FRANCE DISPUTE—ISSUE OF FRENCH PERMITS TO NEWFOUNDLAND FISHERMEN

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, a common description of a dead codfish, as you will well know, is head-on-gutted. The Government of Canada looks even worse in its dispute with the French. It is both headless and gutless.

First, it failed to warn Captain Willoughby Holt that he would be arrested if he fished where he has always fished.

Today we discover that fishermen on the south coast of Newfoundland have forms in their hands which the French are going to issue as permits before they can fish where they have always fished.

It is about time that the Government got some guts and stood up to the Government of France and cancelled the Airbus and other negotiations. It is about time that the Government of Canada stood up and fought for Newfoundland fishermen.

* * *

ENVIRONMENTAL AFFAIRS

CANADIAN MINISTER RECIPIENT OF SIERRA CLUB AWARD

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, on Saturday in San Francisco the Minister of the Environment (Mr. McMillan) was awarded the highest award for service to the environment by the Sierra Club.

Some Hon. Members: Hear, hear!

Mr. Nickerson: I hope you will not take that applause from my time, Mr. Speaker, even though it was well deserved.

In his acceptance speech he asked what hope there was for the future of the planet if two close friends like the U.S. and Canada cannot make progress on environmental issues.

The Sierra Club recognizes the great progress we have made in co-operation with our great friend south of the border, even if the Opposition does not.

* * *

[*Translation*]

PUBLIC SERVICE

LANGUAGE TEACHERS—APPOINTMENT OF MEDIATOR IN LABOUR CONFLICT

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, a mediator has been appointed at last in the dispute between Treasury Board and the language teachers. As you know, the situation has been dragging on, and the Government has been particularly stubborn and very reluctant to reach a settlement. The parties will go back to the negotiating table tomorrow. We are optimistic, and we sincerely hope that the Government is prepared to negotiate in good faith and settle this dispute.

The mediation process must not be allowed to fail through the fault of an intransigent Government that claims it is doing everything it can to promote official languages. As was said recently by Huguette Labelle, Chairman of the Public Service Commission: "It must be very difficult, if not impossible, for a language teacher to teach 37 hours per week. We would never agree to those conditions. We have said quite clearly that as far as we are concerned, 25 hours per week is a maximum . . . ".

* * *

• (1415)

[*English*]

INDIAN AFFAIRS

GOVERNMENT POLICY

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, the Government seems to have a deliberate policy to denigrate the progress that Indians have made in economic, social, and educational advancement of their people over the years. The latest betrayal has been the Government's denial of the 1976 Saskatchewan formula for settlement of land claims. The Minister responsible is proclaiming the "first survey" solution which would eliminate a major portion of the claims in Saskatchewan and across Canada.

Besides that, bands are being put off in their attempts to upgrade their schools, both physically and educationally. Attempts to provide equity in education are being stonewalled wherever the bands are making plans for progress.

It is time the Government accepted the First Nations as citizens who need quality schools, homes, and a solid economic base on which to build.

* * *

PROSTITUTION

CALL FOR STRONGER LEGISLATION

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, street prostitution continues to be an insufferable problem for urban Canadian residents and has caused a continuing headache for local police.

In Parkdale—High Park and the rest of downtown Toronto residents have repeatedly complained of encountering harassment, abusive language, and problems with drug trafficking in their neighbourhoods as a result of an increasingly bold population of prostitutes and their clients.

Municipal by-laws prohibiting street prostitution have been struck down by the Supreme Court. Although the new federal law has improved the situation, it has not resolved the problem.

I urge the Minister of Justice (Mr. Hnatyshyn) to move quickly to draft stronger enforceable legislation which will finally put an end to this longstanding blight on Canada's urban landscape.

ORAL QUESTION PERIOD

[*English*]

FISHERIES

CANADA-FRANCE DISPUTE—FRENCH PROVOCATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Deputy Prime Minister. France has snubbed the Lieutenant Governor of Newfoundland, insulted the Governor General of Canada on a recent visit to Paris, deliberately provoked the arrest of a French fishing vessel, kept Canadian tourists from entering France, and has now improperly arrested a small Newfoundland fishing boat. More than that, the huge factory freezer trawlers continue to overfish the disputed zone off the coast of Newfoundland.

Has the Prime Minister told the French Government that, while Canadians can understand an isolated incident or a diplomatic error, Canadians cannot understand or tolerate a series of provocations on the part of France and that this series of events runs the risk of jeopardizing the good relations between our two countries?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we take this most recent incident very seriously. We have been pursuing a negotiated solution with France on the larger question. This morning we delivered a formal note of protest to the French Government regarding the incident respecting the *Maritimer*.

Mr. Turner (Vancouver Quadra): Mr. Speaker, that note is a big deal. I am sure it will impress the people of Newfoundland.

REQUEST THAT SUBMARINE AND AIRPLANE NEGOTIATIONS BE SUSPENDED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, why does the Government not stand up to France? The French have no more right to overfish off the coast of Newfoundland and treat those waters as their waters than we would have to lay a claim to the Palais de Versailles, the Champs Elysées, or the Eiffel Tower.

The Prime Minister is not here so I will address this question to the Secretary of State for External Affairs. Last week he ridiculed members of the Opposition who felt that the issue had become serious enough to suspend negotiations for the purchase of the nuclear submarines and the French aircraft. Today he will know that even the Conservative Premier of Newfoundland, Brian Peckford, is supporting the claims we made here in the House of Commons for the suspension of those negotiations for the purchase of both French aircraft and the nuclear powered submarines.

Is the Secretary of State for External Affairs prepared to ridicule the Premier of Newfoundland in the same tone as he ridiculed our members and the members of the Opposition last Friday here in the House of Commons?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I had rather hoped, when the Right Hon. Leader of the Opposition began his questions, that he was going to take a more responsible tone than had been taken by some of his members the other day. Some of them, of course, were trying to use this very serious difference with France as the pretext for starting a trade war which may well claim several French casualties, but a trade war which would also claim very many Canadian casualties.

The Right Hon. Leader of the Opposition, better than other members of his Party, should know about the provisions of the 1972 treaty which is at the root of this difficulty because he was a member of the Government which concluded and signed that treaty.

• (1420)

Mr. Turner (Vancouver Quadra): The 1972 treaty is a bit of a myth of the right hon. gentleman and his colleague, the Minister for International Trade. It has nothing to do with this present dispute. It has no bearing on it whatsoever. I take it from the tone of his response to me, the Secretary of State for External Affairs is disowning the Conservative Premier of Newfoundland, and we will transmit that when we have an opportunity to be there.

[*Translation*]

OPPORTUNITY FOR CANADA TO TOUGHEN POSITION TOWARD FRANCE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Government, in the person of the Secretary of State for External Affairs, claims it does not want to jeopardize good bilateral relations between France and Canada. Isn't it a fact that France has already jeopardized those relations? The Government claims that the arrest of a small Newfoundland fishing boat is only an isolated incident. However, it is the latest in a series of incidents including the insults to the Governor General, the harassment by French officials of Canadian tourists on the French border, and flagrant overfishing in our fishing zones by French trawlers.

The incompetent and weak approach taken by our ex-ambassador Lucien Bouchard has turned out to be a total failure. Mr. Speaker, isn't it time that the Secretary of State for External Affairs and the Prime Minister did something

about this? Isn't it time Canada started to play hardball the way France has done, the latter without eliciting any any response from the Canadian Government?

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Right Hon. Leader of the Opposition refers to the statement issued by the Premier of Newfoundland. The Right Hon. Leader knows that I would never disown the Premier of Newfoundland and Labrador. He would also perhaps know that with my usual caution I have read the statement of the Premier of Newfoundland—

Mr. Turner (Vancouver Quadra): Right here!

Mr. Clark (Yellowhead): No, you are reading a press release. The Right Hon. Leader of the Opposition is reading a press release. He would be well advised, as a matter of general practice, to read the whole document and not content himself with press releases.

DISTRIBUTION OF FRENCH PERMIT FORMS TO NEWFOUNDLAND FISHERMEN

Hon. William Rompkey (Grand Falls—White Bay—Labrador): As I told you earlier today, Mr. Speaker, there is a common description for a dead codfish in Newfoundland. It is "head-on-gutted". The Government of Canada looks even worse. It is headless and gutless in this dispute with the French.

The Secretary of State for External Affairs talks about a note he sent. I want to tell him that permit forms are in the hands of fishermen on the south coast of Newfoundland today, French permit forms, that they are going to have to get to fish inside that 12-mile St. Pierre zone.

What Government is this? Is this the Government of Newfoundland or not? If it is, why won't the Minister show some guts? Why don't you cancel the Airbus? Why don't you cancel the nuclear submarines? Why don't you stand up and fight for Newfoundland fishermen?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this Government has acted vigorously to protect the interests of Canada, and—

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): —Canadian fishermen, including those in Newfoundland and Labrador, regarding this dispute with France. In the case at issue, the case of the *Maritimer*, for example, it had not before been the practice, when there have been Canadian fishermen involved in this kind of dispute, for the Government of Canada to put up bond. This Government has put up bond. It has not been the practice—

Ms. Copps: Big deal!

Mr. Clark (Yellowhead): Big deal, says the Hon. Member for Hamilton East. Yes, it is. It is a change in a precedent.

Mr. Rompkey: Will you pay the fine?

Mr. Clark (Yellowhead): There has been a threat against Canadian interests. This Government, instead of being bound by the precedents and, indeed, instead of being limited by the treaty signed by the Liberal Government in 1972, this Government has been prepared to put up the bond, which had not occurred before.

Ms. Copps: Big deal!

Mr. Clark (Yellowhead): It is prepared to offer legal counsel to the captain, which had not been the case before.

We have a proposal here by the Liberal Party that we should take this very serious incident, and it is unquestionably serious and we are pursuing it with France, and escalate it into a trade war. I think one knows that a trade war which might begin with this kind of issue would go on to something else. One of the things it might go on to, I say to those who are interested in the economy of Atlantic Canada, for example, might be the investment in Michelin Tire.

Mr. Turner (Vancouver Quadra): Come on! Get out of it.

Mr. Clark (Yellowhead): If there is a trade war, among the casualties in Canada of this trade war the Liberals are trying to start gratuitously, might be a thousand employees of Michelin Tire in Nova Scotia. The Liberal Party might want casually to throw those Canadians out of work. We are not interested in doing that.

• (1425)

NORTHERN COD STOCK—CANADA-FRANCE NEGOTIATIONS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, that is what the Secretary of State is not prepared to do. What is he prepared to do? Is he prepared to act at all?

If he is not prepared to do something let me ask him if the Government, which denied a quota of northern cod to Labrador fishermen, will also say no to the French? Will he give an assurance here and now that there will be no northern cod on the table when and if negotiations ever start with the French?

Right Hon. Joe Clark (Secretary of State for External Affairs): What we are dealing with here is a long-standing dispute between Canada and France, a dispute that is rooted in an agreement signed by those two countries when the Liberal Government was in power in Canada, under the 1972 treaty. It is a matter that we want to have resolved. We had been moving toward mediation. The French then took an action which made it impossible for us to continue in those circumstances with the mediation arrangement.

We acted to stop the mediation. We have acted to protect the interests of the *Maritimer*, and its captain and crew. We have acted to follow the process through the courts. We have

acted to establish a formal protest with the Government of France. We are following the matter now.

It is our view, and I take this opportunity to state it formally, that the established practices that had been followed respecting the smaller fishermen of Newfoundland and, indeed, of St. Pierre and Miquelon, should continue in the future to be followed as they were in the past. That is the position that we are putting forward to the Government of France.

Mr. Rompkey: Then say it publicly.

Mr. Clark (Yellowhead): The Hon. Member asks why I do not say it publicly. In my view when I say something in the House of Commons of Canada I am saying it publicly.

Mr. Rompkey: The French have not heard it.

TRADITIONAL ARRANGEMENT ENJOYED BY SMALL FISHING CRAFT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is for the Secretary of State for External Affairs. Following the arrest, which the Minister called an invitation, of the *Maritimer* on Thursday, the French now require inshore fishers to have permits to fish off St. Pierre and Miquelon. On Friday the Minister of Fisheries and Oceans said:

> This is the first time that traditional arrangement has ever been challenged as it was yesterday, and in that respect, Canada will not stand idly by and allow this to happen.

Will the Minister tell us what Canada is doing so that this will not happen?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have just been making the point in the House of the things that we have done since the French acted in a way to break traditional practices that had brought benefit to smaller fishermen from Newfoundland and smaller fishermen from St. Pierre and Miquelon. We want those former practices respected in every case. That is the position of the Government of Canada.

I should not have to tell Members of the House—I think they understand—that these events may well have been related to an election in France yesterday. I think that Hon. Members, whatever their interest on Friday was in a trade war, would want Canada to proceed calmly and positively to try to resolve the situation in a way that respects the traditions, practices, and interests of all Canadians, rather than jumping into an unnecessary and provocative trade war.

If we have to defend Canadian interests, we will certainly defend them. We as the Government of Canada have done that on scores of occasions. We believe that there may well be some change in the circumstances now as a result of the election yesterday. We want to take advantage of those changes that may occur.

CANADIAN POSITION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the Minister said that we want the former practices restored. He did not say what Canada is prepared to do to get those former practices restored. He did not say what Canada is prepared to do, instead of standing idly by and wringing its hands. When will Canada be prepared to take this issue as seriously as France obviously takes it?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, laying down our defences is a very odd position being put forward by one of the leading advocates in the House of Commons who wants to take Canada out of the North Atlantic Treaty Organization.

What he wants us to do is to take an issue that is serious and complicated in itself, a very specific issue, but instead of trying to solve it in the Canadian interest he wants us to use it as a pretext to start a trade war. That is a very odd kind of pacifism.

GOVERNMENT ACTIONS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I have not mentioned trade wars. I have not mentioned trade. I have been asking the Minister what he is prepared to do, and what the Canadian Government is prepared to do to defend the interests of Newfoundland fishers.

He said that the Canadian Government is not going to stand idly by. What is the Canadian Government going to do to protect Canadian interests? That is what we want to know.

• (1430)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me repeat what I have said in the House before. We have provided the bail and the bond in the case of the *Maritimer*. We have indicated to the ship captain who has been involved here that we will take the very unusual practice of providing legal counsel.

We have protested officially to the Government of France.

We have suspended the progress that was being made toward mediation in the larger question that has occupied Canada and France. Those are particular actions that we have taken.

We are now waiting to see what the response of the French will be to the Canadian proposal that the traditional practices that have governed the relations between St. Pierre and Miquelon and Newfoundland, and have brought benefit to smaller fishermen of both sides, should be respected to the letter.

MINISTER'S POSITION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Secretary of State for

External Affairs. The House and the people of Atlantic Canada, particularly in Newfoundland, are trying to understand the position of the Government.

Last Friday in the House the Secretary of State told us that we cannot take stronger measures because it may have an effect on Canadair employees. Today he is saying that we cannot take stronger measures because it may have an effect on Michelin Tire employees.

I am sure the representative of the Government of France in Canada is pleased to report back to Paris today that, essentially, the Secretary of State for External Affairs is advertising to the French Government that no stronger measure, other than words and protest, shall be forthcoming from this Government, and that the people and the fishing industry in Newfoundland are disposable in Canada's relationship with France. Is that what the Secretary of State is telling the House today?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the simple answer to that—

Mr. Tobin: Order.

Mr. Clark (Yellowhead): I have received a question, and the simple answer to that is no.

I wonder if the Hon. Member would sit down—

Some Hon. Members: Oh, oh!

Mr. Speaker: The Hon. Member.

FRENCH LICENCES

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question to the Secretary of State for External Affairs, who thinks this is amusing, and who thinks that Canadians who live in Newfoundland are disposable in the national interest, is the following. What action is the Government prepared to take?

Does the Government agree with France when it states that Newfoundland fishing boats, or for that matter fishing boats from Atlantic Canada, fishing off those waters from now on will have to have a French licence? Does he agree?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, in answer to the Hon. Member's second question of the day, as I have said before in the House, no.

Let us be very clear here. The Hon. Member's—I do not want to impute motives—version of what I have said in the House of Commons bears no relation to the facts. If the French report his version of what was said, then the French will be wrong, just as we believe the French are wrong—

Mr. Tobin: What do you believe? What will you do?

Mr. Clark (Yellowhead): —on the elements of the issue. Just as it is our position, we have made it very clear again in the House and in direct conversations with the French, that we believe that the traditional practices respecting the smaller fishermen of St. Pierre and Miquelon, and of Newfoundland and Labrador, should continue to be respected to the letter. That is the position that we have made clear to the French.

Now, Mr. Speaker, we are asked what we have done. I was asked that question by a member of the New Democratic Party a moment ago, and I listed four or five of the things that we have done already. We are now waiting to see what the French response is, and naturally if the French response is not satisfactory to us, we will continue in the future as we have in the past—

Mr. Tobin: To do what?

Mr. Clark (Yellowhead): —to put the interests of Canadians first and to protect those interests in negotiations with France.

Mr. Tobin: Supplementary—

Mr. Speaker: A very brief supplementary, in view of the mix-up.

Some Hon. Members: Oh, oh!

Mr. Speaker: I think there was legitimate confusion, and I certainly will recognize the Hon. Member for a short supplementary question.

PRIME MINISTER'S SCHEDULED VISIT TO FRANCE

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, given that the Prime Minister is going to France in two weeks, as the Secretary of State well knows, is he not really telling the House that the reason there is no action forthcoming now or any meaningful gesture, is that they do not want to mess up the Prime Minister's photo opportunity at the Elysée Palace? Is that not what he is really saying?

Will the Prime Minister communicate to the Government of France that, if the matter is not resolved by the time he arrives in France, he will be telling the Government of France when he arrives that the submarine negotiations and the Airbus negotiations are off?

Is that not a reasonable position to take over the next two weeks?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I understand that the Hon. Member has been through a lot of stress recently, and I simply want to tell him the accusation that he has made in the House of Commons is an absolute falsehood.

Mr. Tobin: Joe, you are a coward personally and politically, and so is this Government.

An Hon. Member: Shut up.

Mr. Tobin: I won't be shut up; Newfoundland won't be shut up. We won't be traded off for jobs.

Mr. Speaker: The Hon. Member for Ottawa Centre.

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[*Translation*]

CONSUMER AFFAIRS

INTEREST RATES CHARGED BY CANADIAN TIRE COMPANY—MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs which concerns the very substantial increase in profits announced by Canadan Tire for this year's first quarter.

Is the Minister aware of the fact that this increase is almost entirely due to Canadian Tire's credit card operations and is the result of the 28.8 per cent interest rate Canadian Tire customers have to pay?

Does the Minister believe that the rate charged by Canadian Tire on its credit cards is excessive? If so, what does he intend to do to protect consumers and reduce the interest charged on these credit cards?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not sure I accept or reject the premise of the Hon. Member that somehow the credit card interest rates are responsible, because I understand that the rate he quoted is pretty well the rate that applies to all retail credit cards, be it Petro-Canada, Hudson's Bay, Eaton's, or any store. I was not aware of any analysis to indicate that the profits of these companies are exceedingly high because of their credit cards.

I will take a look into the matter and report back to the Hon. Member.

RETAIL STORES' CREDIT CARD INTEREST RATES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my supplementary question is directed to the same Minister. Does the Minister not recall a few months ago the Finance Committee found "that the credit card rates charged by retailers were blatantly unfair when they were about 8 per cent higher than the rates being charged by the bank credit cards"? That gap has now widened to 12 per cent for The Bay, Eaton's, Canadian Tire, Home Hardware, Sears, Simpson's, and Zellers.

Is the Minister prepared to take action to protect consumers by investigating anti-competitive behaviour of the retailers, or by taking legislative action to bring those credit card rates down?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): I am not sure what the Hon. Member means by "anti-competitive behaviour". If the Hon. Member has some evidence to support collusion or some sort of monopolistic activity by these companies, he should bring it forward because that is a criminal activity and they would be charged.

Perhaps the Hon. Member was not present or had his mind on other matters when we showed a study by my Department which indicated that, in fact, depending on how one pays off one's account, if one pays it off in fairly quick order, in one or two months, it can be cheaper to use one of those higher rate cards than the lower rated bank card because of when the clock starts ticking for accumulated interest, and so on.

It is overly simplistic, as the Hon. Member should know, and not doing a service to Canadians, to try to imply that that rate and nothing else is determinate of profits, of monopolistic behaviour, or any other illicit or improper behaviour.

Mr. Cassidy: Twenty-eight per cent is fair, is what you are saying.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF THE NETHERLANDS MINISTER OF HOUSING, PHYSICAL PLANNING AND THE ENVIRONMENT

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of his Excellency, E.T.H.M. Nijpels, Minister of Housing, Physical Planning and the Environment, Government of The Netherlands.

Some Hon. Members: Hear, hear!

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TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—REQUEST FOR ADJUSTMENT PROGRAMS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment.

Last Thursday Lucien Rolland, Chairman of Rolland Inc., a paper company, said:

> The time frame for adapting to the free trade environment is very short, and we feel strongly that the federal government, having changed the rules of the game, has an obligation to put together, in co-operation with provincial governments, adjustment assistance programs designed specifically for industries which are affected.

• (1440)

If the Government is intent on proceeding with this bad trade deal, will it at least listen to these requests for special adjustment programs to help those who are hurt by it?

These requests are coming, not only from industry and labour, but also from two unanimous committee reports of this Parliament.

When will the Government act?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, as I have said in the House before, we have an instrument in place in the form of the Canadian Job Strategy, which has built into it flexibility for dealing with labour adjustment under any number of circumstances.

Labour adjustment is a normal fact of life. Much of the flexibility under the Canadian Jobs Strategy is directed toward allowing people to take advantage of new opportunities.

There are perhaps some people in the business sector who do not understand what instruments we have available now. Even in the committee reports, which I have reviewed in some considerable detail, free trade is not made a major issue.

The authors of those reports know that we are looking at the Canadian Jobs Strategy in terms of ensuring that it is flexible. We also have a private sector labour adjustment advisory committee, which will tell us, as we go along, whether there are additional needs, and we will, of course, be paying very close attention to the advice of that advisory committee.

[*Translation*]

EMPLOYMENT PLANNING PROGRAM—PARLIAMENTARY COMMITTEE'S RECOMMENDATIONS—MINISTER'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, on April 13 the Economic Council of Canada stated that 188,000 jobs will be lost as a result of the free trade agreement. Most of these jobs are industrial jobs that will be replaced by jobs in the service sector.

Mr. Speaker, this kind of situation requires a considerable adjustment, and the Canadian Jobs Strategy as it stands now is inadequate.

When will the Minister act on the forty-nine recommendations made by the Committee on Labour, Employment and Immigration, to change and improve this program for Canadian workers?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, that is a very small number of adjustments, compared to the five million Canadians who annually change their jobs or cope with adjustments within their jobs.

In designing a flexible program we wanted to ensure that, whatever the reason for labour adjustment, the flexibility was there to accommodate it. It is for that reason that we designed the Canadian Jobs Strategy as we have, and it is a program that does work in conjunction with the provinces. As well, various industries themselves have put in place programs to assist in labour adjustment.

When compared to the over-all adjustment in the economy, that which flows from the free trade deal will be relatively small. Additionally, the free trade agreement will lead to new opportunities for many of those workers affected by it.

Some Hon. Members: Hear, hear!

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CORPORATE AFFAIRS

ALLEGED COLLUSION IN REAL ESTATE INDUSTRY

Mr. Neil Young (Beaches): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs.

It has been reported that, for the past year, the Bureau of Competition Policy has been investigating concerns over collusion in some areas of the real estate industry, which collusion has been costing Canadian consumers many millions of dollars.

Can the Minister confirm that that investigation is actually going on, and whether or not some evidence of collusion has turned up; and if so, tell us what he intends to do about it?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): The Hon. Member is correct, the Bureau of Competition Policy has indeed been investigating the commission structure within the real estate industry. Some months ago, in fact, the Office of the Bureau of Competition Policy had cause to gather evidence from a number of real estate boards across the country, and that information is now being looked at.

Because of the distance that has to be maintained between my office and that of the Director of Investigation and Research, I am unable, under law, to know precisely where that investigation now rests. I am told that it is being pursued with dispatch and that some recommendation will be made in the near future. Whether the decision will be to lay charges, I cannot say at this point in time.

PROVISIONS OF STATUTE—MINISTER'S POSITION

Mr. Neil Young (Beaches): By way of supplementary, is the Minister advising us that there are weaknesses in the law? And if there are weaknesses in the law, does the Minister intend to change the law; and if so, when does he propose to do so?

If the investigation indicates that there has been a contravention of the law, and no charges are laid, one has to ask why the law is not being applied.

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I am not prepared to conclude that there are weaknesses in the law. In fact, the new competition law, passed by this House in June of 1986, has shown itself to be a very useful tool in ensuring competition in a wide variety of areas. I would be pleased to go over with the Hon. Member the successes that have been achieved in this regard.

The investigation in question is a trans-Canada one, involving many jurisdictions. It is quite complex.

The Director of Investigation and Research is pursuing the investigation with dispatch, and I have total confidence in his ability. I am sure he will reach the proper conclusion in the near future.

COMMISSION RATES CHARGED TO CUSTOMERS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, my question is for the same Minister and is on the same subject.

I respect the fact that the Minister has to keep a distance between himself and the Bureau of Competition Policy. However, recently a spokesman for the Bureau of Competition Policy made the statement that the Government simply cannot lower commission rates.

My question for the Minister is this. Does he agree with that statement?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): In a general sense, yes, since there is no ability on the part of my Department, in any one of its branches, either to increase prices or lower prices from where they are. However, if in fact there are anti-competitive aspects involved, aspects that are contrary to the Competition Act, and those are removed, I have every confidence that competition in the marketplace would cause a lowering of rates. That is the objective. Certainly we cannot lower rates by fiat or direction. It is only through increasing competition that we can bring about a lowering of rates.

PROVISIONS OF COMPETITION ACT

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): The Minister knows that the Competition Act makes it illegal for anyone to conspire to fix prices or to lessen competition, whether in sales or in services.

Will the Minister intervene in support of the Canadian consumer? Or is the Minister willing to let the case go to court?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): I await the recommendation of the Director of Investigation and Research in respect of whether in fact there is evidence of collusion to fix prices and whether a successful prosecution could result.

More important, what I am after is to try to ensure that there is as much competition as possible in the marketplace, since I believe that that is the way the consumer will get the greatest benefit.

There was cause to be suspicious in this situation, and that is why the investigation was launched. But, in fairness, I have to await the results of the investigation before reaching any conclusion as to culpability, or otherwise, on the part of any of the participants.

[*Translation*]

THE ENVIRONMENT

BRUNDTLAND COMMISSION RECOMMENDATIONS—MINISTER'S POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, my question is directed to the Minister of the Environment, who is no doubt aware that environmental groups are in Ottawa at this very moment to discuss their concerns. How does the Minister intend to respond to their demand for participation in the process of implementing the recommendations of the Brundtland Commission? Will there be a program in his Department to promote sustained development, and will environmental groups be able to obtain funding from his Department to promote sustained development?

[*English*]

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, as I am sure the Hon. Member appreciates, the Brundtland ethic, the sustainable development concept that was championed by the Brundtland Commission, is not the type of ethic that one funds on a project by project basis; it is something that we have to weave into the total fabric of all of the decision-making that is done, not only by the Government of Canada but also by the private sector and the provincial and territorial Governments within the country.

With that in mind, I informed the Environmental Network, during the course of a two and a half hour meeting I had with that group this morning, that of course I would be favourably predisposed toward any request for funding that would assist them in their advice to Government as to how that kind of ethic could be practised. I went on to inform the Network that, by the same token, they would have to understand, as they did, that we have to make sure that the Brundtland ethic is practised at all decision-making levels within the country.

• (1450)

Ms. McDonald: Mr. Speaker, I am pleased to see the Minister is looking at that, and we will start cheering when we have an agreement on acid rain.

ENVIRONMENT WEEK ACTIVITIES

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the same groups expressed concern about the politicization of Environment Week activities. Would the Minister undertake to see that there will not be any political censorship of environment groups for environment week, that the groups will be able to speak their minds? Will he realize they are responsible groups who have a message and it should not be cleaned up for public consumption, with only the politically safe nice messages going out there?

Hon. Tom McMillan (Minister of the Environment): Mr. Speaker, the purpose of Environment Week is to instil and foster in Canadians a greater awareness of environmental problems and of ways in which individuals and groups can

assist Governments and others with solutions to the problems. It is not a vehicle for partisanship of any political stripe, much less is it a source of funding to pursue any particular ideology. It is an effort by Canadians, involved in the total program to celebrate our environment, to ensure it is protected not only for this generation but for generations yet unborn.

* * *

AGRICULTURE

TOBACCO FARMERS—PAYMENTS UNDER REDUX PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. Last year the federal and provincial Governments set up a REDUX program to assist tobacco farmers out of the industry. Part-way through the year that program was enriched so we had two levels of benefits, much lower to the first 100 participants and much higher, almost double, for those in the second group, two-thirds of the beneficiaries.

Now that the provincial Government has indicated it is prepared to equalize the benefits between the two groups of beneficiaries under the REDUX program, is the federal Government prepared to come through and ensure that the program is made equal between the two groups?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member might be in possession of information that I do not have. The last word I have with respect to the retroactivity matter was that the provincial Government has not made any final decision.

I had preferred to refer that matter to the producers, the Ontario Tobacco Marketing Board. When we introduced the program we did not go forward in isolation but rather in co-operation with the province and with the producers' organization. That is how the first program was developed. It was reviewed by that same group and recommendations for the revised program came from a task force which was representative of both levels of government and the producers.

There are a couple of things before the industry at the moment, namely, additional funds to accommodate the extra applications that have been received, and also the retroactivity question. The last word I have is that the industry was still giving consideration to what option it wanted to follow. The feeling from the producers' level was that, given a choice, they probably would prefer to have additional funds to accommodate the 40 some odd applications that were before the board, rather than deal with the retroactivity question.

REQUEST FOR ADDITIONAL FUNDING

Mr. Maurice Foster (Algoma): Mr. Speaker, I assume the Minister is saying that the provincial Government is prepared to proceed on the basis of providing funds to two groups on an equitable basis, but surely it is not retroactive if these funds are being paid out all in one fiscal year, practically all in one calendar year? That does not constitute retroactivity to some previous fiscal year.

Is the Minister prepared to provide the additional funding for the extra 40 or 50 producers who want to exit the industry and go into some other activity, in order that the program may be fulfilled and carried out very much along the lines recommended by the special committee on agriculture in the House of Commons?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in the last discussions that we had with the province and the producers it appeared it would be possible to secure additional funds for that purpose, but I underline the fact that they would be coming from other aspects of the general over-all program. It would be realistic to believe that we could accommodate one or the other with a very high degree of success.

Recognizing just what the availability of funds is within that over-all general program, I think it would be somewhat unrealistic and perhaps misleading to suggest that one could accommodate both. I think one could do one or the other. From my point of view I would prefer to take my directions from the producing groups themselves.

* * *

NATIONAL DEFENCE

DOWNSVIEW AIRBASE—REQUEST FOR RELEASE OF LAND FOR HOUSING PURPOSES

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of National Defence. The Minister's riding is close to the Metropolitan Toronto area. As a result of that he is well aware of the crisis in affordable housing in the Metropolitan Toronto area. He is aware as well that his Department is currently sitting on about 200 to 250 potentially surplus acres of land at the Downsview Airbase in Metro Toronto. If that land were made available, it would help very much to ease the housing crisis.

Will the Minister tell us today whether he is prepared to release that land and help provide needed affordable housing for Metropolitan Toronto?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, I have asked that a full review be done by my Department with regard to our current activities at Downsview and our projected activities in the future. We are completing that study at the present time and will be making a report to Treasury Board once we have had a chance to determine whether or not all of the land that we have at the base will be necessary in the future, or whether some of it will be declared surplus.

CANADA ELECTIONS ACT

DEFINITION OF ELECTION EXPENSES

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Government House Leader and Deputy Prime Minister.

Two months ago the committee investigating the election expenses of the Hon. Member for Frontenac said we needed a new definition of election expenses. A month ago our caucus chairperson sent a letter with the proposed definition on election expenses. Why has the Minister been unable to come up with a new definition? When does he expect to have a new definition ready for the House?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is aware, I am sure, that I wrote to both House Leaders of the other two Parties. I have had a response from the Hon. House Leader for the Liberal Party. I have yet to receive a response from the House Leader of the New Democratic Party outlining some suggested changes for Bill C-79, the prospect of withdrawing it and rewriting it.

In so far as the definition of election expenses is concerned, an *ad hoc* committee has been set up representative of all three Parties and I understand that the committee is dealing with this particular issue. As of this date, I have not received a comprehensive reply.

I think that all Hon. Members are aware that there are a number of housekeeping matters within the Elections Act that should be changed before the next federal election. I hope I can have the co-operation and support of both opposition Parties so we can move and get those matters clarified.

Mr. Murphy: Mr. Speaker, I have a copy of the Minister's letter to the House Leaders. All it says is that there will be a new definition of election expenses to be incorporated.

The Minister in charge of the Act should know that the *ad hoc* committee is not meeting on this issue. I would ask him to take immediate action to make sure that we do have a proposed piece of legislation in front of the House of Commons where it properly belongs.

ELECTION DONATIONS

Mr. Rod Murphy (Churchill): Mr. Speaker, I have a supplementary question. The Minister's Quebec caucus and the Quebec wing of his Party have called for a limitation on election donations, limiting corporate and union donations. In the Minister's letter to the House Leaders he makes no mention whatsoever of this issue.

Would he confirm that it is not his intention to act in this manner when we deal with the Elections Act?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the New Democratic Party better make up its mind. At least we know where the Liberal Party stands but we do not know where the New Democratic Party stands. I have outlined the suggested amendments. The letter clearly speaks for itself.

If the Hon. Member does not want to co-operate and modify the Elections Act in order to accommodate more Canadians and facilitate their ability to vote, then the New Democrats can well take that position.

Mr. Speaker: I want to point out to the House that, despite what is happening with the clocks, I have one here that works. Question Period is not yet over.

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• (1500)

AUTOMOTIVE INDUSTRY

NATIONAL STRATEGY—GOVERNMENT POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of Industry. Over a year ago the Hon. Member for Langelier (Mr. Côté), when he was Minister of Industry, pledged on behalf of the Government that the Government would soon be introducing a national automotive strategy. The Minister himself made a similar pledge last September, but nothing has happened as yet.

Has the Government abandoned that commitment? If not, where is that strategy? Why do we not have it since it is so important to the future of tens of thousands of jobs in the Canadian automotive industry?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I can only tell my hon. colleague that a number of the issues that were being raised at that point in terms of an automotive strategy were dealt with very directly in the agreement we are intending to sign with the United States. We have dealt with issues such as the rule of origin which will require significantly higher Canadian content than rules currently in use, encouraging increased parts sourcing in Canada. Much of the work has been done, and further work is continuing.

CAR IMPORTS FROM JAPAN AND KOREA—REQUEST FOR ANNOUNCEMENT OF STRATEGY

Hon. Herb Gray (Windsor West): Mr. Speaker, the agreement with the United States does not deal specifically with imports of cars from countries like Japan and Korea. The Minister, on behalf of the Government, has not given a commitment that there will be a policy in place that makes it necessary, if countries like Japan and Korea are to sell cars here, for them to have to source in Canada in the way required of North American producers.

Why is the Minister implying that the Government is giving up its pledge for an automotive strategy? Why does he not say clearly that there will be one, and announce it today?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, there will be one. I think we have dealt with a number of issues over the last 12 months. We have dealt with access to the U.S., with the future of the Auto Pact, with the future of duty-remission programs, with the common rule of origin, with the bilateral tariffs, and with used cars.

There are still issues that are outstanding, including the future of voluntary export restraints from Japan, for example, the government position *vis-à-vis* autos under the multilateral trade round, research and development, and assistance to the parts sector. We are dealing with those. There will be a policy. We have already made significant progress on six or seven of the key elements, and we are resolving the outstanding three or four.

Mr. Speaker: This will be the last question, a single question from the Hon. Member for Humboldt—Lake Centre.

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AGRICULTURE

TOBACCO REDUX PROGRAM—PAYMENTS TO PARTICIPANTS

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture and concerns the federal-provincial agreement on the tobacco REDUX program, as it is called, in Ontario. Although the 260 growers who have used the Canada-Ontario tobacco REDUX program in recent weeks are pleased with the dollars, the 102 producers who went through the program last year and got less feel cheated. I would therefore like to ask the Minister if there are any plans to make a retroactive payment to those who were in the program last year and were short-changed as a result.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, that is basically the same question that was posed to me by the Hon. Member of the Official Opposition earlier during Question Period.

Ms. Copps: The real Opposition.

Mr. Wise: The real Opposition? We have to recognize that this Government, on many fronts, has had to break new ground and develop new programs.

The first REDUX program was developed in concert with the industry and the province. Of course the industry people felt that there were adequate levels of compensation and that the program would be successful. Experience indicated that the level of compensation was not quite adequate for a larger participation. I told the growers back in July that we were quite prepared to sit down and revisit the program. They agreed to this suggestion and went forward.

They have now brought forward recommendations for the revised REDUX program, and of course the takeup has been extremely high. I had indicated earlier that we are exploring at the moment the possibility of diverting some of the dollars in that general program to the specific purpose of making payments to producers. However, I caution that there are two problems here, and one is the question of retroactivity. The other is availability of dollars to meet the increased and unexpected demand. I hope that we can meet both, but I do not think there are financial resources available to meet them, and I have sent that message to the growers, and the growers at the moment are assessing which option they feel we should address.

Mr. Speaker: It is a question of how much, to whom, and when!

The Hon. Member for Humber—Port au Port—St. Barbe is rising on a point of order.

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POINTS OF ORDER

RETRACTION OF REMARKS DURING QUESTION PERIOD

Mr. Brian Tobin (Humber—Port-au-Port—St. Barbe): Mr. Speaker, I wanted to rise at the first opportunity to apologize to the House for my totally uncharacteristic outburst. As Hon. Members know, I am ordinarily a very calm individual, and I want to apologize to the Secretary of State for External Affairs (Mr. Clark) to the extent that my anger, genuine as it was for the moment, was directed at him.

I know that the Secretary of State for External Affairs wants to find a solution to this problem. The solution is not to be found in suggesting that one region and its problems must be ignored because of possible consequences for another region. I tell the Secretary of State for External Affairs that that comment was the source of my anger, and not the Secretary of State for External Affairs personally.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, all of us from time to time lose our normal composure in debate, and while I disagree with the implications, although not the statement of the Hon. Member's elaboration, I certainly applaud his gesture in this House.

Some Hon. Members: Hear, hear!

Mr. Speaker: I want to thank the Hon. Member for Humber—Port-au-Port—St. Barbe (Mr. Tobin), and I want to thank the Right Hon. Secretary of State for External Affairs (Mr. Clark) for his gracious comment.

CHAMBER CLOCKS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, we have experienced a rather unusual phenomenon today in terms of the clock. Historically, the precision of a clock is an important element of our proceedings. I wonder if you might clarify for the House what the official clock will be until we get the main clocks in the Chamber put in order. There are 20-minute time limits and limits for questions and comments.

I think it is important for all Hon. Members to understand where indeed they might get information about what time it is for the balance of today.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I cannot let the opportunity pass to remind the Parliamentary Secretary that indeed the clocks have gone a bit crazy and that reminds me a bit of the way his agenda works sometimes. He wants to push things so much that maybe the clocks have started to be scared of him and are trying to advance things a bit faster than normal. I just want him to calm himself. We all have watches.

Mr. Speaker: I can advise Hon. Members that until the main clocks are fixed, the time will be kept track of by the Table Officers and, of course, the Speaker has a clock here as well. Hon. Members could synchronize their watches and that would probably avail us for the rest of the afternoon.

I must advise that I have no idea about what has caused the clocks to race ahead and extinguish an afternoon of important matters, but it may have started during one of the exchanges in Question Period, I am not sure. In any event, the clocks are still moving and I will send someone to stop them and to reset them.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—DROUGHT IN WESTERN CANADA

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

> That this House urge the government to provide for emergency financial assistance to grain and livestock producers in the southern Prairies and in Central British Columbia in the event of a continuation of the current drought conditions in those areas, and to establish a long-term plan to deal with environmental disasters such as droughts, floods, and pest infestations.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am pleased to take this opportunity to say a few words on the motion my colleague has put before the House. Farming these days in most parts of Canada is not a particularly happy industry. The attack on farming has come not only from nature but from a variety of other sources as well. It has not

been caused by drought, floods, insects or disease necessarily, but by many artificial sources including ourselves and other Governments in the world which are attempting to control the market.

A part of the difficulty with farming is caused by world events, world markets, low prices, price wars, and unfair subsidies. However, it is because of this rather unstable situation in which farmers find themselves, while attempting to produce the food the world needs, that we have before us a motion which suggests that we need to do something about stability in farming.

• (1510)

What farmers really need is some kind of long-term security. They need to know that what they plant and the animals they nurture will provide a return sufficient to pay the bills and to make a little profit so that they can have a decent life for themselves and their families. They need enough to make sure that they will stay alive, not only in the sense of having enough to eat, but in the industry they have chosen for themselves.

Prices and markets are artificial difficulties which farmers face. We are asking in this motion why we do not have in place a program which gives farmers some assurance that when they hit a bad year, when they are affected by those difficulties which nature sometimes throws up, they will have a program which allows other Canadians to be of support to farmers.

Back in 1985 the Minister of Agriculture (Mr. Wise) came before this House and made a very specific statement. This was during a time when there was a considerable amount of concern about drought in southern Saskatchewan. The Government acted on that concern and put in the works a considerable amount of money to assist farmers. It was a rather temporary approach, as the Minister said at the time. On November 27, 1985, at page 8870 of *Hansard*, he said:

> There is no question about the fact that there are many western farmers, good farmers, who, through no fault of their own, need special assistance measures at this time.

That is what he was providing; that was the announcement. He went on:

> But we all appreciate that ad hoc measures and programs are not an ideal solution. It is disruptive to producers to live with the uncertainty of not knowing what back-up assistance they will receive when natural disasters occur.

He went on to say:

> Nor is it easy for the federal Government to take on substantial new financial commitments which have not been previously budgeted.

Yet what the Government has been doing ever since is coming up with *ad hoc* programs when farmers need assistance. We are suggesting today that it is time that the Government looked for a program which will guarantee farmers that if they face natural disasters they can at least know—and that is the key—that there are programs in place which will help them in the circumstances.

Farming is a difficult business. Drought, floods, grasshoppers, disease, and bad weather are all disasters confronting farmers much more often than possibly we realize because we have a tendency to look at these things as they affect only our little area. They may not bother us too much because we may be affected by only one of them every few years. If we were to put in place a regularized structure, a disaster relief program, then the farmer would know that he or she would receive enough to live on in case of a disaster.

We can look at what has happened in Canada over the years. We have had tornadoes, floods, and other natural disasters, and I suppose in every case the Government has come forward with enough to allow the farmers to survive through the particular problem. The Minister and other Members of the House have suggested that crop insurance is now the solution to all such disasters. Perhaps under certain circumstances it is. Others have suggested that western grain stabilization or that kind of program is also an answer. Again I say maybe, but it is not always the answer. Farmers know that both those programs are based on historical production. The farmer's income is stabilized at a level which is the average of several years before.

Today, as well, several Hon. Members have said that right now we are faced on parts of the Prairies with the same kind of weather patterns we had in the Dirty Thirties. In fact, they have used those particular words, "the Dirty Thirties". One of the features of the Dirty Thirties was that the problems lasted for a good portion of the years between 1930 and 1938.

• (1520)

The Saskatoon *Star Phoenix* carried a little item this weekend entitled "Fifty years ago today, historical note". It said that 50 years ago today the Province of Saskatchewan received two inches of rain. It was the first general rainfall Saskatchewan had had for eight years. I am not being pessimistic and suggesting that that is what will happen now, but we have no emergency funding for such a long-term disaster. Insurance programs do not deal with such situations.

In fact, when the Minister made his comments on November 27, 1985, he pointed out to this House that one particular portion of the agricultural industry, the cattle raising industry, had had five continuous years of insufficient pasture. Stabilization programs do not help in such circumstances. The programs about which we have been talking will provide short-term relief, as the Minister said in a press release at that time.

Speaking about the program for drought in western Canada, as well as crop insurance and western grain stabilization, he said that this program would provide short-term relief while we developed a long-term approach to emergency funding. He explained that the Crop Disaster Assistance Program was being viewed as a field test for a permanent emergency assistance program which would be an adjunct to the current Crop Insurance Program. He said that in the past few months it had been referred to as "Phase 3" of the drought assistance plan. The Minister of Agriculture indicated this in a wire released early in 1986. He was pointing to the need for a long-term program which takes care of natural disasters as they come about.

The Hon. Member for Yorkton—Melville (Mr. Nystrom) keyed in on one of the results of not having in place programs which allow farmers to believe that when they plant they can harvest, that when they breed cattle they will be able to live off the products of those cattle. If, when in the process of planting or of raising cattle, you never know whether the results of your year's work will be enough to keep you and your family alive for the next year, you are under a tremendous amount of stress.

The aim of our motion today is to draw the attention of the Government and the people of Canada to the fact that there is a great deal of pressure on farmers these days due to the fact that they do not get sufficient return on their products to allow them to live, to pay their accumulated debts, and to pay the input necessary to produce the products they wish to market.

One of the results of this in many areas of the country has been an effect on the rural population which Members of this House and citizens of Canada abhor. There has been an increased number of family problems in the rural areas—increased alcoholism, suicides, drug use, and emotional problems. These are all much more prevalent in rural areas now than ever before. Not too long ago a statistic in Ontario suggested that more than one-third of the deaths in its rural areas were by suicide, related in most cases to inability to deal with the problems of farm production.

We are, therefore, suggesting today that it may be possible to eliminate some of the stress by putting in place an income security program based on the farmer as an important and integral part of society, because the farmer is an important and integral part of society. The only link in the food chain from the resource earth to the consumer which does not pay for itself is the producer, the farmer. The only link in the chain which does not make enough from the day-to-day work to pay itself a decent living, to pay for products and input, is the actual producer.

I have been talking about the need to eliminate as much of the stress of farmers as possible. The drought may disappear. It could rain tomorrow. However, we have a water shortage and that will not disappear tomorrow. A flood starts today and remains for a few days. A drought which causes water shortage does not happen overnight; it is built up over years. In western Canada the water shortage has been developing for many years, and it is not going to disappear.

Therefore we need not only expand the very successful and worth-while projects which PFRA has in place. We need to put in place a disaster program which will eliminate at least one of the causes of the great amount of stress put on the farmer as he tries to make a living.

• (1530)

Mr. Gustafson: Mr. Speaker, I have one short comment. I certainly recognize the seriousness of the drought problem in the Prairies which at this time particularly relates to water for the livestock operations. In the area I represent, the PFRA is working. It is pumping water into dugouts in community pastures, trying to make water available in as many cases as is possible so that there is drinking water for the livestock.

Another comment I would like to make is that having been the chairman of the task force on drought back in 1984-85, I can say that the Government did respond very positively. The positive news we have on the Prairies, as reported by the CBC this morning, is that approximately one-third of Saskatchewan has received sufficient rainfall, along with a better part of Manitoba. The drought area certainly lies in the western and central parts of the province. On a positive note, the Government has been responsive and I am sure will be responsive to these needs.

Mr. Hovdebo: In reply to the comments of the Hon. Member, I will say that all of us who live in Saskatchewan, Alberta and Manitoba, recognize the great value of the PFRA programs now and in the past. The PFRA was established for a good reason in the 1930s and the fact it has survived is a good indication that it has done a job and done it well. As far as water is concerned, based on the precipitation in Saskatchewan right now, there are parts of Saskatchewan that will have no problem, but there are parts which will be in trouble. Estevan, for example, has had 40 per cent of normal precipitation up until now. The chance it will reach normal precipitation levels by the end of June is only 24 per cent. In other words, there is one chance out of four that Estevan will have normal precipitation this year. I will go through the statistics very quickly. They are a good indication of how badly things are with respect to water on the Prairies. The statistics are only for Saskatchewan. There is only one chance out of three that Saskatoon will have enough rainfall by June 30 to be up to normal levels of precipitation. Prince Albert has 61 per cent of normal precipitation. It is by far the best in the area. Battleford has 29 per cent, Broadview, 27 per cent, Yorkton, 29 per cent, Estevan, 24 per cent, Regina, 34 per cent and Swift Current, 27 per cent.

Those percentages are indications that we may get some rain, but we need a considerable amount more. That is only part of our motion here today. The main part of our motion says we need in place something which can cushion the farmer so that he knows for sure he going to survive. I appreciate the point the Hon. Member made, that the Government has reacted in the past to give farmers assistance when they needed it, but it would be much less stressful for the farmer if a program was in place that was regularized and structured.

Mr. Hardey: Mr. Speaker, I do wish to comment and put a question to the Hon. Member for Prince Albert. I found his speech a bit confusing as I listened. He went through his points one by one. He began to deal with a motion for a strategy to deal with environmental disasters, but he tried to couple that with the problem many farmers face with respect to low commodity prices from time to time, particularly during the past two years when we have been dealing with the Special Grains Assistance Program and so on. I find it difficult to lump these two problems together. Why is the Hon. Member attempting to deal with the motion and at the same time trying to deal with low commodity prices? It appears as if he is attempting to deal with a type of insurance plan to cover both at the same time.

I also want to point out that we recognize that the crop insurance program is not perfect, but the Hon. Member seems not to be aware of how it is set up. Surely he knows that the individual farmer starts off on the program with a regional average as a basis to be paid in case he faces some type of disaster and does not harvest his crop, but as he participates in the program, the Hon. Member will know that each farmer has the opportunity to develop his own personal record of production, thereby increasing the level at which he would be paid in case he faces a disaster.

The Hon. Member is confusing that program with the stabilization program, and they must not be confused because it just confuses everyone who listens to the Hon. Member. So let us deal with environmental problems, and the disasters with respect to those environmental problems, such as grasshoppers, floods, droughts, and, as I pointed out previously, some of the frost problems. I would ask the Hon. Member if he would agree that we have to deal with those issues independently. Surely he knows the Government has a record of being there with special disaster funds, besides the insurance programs, and so on.

Mr. Hovdebo: Mr. Speaker, perhaps we did not make our motion broad enough. Disasters are the same whether they come about from low prices or from no rain. They are all a disaster when it comes to getting bread on the table. I want to point out that historically in my part of Saskatchewan, and the Hon. Member for Assiniboia (Mr. Gustafson) will recognize this, the use of insurance to cover crops is not very broadly used because we in my particular district have never been able to establish a level which would allow us to make use of the insurance program. I recognize the difference without any doubt between insurance and stabilization, but historically the two somehow seem to come together in our part of Saskatchewan because of the fact that by the time the farmer has paid the amount necessary for input and insured the crop at that level, he has already used up any possible returns he might get from insurance. Consequently, most farmers do not bother to buy insurance. It is only of marginal value to some people.

The other point I think I have to make is that when a farmer is under stress, when he is having a problem making ends meet, one of the things he has a tendency to drop is insurance, just as many people dropped Western Grain Stabilization when they should not have. It is that stress that builds up which causes the problems of alcoholism, suicide and family problems.

Stress causes the kinds of problems which some kind of a program that guaranteed a return under certain circumstances would eliminate.

• (1540)

Mr. Gustafson: Mr. Speaker, I have one short supplementary comment to make. The NDP in Saskatchewan has been opposed to the building of a dam called Rafferty Dam at Estevan, Saskatchewan. The Hon. Member for Prince Albert (Mr. Hovdebo) mentioned Estevan and the low rainfall in that area.

The Devine Government is moving ahead on this dam which will have a very positive effect on water supply in the whole southern area. Yet the NDP has taken the position of opposing this structure. Certainly, the building of dams for water supply has to be a very positive aspect. The Rafferty Dam is a very positive direction that the provincial Government has taken with the assistance of the federal Government.

There seems to be somewhat of a contradiction here in the NDP line in terms of suggesting on the one hand that we have to look at water supplies and then on the other hand putting road-blocks in the way of the provincial Government accomplishing the building of dams. Someone said that the NDP in Saskatchewan talks about dams and the Conservatives build them.

Mr. Hovdebo: Mr. Speaker, the Rafferty Dam in Saskatchewan is a political dam. It has nothing to do with water particularly. It is a political dam which is being put in place for the benefit of the Hon. Member. It will take 35 years to fill the dam, if it can ever be filled up. If the water level in the dam is dropped by one metre there will be 60 miles of mud-flats. This information has come out of a partially developed study which the Government of Saskatchewan never bothered to finish. It got the people to do the study with respect to this particular dam development and did not fill in the blanks that were necessary to make a decision on the building of the dam or the not building of it, which has nothing to do with the economy, water use or anything else about that particular area.

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I welcome this opportunity to enter into the debate which is, of course, of very considerable importance to the agricultural community in western Canada. In doing so I speak at least in part from my own perspective as a Manitoban. I might say that, unfortunately, some of my colleagues who I know wish to be here cannot be present today. I think in particular of the Minister of State for Grains and Oilseeds (Mr. Mayer) who could not be present.

I am pleased to report to the House that the situation in Manitoba has changed rather dramatically in the last 10 days. Rather ironically while all of us shared the concern about an impending and feared drought in western Canada some 10 to 14 days ago, in Manitoba we now have a situation of having to look at damage caused by flooding in the northwestern part of Manitoba in the Dauphin—Swan River area. I suppose this simply demonstrates how quickly weather conditions can change. In a sense we can go from one crisis to another.

The rains of the last two weeks have moved the area of concern to the West. I am advised that at least the eastern third of Saskatchewan has had enough moisture that it can look to reasonable chances of germination. That, of course, is good news. The problem for cattlemen and livestock producers remains since their water needs will not be met as readily as those who are involved in cereal grains.

If I may, I want to make some reference to the exchange that took place in the House a few moments ago with respect to the Rafferty Dam. So much of what happens in Canada depends on one's geographic perspective. In light of the fact that I represent the constituency of Brandon—Souris, and since the Souris River flows from Saskatchewan into North Dakota and back into Manitoba, I must advise my hon. friend, the Parliamentary Secretary to the Prime Minister (Mr. Gustafson), that there are as yet some unresolved concerns in my own constituency with respect to water supply. I simply say to him for the sake of the record that if I understand it correctly, the role of the federal Government is limited to that of providing its permission for construction to proceed. If I understand correctly, I think that that is still under review.

Mr. Foster: Take him out behind the barn, Lee.

Mr. Clark (Brandon—Souris): Mr. Speaker, the Member who just spoke on behalf of the New Democratic Party, a good friend of mine of several years standing, said that what western Canadian farmers want to a very large degree is an assurance that they can count on the federal Government to be of assistance if indeed the need for that assistance proves to be there. While all of us in the House understand how quickly weather conditions can change on the Prairies, the drought that we fear today could indeed be gone in 48 hours. Thus we do understand the importance of the concerns which are there.

We want to take this opportunity to reassure the prairie agricultural community, although it understands full well, that the Government has been there in the past when it was needed since 1984. I think the community understands full well that we will be there again if indeed our assistance is necessary.

I am pleased that there have been some changes to western grain stabilization programs and crop insurance, which have made them more responsive to the needs of prairie agriculture. For example, we now have provisions for livestock feed forage crops to be included under crop insurance to a greater degree than they were before. While I, like other Members, appreciate the need for long-term planning, it is very difficult in some instances to have the kind of long-term planning which some of us would seek. That is particularly true when talking about drought.

Part of the problem with drought is the fact that it does not necessarily follow a uniform pattern. For example, I think of programs which the federal Government put in place in 1984

and 1985 in which the Hon. Parliamentary Secretary to the Prime Minister played a very significant role. I remember some $60 million was provided in 1984. I believe that something in the order of $146 million was provided in 1985. I remember one of the problems at that particular time was the fact that for those programs to proceed there had to be provincial co-operation as well. Due perhaps to variations in economic conditions, and perhaps due to the attitudes of provincial Governments, some of the farmers in my own constituency were not able to participate in the latter program because the Government of Manitoba did not believe the crisis was as severe as the federal Government believed it was. Our neighbours to the west in Saskatchewan and Alberta were able to participate in those programs, and benefit from them.

As you may know, Mr. Speaker, the new Government of Manitoba was sworn in this afternoon. There is as of now a new Minister of Agriculture. I am sure that that new Minister of Agriculture will be very responsive and sensitive to the needs of the agricultural community, I believe to a greater degree than has been the case over the last few years. What the farm community understandably seeks, and what we as the Government are prepared to offer, is a statement of commitment on our part. One might well ask in view of the cynicism which exists among the public today just how the farm community is to determine that a Government's commitment is something which indeed will be honoured.

We as politicians live in a world of words. In fact, the very word "parliament" means "to speak". There are many who would suggest that there is far too much speaking that goes on in Parliament. I think there are some of us who would applaud that.If we cannot judge a Government or politicians by their words, the obvious question arises as to how does one judge a Government. How do we know that it will honour its commitments?

As a Member of the Government, and particularly as Parliamentary Secretary to the Minister of Agriculture, I am pleased to be able to say to you, Mr. Speaker, and to the prairie agricultural community that I believe this Government's commitment to the agricultural community will be respected and well received, not because of the words which we use here or elsewhere, but because of the actions which have preceded the words and the actions of the last four years.

• (1550)

I have no difficulty in saying that the crisis which has existed in agriculture for the past four or five years has been the worst that we have seen in Canada since the 1930s. I also have no hesitation in saying to the Canadian agricultural community that the record of the Government over the past four years is one of unprecedented support for agriculture. Nowhere in the history of Canada has there been a four year period of growing financial support for agriculture as there has been for the past four years. The strength of our commitment is to be measured and determined by that record of which I speak.

I have referred to the fact that when there was a drought in 1984 and in 1985, programs were put in place which met the needs of the agricultural community. We have also moved to try to strengthen the safety net programs to which we as government Members refer. I have mentioned amendments to the Western Grains Stabilization Act, amendments to crop insurance, and other Members have previously spoken on that.

We live so much in the age of dollars and cents that sometimes our record is measured only in those terms. Perhaps one statistic alone is more significant than any other, that is, our direct financial support to Canadian agriculture has increased by some 400 per cent since 1984. That is an unprecedented record of increased financial assistance to agriculture. That is why the farmers realize that when we say we will be there, we will indeed be there.

However, many of the problems which exist in agriculture today are not of a short-term nature, but of a long-term nature. Many are international in nature, rather than national or regional. That is why the Government has worked very hard to address these problems at the international level. That is why agriculture has been more on the international agenda than ever before in the history of Canada.

In June, 1986, Canada hosted a meeting of five major grain exporters to work toward solutions and problems in the grain trade. In September, 1986, there was a very important development when the Secretary of State participated in the launching of a new GATT round. We understand very clearly that GATT was tragically ignored in the last talks by the previous administration. Agriculture is on the GATT round for the first time. Much is expected of that, but indeed I think there is reason to be optimistic about what is expected.

In May, 1987, Canada and the Minister of State for Grains and Oilseeds played an integral part in the meeting of the Cairns Group, a group of 14 nations that are among the principal grain exporters moving toward trade reforms. In a similar fashion, at the economic summits, and at the OECD meetings, agriculture has been very much on the agenda as a result of initiatives that we have taken.

In addition, we have had a considerable amount of success in moving grain under very competitive circumstances. We have used short and medium term credit measures through the Export Development Corporation to facilitate those sales. We have had agricultural trade missions to Japan, the Soviet Union, and China. We signed a five year commitment with the Soviet Union, which continues to be a very important economic trading partner. As a result of that commitment, the Soviet Union has agreed to purchase a minimum 25 million tonnes of grain. There is a new three year agreement with Brazil. As a result of these various activities, the total representing last year was a record export of 31 million tonnes. This has been done at a time when some of our competitors have been attempting to give away their grain in order to take away markets that have been historically ours. We have succeeded

not only in retaining our traditional markets, but adding to them.

At home we have done what we can to be of assistance. As I stated previously, we have done more than any other Government prior to us. For example, in October, 1984, although it is a long time ago in our memories, the St. Lawrence Seaway's tolls were frozen, saving farmers some $2 million. In January, 1985, a moratorium was introduced on the Farm Credit Corporation foreclosures until the Farm Debt Review Boards were in place. As a result of the Farm Debt Review Boards being in place, and those many agricultural-minded citizens who work on them, we estimate that some 2,000 farmers remain in business today who would not otherwise be there. Funding for those boards has been extended until 1991 because the need is evident. There is a further federal commitment in that regard of $40 million.

In February, 1985 the Western Grain Stabilization Act was amended in order that farmers could receive interim payments in time for spring seeding. As a result of some of those amendments, and as a result of the support for the program, that program has paid out nearly $3.6 billion, $2.4 billion of that amount having been paid in the spring when it is needed most.

In June, 1985, and I remember this well because I was Chairman of the Agriculture Committee, we succeeded in establishing tripartite stabilization programs for red meat producers. Unfortunately, many provinces have not yet joined in the beef area, Manitoba being one of them, but I think that will come in the not too distant future.

In October, 1985, there were special cash advances of up to $3,000 per farmer to help prairie producers pay for the cost of drying grain. The problem at that time was too much moisture, the opposite of what it is now. In November, 1985 there were cash advances for unthreshed grain on the Prairies. The list goes on, Mr. Speaker.

There are federal tax rebates for farmers worth some $200 million per year at the moment. In March, 1986, there was a $94 million branch line rehabilitation program. In April, 1986, the Prime Minister (Mr. Mulroney) announced a freeze on the freight rates paid by producers for moving their grain. In July, 1986, there was an investment of $35 million to promote the long term development of the livestock feed sector in Atlantic Canada. In December, 1986, there was the Special Canadian Grains Program, the first of two. The first was $1 billion, and more recently there was $1.1 billion in December, 1987.

In April, 1987, $64 million was provided to farmers to cushion them from a statutory increase in western grain freight rates. Presently there is another program of a lesser nature, but with the same objective. In December, 1987 assistance was given to the Farm Credit Corporation, recognizing that the credit crisis is not going to be resolved immediately. There was $30 million in extra funding provided in order that it could participate in lowering debts and interest rates with the Farm Debt Review Boards, and there is a promise of $100 million per year for each of the next three years to permit them to do the same thing.

There was also an attempt to strengthen the FCCs. Last December $100 million was announced to cover corporate losses, and a deferral of a $103 million loan payment which lessened the crisis they were facing. Of course, there was also the extremely important $1.1 billion program to which I have already alluded.

Despite the fact that some $29 billion is being spent on interest on the national debt, the Government honoured the commitment it made some four years ago that farmers would be entitled to substantial capital gains tax exemptions. We recognize that the land they own and seek to pay for represents their own pension fund. Farmers are treated in the unique manner they deserve as a result of tax exemptions of some $500,000 per farmer.

In the past four years, as a result of all those programs and many to which I have not referred, our financial commitment to agriculture has risen by some 400 per cent, virtually 100 per cent per year for each of the four years we have been in power. This averages out to some $20,000 per year to each commercial farm in 1987, as contrasted with figures of some $4,000 per year in 1984.

Virtually every farmer to whom I speak, and there are many, would prefer that these types of programs were not necessary. They would prefer not to have to come to Government in times of stress. They would prefer that all of their necessary income could be found in the market-place. But agriculture is a very unique industry, in the sense that it depends entirely on the weather. I remember well living in Saskatchewan north of Regina in my teen years during the dry years when as a young person one spent more time looking at the sky than anything else, not to enjoy the beauty of the sky, but to look for rain clouds and worry about what agriculture could mean to prairie people who are so dependent upon the climate and the weather.

Agriculture is unique not only because it depends on the weather, but also because it depends, to a very large degree, on what international markets are. On the one hand, the Canadian farmer is historically very much of an individualist, but on the other hand he recognizes that he is in a uniquely dependent situation. I can think of no sector of the Canadian economy where those who practise that economy are as dependent on others as is the case in agriculture, and are particularly dependent upon forces over which there is no control. In my own constituency until 10 days ago the dirt and the dust was blowing, reminiscent of the 1940s and the 1930s. What is so tragic about that situation is there is very little that the individual farmer can do about that.

• (1600)

The farmer is in the same position when the price of grain declines. Who else in this society has suffered a 40 to 50 per cent reduction in the price for their product? That is what has

happened to the prairie grain producer over the last two, three, four years. Those are aspects of an agricultural operation which all of us regret, and they are aspects which we as a Government, in conjunction with our provincial counterparts, are striving to minimize to the greatest degree possible.

I wish it were possible for Members of this Government to stand in this House today and say that there will be no drought in the Prairies. That, of course, is not possible. No one can accurately forecast what will happen with the weather. Certainly no one was forecasting the flooding which has taken place over the last few days in the Swan River Valley.

I wish we could stand in this place and outline precisely what we intend to do should the drought continue. But that, too, is difficult to do, given that we do not know the nature of the crisis as it will unfold. We do not know how large an area will be affected. What we do know is that we, as Members of this Government, can stand in this place and say to the prairie grain producers that we have been there over the last four years to an extent that no government before us has been there; and we can say to the prairie grain producers that we will not abandon them in their moment of need.

We have demonstrated our commitment to agriculture over the last four years a way of which I am personally proud, and we say to the agricultural community today that, if the need is there, we will be there again, as we were in 1984, as we were in 1985; that we will do whatever is necessary to assist the prairie agricultural community in the manner in which they deserve.

Mr. Deputy Speaker: On questions and comments, the Hon. Member for Algoma (Mr. Foster).

Mr. Foster: I was interested in the comments of the Parliamentary Secretary to the Minister regarding the Prairie Farm Rehabilitation Act. I remind the Hon. Member of the commitment made by the Progressive Conservative Party during the 1984 general election campaign to expand the Prairie Farm Rehabilitation Act into a national farm and forestry rehabilitation act, which act would include co-ordinating national concerns with respect to drought, water, soil management, conservation, wetlands management, and the general enhancement of the quality of rural heritage.

Perhaps the Hon. Member can advise us as to whether that campaign commitment has been met. Will the Government be bringing in legislation between now and the end of this Parliament to implement that commitment?

Mr. Clark (Brandon—Souris): Mr. Speaker, I cannot give the Hon. Member the commitment which he is seeking with respect to what the future agenda of this Government will be. As all of us know, there are more Bills now before the House than are likely to be completed in the normal course of events, let alone those which might be produced in the future.

Since its establishment in 1935, the PFRA has been associated with soil and water conservation. What was announced last December, as the Hon. Member well knows, was a special commitment to soil and water conservation, entailing a financial commitment of some $75 million, all in the expectation that those moneys would be matched by the governments of the Prairie provinces—and there is some indication that that will be the case.

Whether or not the umbrella of the PFRA is expanded, whether its name is changed, the type of work which PFRA has been associated with over the years is very much continuing now and into the future. I was very pleased to see that some of the individuals who have been associated with the work of the PFRA are now themselves becoming involved, in an administrative capacity, with the new soil and water conservation program. That augers well for the future on the Prairies.

Mr. Deputy Speaker: The Hon. Member for Humboldt—Lake Centre (Mr. Althouse), on a question or comment.

Mr. Althouse: Mr. Speaker, the Hon. Member for Brandon—Souris (Mr. Clark), in his speech, spoke about certainty, and the difficulty that farmers have in feeling dependent. He should be aware that that is precisely the feeling that we are trying to address through this motion. The Government promised on November 27, 1985, in the Minister's statement, to continue its efforts toward developing a long-term approach to emergency funding. This motion is to remind the Government of that promise.

Until becoming a Member of this House, I depended upon farming as my sole source of livelihood, and I can tell the Hon. Member that farmers do not feel any sense of certainty from the kinds of statements that the Parliamentary Secretary to the Minister has made today. The farmers can take no certainty in being told that this Party, or that Party or the other Party will look after their interests. The sense of certainty that farmers are looking for is that which comes with a law, the kind of law that gave us, as farmers, the Western Grain Stabilization Administration. We got that because the law was there, not because a given party was in power. We got that because it was enacted as a law of the land.

That is the kind of certainty that farmers are looking for with regard to emergency drought aid. They want to know the parameters of the aid and what is required before action is triggered. They want to know what federal and provincial committees have to be put in place.

This all happens after the fact, and a formula is worked out. But, it is not enacted with any certainty. No one remembers from one emergency to the next what steps have to be gone through. It is something that has never been spelled out in the law. That is what we are trying to remind the Government of, since it seems to have forgotten what happened some three years ago on the occasion of the last emergency confronting the agricultural community.

Farmers want to know that the processes and steps are the same from one emergency to another, and they want them set out in the law. At the moment, those steps and procedures are

not set out in any orderly procedure, and there is no organization within any of the Departments to take over should we be in the middle of an election campaign at the time of a disaster, or going through a change of Government, or whatever.

Farmers must have the kind of certainty that can be had through having the steps and procedures set out in law, and that is what we are trying to stress through this particular motion.

Mr. Clark (Brandon—Souris): : I appreciate the security which a law may provide—and I say that as someone whose own farm is still within the dry area of Saskatchewan. On the other hand, it may merely lend to a false sense of security, inasmuch as one cannot anticipate, in advance, all that the weather can do in terms of its impact upon the agricultural sector. One can simply not foresee all of the vagaries of weather.

In 1985, I had farmers in my own constituency, in the Grand Clairiere area, who suffered from drought, as well as from grasshoppers. Because those twin disasters were, so-called, local in nature, they could not qualify for assistance. The provincial government of the day took the position that the drought was not serious enough. My own inclination would be to proceed on an *ad hoc* basis, in belief that when one responds to the real circumstances of the moment, one can respond more adequately when trying to foresee the future.

There was no law which required the Government of Canada, in 1986, to provide a special $1 billion program to the Canadian agricultural community. Yet, because of the need, the Government responded with a $1 billion program. And there was no law which required the Government to respond in 1987. Because the need was there, this Government did respond.

Those who believe that they can adequately prepare for the future through perfect legislation, legislation which encompasses all of the circumstances which the future will present, have a naive belief in the power of legislators to anticipate the future.

Mr. Deputy Speaker: The Hon. Member for Bow River (Mr. Taylor), on a question or comment.

• (1610)

Mr. Taylor: Mr. Speaker, I have one or two comments and then I have a question for the Hon. Member. In my constituency, and probably in many parts of Alberta it is very, very dry. Last Saturday I dug down into the earth with my hands—I did not have a shovel—around eight or nine inches. The soil was bone dry. Hon. Members know that unless you have some moisture in the top four or five inches there is very little sense putting in seed because it will not germinate. There is a great deal of concern about this drought.

When I was in the Alberta Government, we explored plans for a catastrophe fund. People by themselves cannot provide for a catastrophe. You can provide for small happenings, but you cannot provide for a catastrophe. We checked with Lloyds of London and others for a catastrophe insurance fund so that something could be in place when a tremendous flood or a devastating fire occurred, wiping out neighbourhoods, et cetera. These things may never happen but if there is a fund in place, it gives people a sense of security.

The United States has programs in place for emergencies. Frankly, I would like to see an expanded insurance policy or catastrophe fund, whatever you want to call it, set up. It may not look after every catastrophe or emergency that arises—no one can foresee everything, as the Parliamentary Secretary said. There is a feeling today that, sure, the Government will come through, but no one knows how, why or when a catastrophe will occur. If we do not get rains in Alberta in the next two or three weeks, it will be terrible for growth. Farmers will be unable to put in their seed. That will cause a calamity not only for Alberta but for Canada. We depend upon the farmers to produce our food.

Would the Parliamentary Secretary take a look at an expanded insurance policy or having a catastrophe fund—I do not care what it is called—in place that will give the farmer a feeling of security if the grasshoppers come in hordes, as they did in southern Alberta a year or two ago, when they destroyed crops and ate paint off the houses. We have no provision for those sorts of things, but something should be done in conjunction with provincial Governments. I would like to see the farmer given a feeling of security that if some of these terrible things happen and he cannot seed, he will not be left high and dry. This has been done in the United States. Canada can similarly set up a program. It will not cover everything but at least something would be there in the event of a catastrophe. I would like the comments of the Parliamentary Secretary.

Mr. Clark (Brandon—Souris): Mr. Speaker, as the Hon. Member for Bow River (Mr. Taylor) knows, there is a need for both levels of Government to work together to try to provide some sort of catastrophe fund, safety net or whatever. I would be the first to admit that perhaps there are too many programs but we have created a series of programs, both federal and provincial Governments working together. We have crop insurance, western grain stabilization and soil and water conservation programs. We have done many things. I would readily concede that there probably has not been as much co-ordination and integration of those as I would wish. We are spending a very substantial amount of money on agriculture on the Prairies, as the Hon. Member knows well. I referred to some of those figures in my address. We subsidize the movement of grain and there are various programs to keep down the farmer's share of freight rates, et cetera.

Part of the difficulty, Mr. Speaker, and I am sure the Hon. Member is aware and sensitive to this, is that while we believe that some of our programs are advantageous, the farmers do not necessarily agree. For a variety of reasons they choose not to participate. I think particularly of the Western Grain Stabilization Program which has paid out a substantial

amount of money to those who are in it. But what of the 13 per cent who are not in it? That is a problem this House will have to address in the next few days or weeks.

There are people who would advocate that we could take the various programs, roll them together and probably provide to a substantial degree the sort of insurance coverage to which the Hon. Member refers. But what of the 40 per cent who do not choose to be in crop insurance for a variety of reasons? What about the 13 per cent who are not in the Western Grain Stabilization Program? Part of the difficulty in providing that kind of a safety net is that we are left with the understandable desire on the part of individual farmers to reserve the right to participate or not participate. That is why in some ways this special grains program, *ad hoc* though it may have been, was a response that met the needs of agriculture, I would argue quite well, because it was there. It was drafted after the circumstances were known. We knew what the situation was. We knew how far the price had fallen. We knew the size of the crop and the quality of the grain. We said in consultation with the farm communities that it was available to the community as a whole.

I have no lack of sympathy for the Hon. Member's objective in terms of trying to integrate these programs. But what do we do for those who for a variety of economic or philosophical reasons do not wish to participate?

Crop insurance is not nearly as adequate as it should be. For that reason many do not buy it. Many are buying it this year for the first time because of their concerns, but it is not adequate for many. The Western Grain Stabilization Program only covers a certain percentage of production. I would like to see us try to bring all this money together into a more comprehensive fund. But what about those who do not wish to participate? That remains a philosophical problem.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Algoma (Mr. Foster)—Trade—Canada-United States free trade agreement—Request that Government compensate grape growers/Request for guaranteed lines of credit; The Hon. Member for Broadview—Greenwood (Ms. McDonald)—Film Distribution Industry—Effect of Canada-United States free trade agreement/Effect of agreement on cultural industries; The Hon. Member for York East (Mr. Redway)—Energy—Low sulphur western coal—Proposed use by Ontario Hydro.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—DROUGHT IN WESTERN CANADA

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

> That this House urge the Government to provide for emergency financial assistance to grain and livestock producers in the southern Prairies and in Central British Columbia in the event of a continuation of the current drought conditions in those areas, and to establish a long-term plan to deal with environmental disasters such as droughts, floods, and pest infestations.

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, as the environment critic for the New Democratic caucus, I am pleased to take part in this debate today because agriculture is extremely important to Canada and primary production is something highly dependent upon the environment. We are dealing with what we hope will be treated as a renewable resource. Far too often we see agriculture treated as a mining resource, as something that is here today and gone tomorrow. It is with a view to looking at agriculture as sustainable development that I participate in this debate and address some of the questions that my colleagues have already raised, specifically with regard to drought in western Canada, the need for long-term solutions and some security for our farmers.

It is a very discouraging prospect for us to consider the matter of drought in western Canada. We think of the drought in the 1930s and we are told that some of these scenes are beginning to happen again with sand, dust and soil blowing across the Prairies as they did at that time.

Droughts are not necessarily caused by some mysterious forces of nature over which we have no control. Droughts can be "man-made". Certainly human activities can influence the weather. The weather is not a given—that comes from the outside. What we do in terms of our forests and the renewal of the cycle of moisture in the air will be extremely important. We have to look to the possibility of the greenhouse effect which means carbon dioxide building up in the atmosphere, trapping heat close to the earth's surface, raising the temperature world-wide and as a result melting the polar caps and raising the level of the sea. One of the consequences of that can be the wiping out of populations along sea coasts. One of the other consequences, more pertinent to the debate before us today, is massive changes in weather and the possibility of drought on a permanent basis in areas that right now are very productive.

• (1620)

What are we doing about this? The Government has set up an international conference of the air. That is one of the things at which this conference will be looking at the end of June in Toronto. I applaud the initiative taken to bring countries

together to look at these basic, long-term potential environmental disasters.

What are we doing in the meantime? We continue to burn fossil fuels. We are becoming ever more dependent on them, and part of the policy of the Government is to increase this dependence. Under the trade deal, there will be an even faster use of our fossil fuels. Fossil fuels are major sources of the carbon dioxide that causes the greenhouse effect.

Rain forests in South America are being destroyed. We are not directly involved in that destruction as we are not there in person, cutting down rain forests, but we are part of a world-wide system. Rain forests are being cut down in order to make way for grazing land for cattle so that we may have beef for our fast-food chains. Canadians, as big beef eaters and big beef importers, are a part of this world-wide system that will mean the loss of rain forests.

Rain forests are crucial to the climate. Rain forests are crucial to the cycle that keeps moisture in the air. The destruction of the rain forests can mean a long-term change in weather patterns which again could mean that there will be even worse droughts than this immediate drought that is being faced now in western Canada.

We have to think about these things. They are not things that simply happen over which we have no control. We are a part of the world-wide community that is changing the surface of the earth and the surface of the earth reacts by setting up new processes. Some of the things we do have extremely negative long-term consequences. As responsible human beings, we must look at those consequences and consider what we can do to be productive and to use our resources in a fashion that will not deprive future generations of those resources and in a fashion that will keep those resources coming.

We need renewable resources. In agriculture, we are talking about productive soil. When agriculture began in Canada, the soil was very productive indeed. Productivity itself is declining through massive use of pesticides, chemical fertilizers, monoculture, not rotating crops and using crops that demand a great deal of the nutrients from the soil without replacing them or replacing them with more chemicals which are then taken out in the next crop year. We are beginning to get warnings about our agricultural practices through declining productivity and not very many of us are heeding those warnings.

There are some enterprising primary producers who are beginning to go into biological or organic farming, using methods that do not destroy the soil and view it very seriously as a renewable resource. I applaud those efforts. I am sorry to say that our own laws, tax provisions, subsidy systems, training programs and all of these things in which the federal Government participates by encouraging some practices and discouraging others at this time encourage the wrong kinds of farming practices.

Subsidies are still being provided for the kinds of agriculture that do not treat the soil as a renewable resource but as something from which one can get money right away by putting in certain ingredients, getting a crop out of it and then worrying next year about putting in more chemicals to make up for those that have been taken away in the past.

The decline of the family farm is a related concern. Family farmers, fewer in number in Canada, are very often in desperate situations. They are struggling to hang on. This drought will menace even more of them. Yet it is the family farm that is the best security for preserving the farming environment for the future.

Families do think of the future. Families are the means of reproducing for the future. Families see that young people grow up and inherit the farms. They have a very vital interest in seeing that the land that gets passed on to the next generation is productive and has the same possibilities for providing a livelihood as it did when the present generation inherited it. A family farm has no interest in simply killing off a resource, using it as a mine, taking out the nutrients and leaving nothing left for the future. We have a far better chance for developing a sustainable development approach to farming with the family farm.

If the family farm had adequate supports, it could do that. If the training centres and agricultural colleges and various kinds of assistance programs emphasized this, we would have an even better chance of seeing farm land used as a renewable resource, something very precious that should be kept productive, something that should be enhanced and not be allowed to be depleted.

I would like to make some remarks about the use of dams as a means for ensuring adequate water supplies for farming. Dams have historically been used to provide a water supply in a certain area for irrigation purposes. Certainly the immediate effects are favourable for a producing community. The effects may be unfavourable for those who are displaced, but clearly there is a positive impact on the people who are the beneficiaries of the new water sources in the new areas.

I think we must realize, however, that the long-term consequences of dams may not be as favourable as the short-term consequences. There may indeed be very negative long-term consequences. If we are to use dams as a strategy for seeing that there is water, we must do this very carefully and after very thorough assessment.

Dams do interfere with natural processes. They see that water is kept in one place and does not move to another place. Dams see that certain lands get irrigated but the water has to come from somewhere else. We cannot simply assume that the beneficial consequences will flow to those producers without there being unfavourable consequences to other people because of the changes involved. We have not done nearly enough to assess those environmental consequences before those kinds of decisions are made.

We now have a water policy which provides that there should be no inter-basin diversions of water. I was pleased to hear the announcement of that, especially since we must be very worried about the trade deal giveaway of our natural resources. Perhaps water would be explicitly included as one of those things that could be given away. I would suggest, however, that some of us are not quite so happy that this water policy only remains a policy and it is not legislated. It is something that could be changed.

If water ever were treated as a commodity that could be simply sold south of the border, then, according to the trade deal, it could be treated as other resources and we would have an obligation to continue to treat water as a commodity. If any Government were so shortsighted as to do this, future Governments would not have the opportunity to redress that mistake. That, of course, is one of the real difficulties with this so-called trade deal, this giveaway, this loss of sovereignty.

Decisions can be made by one Government that will have an impact for the foreseeable future. The provisions that bind us, the provisions that mean that Canada cannot make decisions about markets, dispute-settlement processes or panels or commissions on which Canadians are only a minority will all bind future Governments as well as the Government of the day. That is why they are so very unfair. They do not allow for the political process.

A Government is elected and comes up with a policy which is not the right policy and it has to pay the penalty by being thrown out in the next election. However, with the trade deal, we may throw the Government out in the next election, but those decisions are entrenched in a treaty. It will be very hard to undo that. We cannot renegotiate it. We would have to get rid of the whole treaty, and the longer it would be in place, the more difficult that would be. The dislocations that would already be caused would be substantial, and we would risk even further dislocations if there were to be an abrogation of the treaty.

Water policy is one policy about which we must be concerned for the long term. I am not very confident about what the Government has done so far. It has certainly not managed to meet the concerns that I would want to see met.

• (1630)

Not only is there a question about quantity of water, we also have to be concerned about quality of water. The quality of water on our farm lands has been enormously affected by the use of pesticides and chemical fertilizers. This has an impact on drinking water. It has an impact on the water used for irrigation. What I do not think people have been adequately concerned about is the slow build-up of toxic substances in the soil and, through run-off, in the water system. Pesticides can get on the market because they do not have too toxic an effect on human or animal health when they are tested on lab animals at certain dosages. However, no one is looking at the long-term consequences of using those quantities of pesticides.

I asked a question about that in committee and I was quite disappointed to learn, although not entirely surprised, that the Department of Agriculture does not conduct any studies on the long-term consequences of using pesticides at present levels. I asked a question concerning running projections on the basis that the same quantities would be applied over 50 years or 100 years and what would the quality of the soil be. What would the implications be for the quality of water? No one has looked at that. The tests are only about the effect on a lab animal right now with these quantities. The chemicals used may only be a certain weight per hectare. It is not an enormous amount. The soil can absorb it. However, what if that same amount, even if it is only a teaspoonful per hectare, goes in year after year? These substances do not disappear. They are not broken down into helpful substances. Pesticides by definition are killers. Quantities can build up. Yet there has been very little attention paid to the long-term consequences.

What is our soil productivity going to be after 50 years of use of these chemicals? How safe is the water going to be in agricultural areas? Why are we continuing to approve these pesticides when we do not know how safe it will be after a number of years, even 10 years or 20 years, of use? Can we not have a Government that thinks a little bit about the future? I am sorry to say we do not. Fifty years or 100 years is just beyond its comprehension. It is thinking only about the next election and bribing the voters. It is not thinking about the long term.

That is just not good enough. If we are going to be concerned about sustainable development, if we are going to look at agriculture as a way for people to make their living and provide food to eat year after year after year, we have to take a longer term approach to the question. We cannot afford to simply say "no lab animals died this week from this pesticide." We have to look at them all together and think about the long-term consequences.

We have concerns about the quality of water and we must have concerns about the quantity. We have to look at the environmental decisions we make. We have to begin to think of the recommendations by the wonderful UN Brundtland Commission chaired by the Prime Minister of Norway. It brought together producing countries from all over the world, north, south, east and west, rich countries, poor countries, countries that use a great deal of pesticides and chemicals in their agriculture, and countries that do not. A rather amazing set of conclusions came from the deliberations of the commission. We all have to change our ways. The planet is at risk. We are threatened with being buried under the garbage created in our own communities. We risk leaving future generations with depleted soil, depleted fish stocks, undrinkable water, depleted but important non-renewable resources. Instead, we will be left with tailings and pollution in those communities.

It is a very sad fact that over roughly the last 100 years we have been using the earth in this extremely irresponsible way and getting rid of our resources and leaving pollution for future generations. The acceleration of the pace in the

Industrial Revolution, particularly after the last war, has been quite incredible. The result is that we are irresponsible citizens and the Brundtland Commission documented the abuses. However, it also left us with some hope. The report says we can change. If we are going to survive on this planet we have to change. We have to change how we look at agriculture, fishing, forestry and all these other things. We have to look at agriculture as a renewable resource and we must integrate environmental questions with economic decision-making. When we look at the question of how we use pesticides, or whether we should be damming a river or not, whether we should be diverting water here or there, we have to look at the long term from the point of view of sustainable development.

I can see my time is up so I simply want to say that I have taken this opportunity to raise some of these long-term questions. I congratulate my colleagues who are raising the short-term questions and the tragic situation of the families involved in this drought. I certainly hope the Government will respond positively, listen to reason, and begin to devise some solutions to meet these immediate questions and at the same time begin to come to terms with the long-term need for sustainable development in agriculture.

Mr. Deputy Speaker: Questions or comments.

Mr. Foster: Mr. Speaker, although the resolution before us today concerns the emergency need for water supplies to deal with the drought problem in western Canada, and a long-term policy for water supplies for agriculture, clearly the Hon. Member who just spoke reminds us of the half-term report of the Science Council of Canada which indicates some of the dramatic and difficult problems facing our water supplies, even in Canada, for drinking purposes.

For example, the report, which came out last December, says things like: "The future is not bright". It refers to "a looming environmental crisis on a scale and depth of disaster far exceeding any met by earlier generations." This is in a country with some 10 per cent of all the fresh water resources in the world. It goes on to say that water shortages in southern parts of Ontario, Québec and western Canada will grow, leading to more conflict among water users and demands for costly and environmentally damaging water diversions. It says that Canada will be caught up in a global water crisis by the year 2000. Half the world's population will lack adequate water supplies. It also mentions that Canada lacks a coherent science policy for water. Research is under-financed, students are not educated about water issues, and universities have failed to treat water as a serious field of study. It points out as well that the marine ecology laboratory and internationally famous research centre, the Bedford Institute for Oceanography in Dartmouth, Nova Scotia, was just granted aid recently by the Department of Fisheries and Oceans.

I think the Hon. Member has raised some very important aspects of this whole topic. Although we are sort of looking at the need for water for crops, feeding cattle and emergency community water supplies in western Canada, it is not just a regional problem for Alberta and Saskatchewan and parts of B.C. It is clearly a matter of national priority and national urgency.

• (1640)

I wanted to make these comments because I was reminded of them by the Hon. Member's speech in which she drew attention, not only to the volume and quantity of water, but to how important the quality of it is, not only for the growing of crops but for the feeding of livestock and the feeding of humans as well.

Ms. McDonald: Mr. Speaker, I welcome the comments of the Hon. Member. I share with him the concern that Canadians cannot be complacent. We indeed have abundant water resources, but we certainly do not have too much, certainly not with the use we are making of our fresh water resources right now. We do face the prospect of severe shortages in the near future because the water available cannot be used for drinking because it is polluted. Therefore, I welcome his putting on record the very particular concerns highlighted in this report. It is a long-term issue. Research must be done and we have to look for long-term uses.

Mr. Angus: Mr. Speaker, I have a question for my colleague who, like myself, spent some time this past summer in a part of the world where they have done miracles in terms of finding water and using it to grow things from almost nothing. The State of Israel has a computerized irrigation system for its orchards. It distributes small hoses to the base of each tree and, through the use of a computer, adds the exact amount of moisture needed in order that there is no wastage whatsoever.

Has the Hon. Member any examples from her research in environmental matters which indicate a methodology which we could use to more appropriately utilize what we normally think of as an over-abundance of resource but which is really finite on the planet earth? Has she any other suggestions from which we can learn on how to protect that resource?

Ms. McDonald: Mr. Speaker, I appreciate the specific example given of computerized irrigation to ensure that this precious resource is used sparingly and in the best possible way. The very thrust of the recommendations of the Brundtland Commission report is that we have to get more out of less, that we have to stop wasting so much, that we must challenge our resources much more effectively. The report is very rich in practical examples of how we can get more out of less, how we can use fewer materials but better know-how in order to accomplish this.

As a general point, we must build into the decision-making on whether a particular project ought to be pursued the economic consequences through environmental risk. We must look not only at what will happen to one community, but at the community which will be deprived of that resource. We must not look only at what will happen in the here and now, but what will happen to the next generation. We must figure out

ways of costing this so that we will not continue to make mistakes. When we do something because it looks cheap right now, it means that someone else will have to pay the price in the future.

We need a different process. We must do our costing differently. We must build into the decision-making the costs to the environment and ensure that we do not continue to make the same kinds of mistakes as we have so far.

Mr. Althouse: Mr. Speaker, in pursuing the issue of getting more for less, would the Hon. Member care to make some comments about a number of different methods of damming water? One of the more popular systems which has developed in western Canada, and I guess other places in the world, is to go for the very large developments, to put in the very large dams. These are popular with politicians, I am sorry to say, and are not always as efficient as some of the alternatives.

There is a project in western Canada to which I will refer without giving its name. Local community farmers, ranchers, and environmentalists worked out a system of providing the same cubic acre feet of water through a series of 15 or 20 small dams across small creeks running into a river. They have saved the same amount of water for use by the rather scattered community. Wildlife has more access to the surface water under this system than would have been the case under the very large dam which was proposed, and there is much less likelihood of major damage to population centres if any one of them breaks. It is very unlikely that all 10 or 15 will break at one time, even if there is a flood situation.

As an additional extra, this seems to have provided a sponge effect over a relatively large area of the Prairies and has thereby maintained subsoil water supplies and the wells of some of the small towns and larger communities in the area seem to be benefiting as well.

Is this the type of interference by man which the Hon. Member has in mind when she speaks of getting more for less? Man seems to have drained most of the potholes in that part of the Prairies. Water used to go out very quickly down the rivers. It is now delayed and much is saved for use during the summer and future use.

Ms. McDonald: Mr. Speaker, again I welcome those comments and the very practical example of getting more out of less. We do have to learn the lesson that small is beautiful. Megaprojects are great for politicians; the bigger the dam, the bigger the bridge, the bigger the building to open, the bigger the ribbon to cut. All of this gives the taxpayer and the citizen the chance to see something big happening. Politicians fall for it all too often.

However, you can also get megaproblems from megaprojects and that is something which we want to avoid in the future. We should be paying far more attention to the careful use of this natural resource, respecting the diversity of uses, and respecting wildlife, something I did not go into. We must realize that agriculture has to coexist with environmental uses of a different nature for the long-term preservation of both. If we really want to think to the future we must be looking at these varieties of uses.

The small projects, which can be extremely efficient and productive, are a far better way to go. Megaprojects have a dramatic impact but it is very hard to estimate their future consequences. One can find out too late that the project did not produce that which it was intended to produce, or that it has detrimental environmental consequences. One thinks of the Aswan Dam, a major project, the unfavourable results from which are just beginning to mount now. People are beginning to wonder seriously whether it was the right decision.

If we are humble enough and have enough respect for nature we will stick to smaller projects for using our resources very efficiently rather than bringing on the major problems which can be part of megaprojects.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, the motion before us today calls on the Government to provide both short-term and long-term solutions to a very serious problem. I do not have many farmers in my part of the world but the people who I represent are very close to nature and have suffered from time to time as a result of their livelihood being curtailed through the forces of nature. It seems to me that that is exactly what we are talking about today as far as the short term is concerned, possibly not as far as the long term is concerned, but certainly as far as the short term is concerned.

• (1650)

The evidence seems to be overwhelming that there is a serious problem with which we have to deal immediately. The precipitation in the Province of Saskatchewan has been declining over the past little while. It is quite obvious that it is a very serious situation, indeed. For example, the percentage of normal precipitation at the Saskatoon recording station is 83 per cent whereas from November 1987 to March 1988, it was under 70 per cent. That kind of ratio can be applied to other recording stations in the Province of Saskatchewan. The evidence is overwhelming that there is a serious and immediate problem as far as water is concerned.

I think there has to be an immediate solution found by the Government of Canada, but I do not think the solution should be a drain on other programs put in place for developmental purposes. I think there are adequate precedents and adequate funds within the Government to react to the situation. For example, there is an emergency response policy that was always there whereby there is a shared co-operation between the Government of Canada and the provincial Government. As I understand it, the province must put in the first advance of funds, something in the order of $.5 million or less. If that is done then the Government of Canada, if the situation is categorized as an emergency, can respond on a pro rata and shared-cost basis depending on the total nature of the bill. Those mechanisms are there now. They are available to the

Government. I think that is the approach which must be taken to solve the short-term problem rather than dipping into programs of a developmental nature which are designed, and should be used, for quite a different purpose.

I notice that the Government of Alberta, for example, has announced it will contribute. The Premier of Alberta has said he will provide help to rural municipalities and landowners suffering through this problem. There is money for building and rehabilitating dugouts and livestock water facilities, and so on. There is a certain movement on the part of at least some provincial Governments. The question now is if the federal Government will follow the lead of those provincial Governments which have made a contribution. Will it enter into a shared cost arrangement to solve in the short term this very serious problem?

In terms of the seriousness of the problem, we are told by the Alberta Agricultural Association that farmers want to seed by June 1. If they cannot do that, they might be able to plant barley, but they are sitting there waiting, debating whether to seed. A farmer, like a fisherman cannot go on with that amount of uncertainty. He has to be prepared for the season. If nature intervenes with an impediment, it has to be resolved.

These are questions we all face whether we live next to the sea or on the land. If we get our livelihood from nature, if we are primary producers, there will always be these accidents of nature which are going to have to be dealt with and which are no fault of the primary producers. That is what we elect governments for. We elect governments to deal with situations like that. It is easy to govern day by day when one can project what is going to happen three years down the road, but what is more difficult is to deal with emergency situations. But that is what governments are for. There is no way the individual farmer or fisherman can deal with a situation like this. It has to be dealt with by the Government. I believe that is what is needed here.

We are told, for example, that Ottawa may want to consider dipping into soil funds to ease the effects of drought in the West. As I said before, that is not the way things should be done. There is a need for the immediate resolution of the problem and there is a need for long-term development. I do not think we should take money from one to solve the other. There is a suggestion, for example, that the federal Government would consider taking money from the special $75 million soil and water conservation fund to help ease the effects of a drought in western Canada. I ask again, why do we have to dip into developmental funds? They are needed too. What is needed here is an immediate response from the Government. It has the funds and the mechanisms available to follow the lead of the provincial Governments and to respond in kind. That is for the immediate problem.

With respect to the long-term problem, I have to really support some of the things said by the Hon. Member for Broadview—Greenwood (Ms. McDonald). Indeed, we do have a long-term water problem with which the Government has not come to grips. There is the problem, for example, of acid rain. There has been a lot of talk about that but very little action. And there is the problem of soil erosion which is going on all over the world. I was able to travel to Ethiopia to see the kind of erosion going on there. That kind of soil erosion, to more or less of a degree, is happening everywhere. It is obviously not as serious in this country as in parts of Africa. It is a question of degree rather than kind. We must come to grips with that long-term problem.

There is another point to be made which I do not think is entirely irrelevant. That is the whole question of water supply. We are talking about a specific and immediate problem in western Canada, but there is also a water problem all across this country. I have villages in my riding in 1988 which do not have a supply of fresh water. In my opinion, there is nothing more important than that and there should be no higher priority. The Canadian Federation of Municipalities has asked the Government of Canada to join with it because there is now no federal program for participating in water problems anywhere in this country. There was such a program when the present Leader of the Liberal Party was the Minister of Finance and, hopefully, there will be again. We did have a program for contributing to water supplies but we do not have one now.

The Canadian Federation of Municipalities has asked the Government of Canada to participate with it because it cannot do it alone and some provincial Governments cannot do it alone, either, because in this country certain regions are richer than others. There are provincial Governments which would find it very difficult to get into the kind of expense that will be needed. Only the power of the purse of the Government of Canada can adequately respond to a situation like this. The Government of Canada has said to the Canadian Federation of Municipalities, no, that is your problem. Well, it is a problem. We have in western Canada an immediate problem and I think we have the ways and means to solve it.

I welcome this motion today. My Party has obviously staked out our position which was so well put by my colleague, the Hon. Member for Algoma (Mr. Foster), and I stand to give him some support from another part of the country, and to give support to those people who are so adversely affected in western Canada both in the short term and in the long term.

• (1700)

Mr. Jack Scowen (Mackenzie): Mr. Speaker, it is a pleasure to discuss the water problem in western Canada. First, I should bring everyone up to date as to what my position is.

I have been a farmer since 1948. I was born in the southwest corner of Saskatchewan and experienced what was really the drought of all droughts, the drought of the 1930s. My father was a blacksmith and the community ended up owing him something in the neighbourhood of $100,000. However, he could not keep his family any more so he decided to move up

to the northern part of the province to an area which is very similar to that which we see depicted in pictures in the Railway Committee Room. Most of the farms are covered in bush. The area was what one would call a homestead area. There were no roads. There was very little of anything. However, there was rain, growth and beauty. The move to that part of the province was well worth the time.

My father never did get paid his $100,000 or anything like it. However, he never wanted to go back to the part of the prairie where I was born. The memory I have of the prairie during the drought was of dust storms, grasshoppers and gophers—everything but green grass and growing crops. I was only too pleased to move to the area to which we did move. It has become a very productive farming area.

I must disagree that there is no long-term thinking in government. The Hon. Member for Broadview—Greenwood (Ms. McDonald) talked about pesticides, something which she hates. City people hate pesticides. However, they have come a long way, too, since the first ones were manufactured. The new ones leave less of a residue in the soil and are more efficient. They dissipate much more quickly than did the older ones. There has certainly been a big change in them. As time goes by I am sure that progress will be made in the use of various other types of pest control which may or may not be chemical. We are certainly going through a different type of control now that will be beneficial to the country in the long run. It has done very little harm to the soil.

As a matter of fact, in our particular area if we can get rain we can grow as good a crop now as we did when that soil was first broken. The control that we have over the weeds is of great help. Many people term pesticides chemical pesticides, something with which I do not agree. A great many of them do not hurt the soil but certainly help the farmers. Without them, all the government help in the world would not be able to keep the farmers in business.

Getting back to our long-term ideas with respect to what has happened over the years, I should speak a little about the Prairie Farm Rehabilitation Administration, the PFRA. In the 1930s farmers were under siege. Early in the decade drought struck western Canada, turning the skies brown and the soil was blowing all over the place. I quite well remember that. The Great Depression plunged wheat prices from $1.25 per bushel in 1929 to 40 cents per bushel in 1932. That had nothing to do with the drought but with protectionism that was put in place by various countries. The opposite should have happened but because of protectionism that is the price to which grain fell.

In 1933 an infestation of grasshoppers destroyed crops. Again, I missed that one since I had moved to the north country where we do not have grasshoppers. They do not like a lot of moisture. We avoided that plague, and grasshoppers still do not like our country. In 1935 a rust blight struck the region, by which time the drought had spread to more than seven million hectares. We called them acres in our day. Between 1929 and 1937 some 14,000 farms in Manitoba, Saskatchewan and Alberta were abandoned. If we keep these high interest rates up, we will have a lot more abandonments.

By 1937 the total value of grain produced in Saskatchewan was just 10 per cent of what it had been a decade earlier. That was partly due to protectionism. The federal Government responded with the Prairie Farm Rehabilitation Act in 1935. The purpose of the Act was to secure the rehabilitation of the drought and soil drifting areas in the provinces of Manitoba, Saskatchewan and Alberta, and to develop and to promote within those areas systems of farm practice, tree culture and water supply that would afford greater economic security. Initial legislation allocated funding to PFRA for a five-year period. However, in 1939, the Act was amended to allow the agency to provide planning and assistance for soil conservation and water development over the long term. The PFRA became a permanent agency.

Now the PFRA has evolved to meet the needs of rural communities. On-farm soil and water conservation programs began in the 1930s. Large dam projects began in the 1950s, and municipal water systems began in the 1970s. The promotion of soil conservation began in the 1980s.

I return to what the Hon. Member for Broadview—Greenwood said with respect to us not trying to improve our water supplies. The Government of Saskatchewan encourages dug-outs, small dams, and that so many acres are set aside for wildlife where there are beaver dams in order to create areas where the natural water level can be kept at the proper heights where conditions are available.

Today, as we grapple with the water shortage problem in western Canada the PFRA continues to play an important and relevant role. The PFRA now employs about 850 people. Its headquarters are located in Regina, with district offices in Winnipeg and Edmonton. It maintains a network of 21 field offices across the Prairies. Field staff provide how-to information to farmers seeking help with water supplies, soil problems, grazing space, water pumping and so on and so forth. I know that at the very moment it is very busy trying to fill dug-outs and municipal water supplies as well as water supplies to local villages and farmers.

One of the biggest projects that PFRA took up was the Community Pasture Program. Today that program has 87 community pastures in all three prairie provinces, mostly in Saskatchewan and Manitoba. They took over a lot of land that was badly eroded, that had suffered from wind and water erosion, and used the proper varieties of grass seed to fight the drought. They now have a good program going for areas that were once barren and caused a considerable amount of soil drifting and water erosion problems.

• (1710)

PFRA also took on a tree distribution program. Any Member who has been south of Saskatoon will see an example of many miles of trees that have been planted to keep the wind speed down. The trees have beautified the area, they keep the

snow in place, and also keep up the water level. This has helped a considerable amount with the shelter-belts. Last year 10,000 farmers received well over one million seedlings from Indian Head, and they continue to plant trees at a nominal cost, the cost of which is mostly the shipping involved.

PFRA has also entered into a soil conservation program. Over the long term it has made the land more resistant to precisely the type of wind erosion associated with the dry conditions now facing the Prairies. PFRA has revitalized its mandate for soil conservation by establishing a soil and water conservation service.

In 1984 soil conservation programs were launched under the five year economic regional development agreement with Saskatchewan and Manitoba. The federal share was around $8 million to the Saskatchewan agreement, and $4 million was contributed to the Manitoba agreement. Under these programs 45 soil conservation groups have been formed; approximately 2,000 producers have received almost $4 million in incentives for soil conservation activities. The PFRA soil conservation program in Alberta is jointly administered with the Alberta Government.

The PFRA is giving prairie farmers the hard facts about soil conservation. The present day farming techniques have been major contributors to salinity, erosion, and organic matter loss in the soil. The PFRA is working to create new attitudes about how prairie farm land can be best used. The PFRA is providing information about farming techniques such as continuous cropping and zero till. It conducts workshops, provides field tools and involves many other activities to spread the gospel of soil conservation.

We hope today's innovation will be a common practice tomorrow. The PFRA rural water development program is providing timely and substantial assistance on the Prairies to alleviate the current dry conditions. In particular, the well program is providing water supplies in many water-short areas. Rural water supply pipelines are carrying water to parched areas. Dams and dug-outs are widely used to trap water. In the Prairies, 75 per cent of the water supply typically comes from the winter run-off. This year the winter run-off was nothing. There was no snow in the southern part of the province. Therefore, that creates many problems because water has to be pumped sometimes as far as 10 or 15 miles.

Beginning in 1935 the PFRA had a program to encourage farmers to build dug-outs and stock watering dams. Since the initial year of this program the PFRA has spent well over $70 million on almost 200,000 on-farm water supply projects. Last year PFRA provided almost $5 million to help fund more than 5,000 individual projects. For some irrigation projects the PFRA will pay up to one-third of a farmer's cost. The PFRA also gets involved in group and community water projects. Hundreds of reservoirs constructed by the PFRA now dot the Prairies. Last year, it invested in more than 80 groups and community water projects. Under its current program the PFRA will establish water supplies for groups of five or more farmers and towns with a population of up to 300. The costs are shared equally between the groups and the community and the PFRA.

While water is a natural resource, it is developed according to provincial strategies, the PFRA sometimes gets involved in large scale water related projects. It has contributed to building new water and sewage works in 49 towns in Alberta, Saskatchewan, and Manitoba.

The PFRA has played a key role in several major water projects. For example, the Bassano Dam rehabilitation project is assuring reservoir capacity meets the needs of area irrigation projects. Another example is the South Saskatchewan River project. Approximately 30,000 hectares is irrigated with water from Lake Diefenbaker. Irrigation has helped what was once primarily a wheat growing region to diversify. There are some problems with salinity because of irrigation. I know that PFRA is studying this problem and will be attempting to solve some of the problems created by the over-use of water in some areas.

The hydroelectric station at the dam site in Lake Diefenbaker is an important component of Saskatchewan water power. There is also a new dam that has been built very close to my farm which flooded a few acres approximately one mile from my farm. It will be beneficial to keep that area for the water that attracts the rain, and so on.

The sparse population of western Canada, its climate, and vast arable land has led to an economy based largely on natural resources, primarily agriculture. Soil and water are cornerstones of the western economy. They require careful conservation and development. Skilled management is essential. The Prairie Farm Rehabilitation program is certainly conducting some good studies and work in that particular area. That is a long-term program that has been very beneficial to the farmers in western Canada. It has done some exceptionally good work, and will continue to do so with the projects that it has and the projects that it is now starting out.

Drought is not the only problem in western Canada. It is my personal opinion that the biggest disaster to hit the farming community in western Canada was in 1982 when the Farm Credit Corporation was changed to become a bank. This was done by the previous Government with the help of the NDP. It allowed interest rates to follow the lending practices of the other banks. The Farm Credit Corporation is now the eighth or twelfth largest bank in Canada. This system of helping farmers has not been beneficial to the Farm Credit Corporation or the farming community in general. No industry can stand a 12 per cent or 15 per cent interest rate. At one stage of the game the interest rate was as high as 22 per cent. What we have today is worse than a drought. We have a situation where interest rates are the biggest bloodsucker to the economy in western Canada, and will continue to be so.

• (1720)

While Ontario is doing very well economically, that is not the case with the rest of the country. Western Canada is suffering as a result of high interest rates. In addition to impacting adversely upon the agricultural sector, high interest rates are having a negative impact in terms of business start-ups, thus affecting the broad economy.

We have to come to grips with the problem of high interest rates. More farmers will be chased off the land by high interest rates than by drought. If a farmer has to sell his crop for less than the cost of production, it is not possible for him to stay on the land. If we are to keep our young farmers on the land, we will have to bring about some changes. Under present conditions, it is not possible for the younger generation to carry on the family farm.

I met with one young man recently who is burdened by high interest rates. While he has been able to meet his payments to the Farm Credit Corporation thus far, he has had to do so through use of his operating loans, to the point where he is now faced with the situation where he can no longer make those payments. That young man now faces interest payments totalling some $32,000 in interest. There is simply no way that anyone can survive when faced with that kind of situation.

Mr. Speaker, I apologize for getting a little off the subject of the motion. However, the interest rate problem is one that is ever much as severe, in my mind, as the drought, and our planning has to address that question, as well as that of water conservation.

[*Translation*]

Mrs. Bourgault: Mr. Speaker, during the last three years I have been a Member of Parliament, I realized that Canadian agriculture was having serious problems, especially in Western Canada. As a member of the Standing Committee on Agriculture, I remember listening to representatives of farmers' groups, from the Prairies, who appeared before the Committee when we were looking at the possibility of drafting a report on farm input costs. At these hearings, the personal and very serious problems experienced by farmers and their families were also discussed, all the more poignant when we consider the pride of Canadian farmers who hate being dependent on government handouts.

Mr. Speaker, since the Hon. Member is very knowledgeable about his part of the country and is familiar with the wide open spaces of the Prairies we know that many farmers are at a considerable distance from urban centres, so when there are family problems, these are even more acute because there is no convenient access to services—I would like to know, since we in Quebec do not necessarily get the latest news every day, something about the human dimension of the present problems farmers are having because of the drought.

[*English*]

Mr. Scowen: Mr. Speaker, it is a pleasure for me to answer the question.

It is difficult for one to describe the degree of social problem created by a drought, by a lack of water. For the most part, the agricultural sector is made up of family-operated farms, with the mother and the kids helping with the sowing and the harvesting, and it is a great disappointment for those families when they realize they are unable to meet the costs of the operation.

When confronted with a drought, the farming community suffers from an increase in divorces, in suicides, and in social problems in general, and high interest rates lead to the same situation.

We do have in place counselling centres for farming families, to assist in overcoming these problems. Certainly, this Government through its programs has shown that it is concerned about the problems which confront the farming community.

Mr. Deputy Speaker: The Hon. Member for Regina West (Mr. Benjamin), on debate.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am happy to take part in this debate. It is not the first one I have been involved in since becoming a Member of this House in the fall of 1968. In that brief period, we have been through this type of debate on more than a couple of occasions. It is the same kind of debate that has prevailed since the West was first settled. There is nothing new about it. The Hon. Member for Mackenzie (Mr. Scowen), and the Hon. Member for Victoria (Mr. McKinnon), who is a south Saskatchewan boy, have both been there, and they know the score.

One has to ask when governments at the federal and provincial levels, regardless of their political stripe, are going to learn their lesson. When are we going to learn, from experience, that there will be cycles of drought; that there will be wet years and averages? That is the way Mother Nature operates. It has never been any different.

We continue to move from crisis to crisis. I can recall the spring of 1951 in Saskatchewan, when the southwest part of that province, along with southeastern Alberta, was covered with water. We thought we were into a flood comparable to that experienced in the days of Noah. In the main, southwestern Manitoba, all of the southern one-third of Saskatchewan, almost all of the southern one-third of Alberta, and the interior of British Columbia, chronically go through these cycles.

In the 1920s and 1930s there were many who asked that a long-term disaster fund be put in place. The view was that in years of good prices and good yields, the farming community would be willing to contribute to such a fund, with provincial and national governments also making annual contributions, thus enabling the fund to build to a point that it could be of assistance when disaster struck.

• (1730)

By way of example, the Western Grain Stabilization Fund went several years without having to be used. It built up, as I

recall, something near $3 billion but that has all gone now. In fact, it is in deficit. My friend says it has gone the other way. We had a billion or two dollars in it but now we are a billion or two short. But you must have something in place like that all the time, Mr. Speaker. When a disaster hits or when you have a period of drought for three or four years in a row, what do you do? You have what is called good, sensible, long-term planning, which you put in place and leave there. If you get lucky and go 15 or 20 years without a drought or without a flood, so much the better. We never seem to learn our lessons. I have watched successive governments in the provinces and in this House still refuse to do anything. They always do things at the last minute. It is the barn-door syndrome. As soon as the horses are gone, shut the barn door and see how we stop the horses from getting out again.

It is dry on the Prairies. One thinks of all the black humour. I am sure my friend from Victoria will know a lot of stories. There was one a few days ago. In several towns in Saskatchewan it rained briefly. Two and three year old children who were playing out in the yard ran into the house screaming in terror. They had never seen rain in their lives. It was so dry in one little town in southwest Saskatchewan, this farmer was getting a little elderly and he fainted in front of the post office. They brought him to by throwing a pail of dust on him. There is another story I have mentioned in the House. It was so dry that every time the wind blew the dust was so thick that the gophers were 10 feet in the air digging. In fact, the last time I told that one in the House was when our friend Mr. Whelan was Minister of Agriculture. We were in the middle of a drought and he said he was going to see how dry it was. I told him he did not have to go because I could tell him but he did not believe me. He went anyway but was still late helping the farmers.

How long are we going to take to learn our lesson? We do not learn from history. We keep on repeating it. We have weather records in detail back over 100 years in western Canada. The cycles are fairly consistent. It will have to cost, to begin with, the federal Treasury, a chunk of money. This will be in addition to moneys the Government has already put into the Western Grain Stabilization Program, in addition to moneys the Government will have to put in by way of a deficiency payment as long as that stupid price war goes on between the United States and the European Economic Community. So you are looking at $3, $4 or $5 billion a year in the coming years. That is the name of the game. It will not matter what political Party is in power sitting on the Treasury benches, it will have to be done. The question is not whether or not it will be done but when and how much. That is what the argument will be about.

We have been looking at figures for Saskatchewan and the efforts being made by the Saskatchewan Water Development Corporation. It is all great stuff, this farm dug-out pumping. Lay down a few hundred yards or a mile or two of pipe or hose and fill a dug-out out of the nearest river, creek or slough. Dug-outs have almost doubled, from 46 to 88. I do not know but I think there are probably—I will get corrected by my colleagues if I am very far out—50,000 dug-outs in Saskatchewan alone. There are probably 100,000 dug-outs in the three Prairie provinces. It will be a little much to try to figure out how to try to pump water into them because mostly they are all dry.

Test drillings have done down. In 1987 we did 107. So far this year we have done only 93. What about deep wells? We had 26 last year and only 17 so far this year. As far as community wells are concerned, there were six last year and six this year. Then we have dug-outs and small reservoirs. We had 65 last year and we are up to 107 this year. Those efforts are all very worth-while.

Let me say to my hon. friend from MacKenzie who just spoke, if it does not snow in the winter-time and if it does not rain in the spring, those dug-outs, wells and reservoirs will be dry. It does not take a genius to know that. In fact, the water table has been lowered so much in the southern parts of the prairie provinces that drilling wells is tougher now than it used to be. You can drill all the wells you like, as worth-while an effort as that is, you have to try, but they will have to be deeper wells and a lot more expensive. Even if you were lucky and got an artesian flow, it might be enough for one farm, maybe two.

I suppose we could make the Prairies look like Swiss cheese and fill them full of holes. Surely it is not reasonable to expect that all levels of government and all the farmers could afford to drill enough wells to satisfy the water needs of every farm, every ranch in the southern parts of the three prairie provinces and the interior of B.C. Forget it, Mr. Speaker, you can't.

There will be years where there is no snowpack in the mountains. We had hardly any snow all year in Regina. The same situation applied to Moose Jaw, Swift Current and Medicine Hat. In fact, one day we got some snow in southern Saskatchewan and southern Alberta, about four or five inches, and a farmer thought just for the fun of it, as he still had a team of horses, that he would hook up the sleigh, go into town, get some mail and groceries and take the kids along. It was only four or five miles. Away they went into town, but the snow did not do any good. He was heading back home from town and one of those strong Chinook winds came up, blowing from the southwest, coming from the Crowsnest Pass and Lethbridge country. He had those horses going at full gallop. The Chinook was melting that snow so fast, the front runners were on snow and the back runners were on mud. That snow did not do very much good. It sank into the ground a little bit and a week later the dust was blowing again.

All the efforts we make with damns, reservoirs, dug-outs, well digging and everything else, you must have something else to protect farmers and ranchers from what is inevitably going to happen every few years in dry land areas. May I say that many farmers will have to smarten up about misusing their land. You will still find a farmer cutting down a bluff of poplar trees in the middle of a section of land where he should be

planting trees. Trees hold snow. They provide more moisture. They keep birds around, and birds eat grasshoppers. Farmers should not be cutting down trees. They should quit cultivating to the point where the top six inches of soil turns into the consistency of flour. A slight breeze comes and blows it into the ditches, filling them up. We should be into a major tree planting campaign, even greater than what we did during the Dirty Thirties and forties. I wish we could double or triple the tree nursery at Indian Head. It is not only the farmers but also the towns, villages, municipalities and Departments of Highways which need to pitch in in the name of soil and water conservation.

• (1740)

There is as well the matter of over-grazing. There is a guy in my province who has 96 or 100 sections. It's easier to keep track of them by townships than it is by sections. That land ain't fit for more than one head per quarter section, but it is over-grazed. In dry years, the deer might be able to survive because they eat the tops of the brushes, but no livestock can get enough feed to survive. Since it has been badly over-grazed in previous years, after the first one or two dry years, there is nothing left. The great sand hills begin to expand.

Efforts to combat those sorts of things have to be substantially enlarged by both the federal and the provincial Governments. We also have to begin to set up a real crop insurance scheme. Just because Mother Nature does things to us periodically does not make them disasters. If we have not learned our lesson from the way nature operates in Canada, we never will. It is not a disaster, it is the normal course of events. The climatic changes run in a pretty routine cycle of wet years, medium years and dry years, and it goes around and around, every 10 or 20 years. We need to have in place a crop, drought and flood insurance program with sufficient capital so that no matter what happens, even if there were a 10-year drought, we could cope with it.

We will be spending millions this year, unless we get some rain, moving hay out of Ontario and the Fraser Valley and the northern part of British Columbia down to the Prairies. We may even have to move hay from northern B.C. down to southern B.C. Farmers will be reducing their herds and that will cut the hog and cattle prices. Farmers will reduce their herds because they will not have enough feed, they will flood the market and down will go the price. They will be in the same rat race again.

This brings me to the whole issue of prices. I spoke to one farmer early in April. I said: "Well, what are you going to seed this year?"

He said: "I have concluded that I will save money if I don't put any crop in. I've got about 25,000 or 30,000 bushels in the granary, the wife's got a part-time job and I got a part-time job. I'll be money ahead to just fill my quota, make my payments to the Farm Credit Corporation and to the bank for the fertilizer and spray I bought last year, and just not seed a bushel, not an acre. Let the damn weeds grow, and don't do anything with it this year".

I think that might not be a bad idea in some cases. Just do not bother putting in a crop. If there is some carry-over grain from last year and the year before, ride it out. Now, it is easy for me to talk. I am just relaying what one farmer said to me.

I know that there are other farmers who will need a lot more income than that just to keep their heads above water. Even if they do get a half-decent crop, unless there is a substantial improvement in the prices they receive for their product, they will continue to farm at less than the cost of production. I do not know of any other sector of the economy, except perhaps the fisheries sector, which experiences that. Only in agriculture and the fishery are we able to organize our economy such that they get less than it costs them to produce.

There is another old gag about the farmer who won $1 million in the lottery. They asked him what he was going to do with the money. He said: "I'll keep farming until it's all gone".

If you were to foist that principle onto the automobile industry, one can imagine what the big three automobile companies and the auto workers would do. If we were to tell them that they had to produce cars at less than the cost of production and the people who did the work had to get less money than it cost them to raise a family, we would have riots in the streets.

What would happen if we were to say to the financial institutions: "We are going to drive you money-changers out of the temple?" A fellow did that a couple thousand years ago, and they all snuck in the back door since. It needs to be done again.

When usurious interest rates are being slapped on to primary producers from coast to coast, it is no wonder that we have lost half a million farmers in the last 30 years. Where did they go? They went into the city. We didn't need any more in the city but we drove them out of a life they wanted to live. Our system drives people out of the kind of life they want to have. We stack the deck against them year after year. It is not a case of Conservative, Liberal or socialist Governments. Those are the kinds of things that any self-respecting national Government will damned well have to deal with. If there is to be an ideological war about it, the people of Canada and particularly the people of rural Canada will not pay any attention and will not vote for that kind of rhetoric. They want action and they want results.

Interest rates have to be reduced immediately. All the farm debts across Canada must be redone, and if that costs the banks a few million bucks each, tough cookie. They have ripped these people off enough for the last 20 years. They made profits in the billions of dollars and the big five did not pay a nickel's worth of income tax. Yet farmers write to me trying to get me to help them with an argument they are having with the income tax Department over a couple of hundred dollars.

The system has to be changed. It must have a fundamental change in its direction, its nature and its purpose. Without that, we will lose thousands more farmers. We will waste money trying to help them just barely make it. It will take them twice as long to go broke instead of half as long to get their heads above water and stay in business.

If this debate accomplishes nothing else, I hope that it has helped to concentrate the minds of the Minister of Finance (Mr. Wilson), the President of the Treasury Board (Miss Carney) and the Prime Minister (Mr. Mulroney). Nothing so concentrates the mind than knowing you are going to be hung in the morning. If they do not act, they are going to be hung one of these mornings.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I welcome the opportunity to take part in the debate today, and I have listened very carefully to all Hon. Members who spoke to this Opposition motion. If we look at what is happening in developing countries, I am sure many people in this country would be astonished to hear we have a drought problem, a resource problem, a problem with soil erosion in a country as large and as productive as Canada. The problem is a very serious one. Emergency debates on the agriculture crisis have become more frequent, and today, throughout the world, negotiations are under way under the multilateral agreement referred to as GATT. I am sure that in the not too distant future, we will have to find the right answer to bringing Canadian agriculture back on its feet.

Today, Mr. Speaker, in connection with this debate, I would like to draw the attention of Hon. Members more particularly to the Canadian Crop Insurance Program. As you know, the Crop Insurance Act was passed in 1959 to enable the federal Government to help the provinces provide farmers with a form of protection, by minimizing the economic effects of crop losses caused by uncontrollable natural hazards, including drought.

The protection guaranteed under the Crop Insurance Program is available to all farmers who wish to take advantage of this offer, and applies to all Canadian provinces.

In recent years, this contributory program has played a vital role for insured producers. In fact, the federal Government's contribution totalled $181 million for 1987-88 alone. Today, crop insurance constitutes a safety net in case of disaster, offered by both levels of government to farmers. This shared-cost program is a vehicle of choice for the Government to provide producers with long- term protection, not just in emergencies.

This fact was also recognized when the Agriculture Ministers adopted the National Agriculture Strategy.

Crop loss assistance is generally a matter of provincial jurisdiction. However, the federal Government acknowledged the need for helping the provinces through financial contributions to crop insurance programs, and in 1959, it passed the Crop Insurance Act, which was subsequently amended in 1964, 1966, 1970, 1971, 1973 and again quite recently, to improve assistance to farmers. The first province to acquire a crop insurance plan was Manitoba. By 1975, all ten provinces were equipped with a crop insurance program which is still in effect at this time.

A sucession of widespread drought-related crop losses struck Western Canada in 1983, 1984 and 1985. This led to a call, at the First Minister's Conference in November of 1985, for a concentrated effort by both levels of government to develop a national disaster-relief program. Following the conference, a federal-provincial working group was established to develop recommendations.

In January 1986, the working group presented its preliminary findings. It recommended, and the ministers of agriculture agreed, that crop insurance was intended to cover disastrous crop losses and that the program was doing a good job at a reasonable cost. However, the ministers agreed additional protection should be provided under the crop insurance program to meet widespread successive losses.

• (1750)

As an interim measure, the ministers recommended that the crop insurance program be enhanced in the western provinces for 1986, in areas most seriously affected by successive drought-related losses in 1984 and 1985.

The enhancement, called the "Multi-Year Disaster Benefit", took the form of additional coverage equal to 10 per cent of the average yield up to a maximum of 80 per cent.

In August of 1986, the working group presented its final report, which recommended that an enhanced crop insurance program be made available to producers in all provinces beginning with the 1987-88 crop year.

The recommendations were tabled at the Annual Conference of Ministers of Agriculture in August 1986.

The report became the basis for the section in the National Agriculture Strategy dealing with production risk protection and was signed by all Ministers of Agriculture and endorsed by the First Ministers in November 1986.

In response to recommendations, the Government made the following improvements in the Program: First, a large number of crops are now eligible for crop insurance. Second, programs for forage and feed grain have now been improved. Third, coverage has been added in the event of a natural disaster affecting farmers several years in succession. Fourth, the methodology has been enhanced for setting the premium rate and indemnity payments.

Mr. Speaker, the assistance provided by the federal Government and producer participation in the Crop Insurance Program make basic crop loss protection available to farmers

in the form of a production guarantee. Crop insurance is a form of long-term assistance offered by the federal Government. It plays a role similar to that of the fire brigade that rushes in when the neighbour's house or your own is on fire. The fire brigade is always on the alert and ready to help. Crop insurance is a little like fire insurance, and we are trying to encourage farmers to take advantage of this kind of long-term protection and assistance.

Deadlines for participating in the Crop Insurance Program are announced well in advance so that producers have plenty of time to buy the insurance. The guarantee applies to all farmers contributing to the Crop Insurance Plan, in all Canadian provinces.

The Program is very attractive to farmers. In fact, as I said before, federal contributions in 1987-88 totalled $181.5 million. During that year, 134,173 farmers insured 42,096, 702 acres of land. In Quebec, for instance, insured producers who were struck by a natural disaster received $21 million in payments, which included over $15 million from the federal Government. This protection is offered at a cost affordable to most farmers and taxpayers through government contributions. Producers pay only 50 per cent of the total cost of the program.

The guarantee provided is based on the principle of compensatory production for all fields of the same crop. Thus, when part of a farm incurs losses, it may be that with the above-average yield of some fields, the total production of the farm exceeds the base production guaranteed.

Mr. Speaker, I know that my time is limited. In closing, I wish to say that we now have 230 crop insurance plans for some 87 kinds of crops in Canada.

In conclusion, Mr. Speaker, the losses due to the water shortage that is now severe in the West are also covered by crop insurance and I am sure that with the sense of duty shown by the Prime Minister and the Minister of Agriculture when we intervened in March to solve temporarily, to be sure, the problem Western farmers were going through, with our Government's commitment, we will no doubt continue to play a leading role in Canadian agriculture.

Mr. Deputy Speaker: With the conclusion of this debate, the proceedings on the motion now before the House have expired pursuant to Standing Order 82(12).

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

Adjournment Debate

TRADE—CANADA-UNITED STATES FREE TRADE AGREEMENT—REQUEST THAT GOVERNMENT COMPENSATE GRAPE GROWERS/REQUEST FOR GUARANTEED LINES OF CREDIT

Mr. Maurice Foster (Algoma): Mr. Speaker, on April 25 I put a question to the Minister of Agriculture (Mr. Wise) as to whether the Government of Canada would provide a line of credit for the grape growers who are being put out of business by the Government's free trade agreement.

This does not involve only growers in the British Columbian Okanagan Valley, but in the Niagara area as well. In fact, some 15 grape producers in Ontario have had to walk away from their farms because they could not get a line of credit. That information was revealed only on April 25.

A few days earlier a letter had been made public by Fred Somer who had been advised by the Kelowna and District Credit Union that they would no longer provide credit to him because, in their opinion, his financial resources in 1989, with the start of the free trade agreement with the United States, would in fact put him and the other grape growers in the Okanagan Valley out of business.

The letter from W. M. Redstone, the branch manager of the Kelowna and District Credit Union makes it very plain. It says: "Dear Mr. and Mrs. Somer: We refer to your letter of March 14, 1988, the communications we received from the federal and provincial Governments, and our subsequent conversations. Our concern is regarding 1989 and beyond. We feel reasonably assured that the 1988 crop will be purchased but income from that will only repay the operating loan, pay interest on the mortgage, and a small principal reduction. In 1989 you will have no income to service the mortgage interest and our security will be worth substantially less than the amount owing against it.

Unless you can provide one of the following which is to be acceptable to us, we regret we cannot make operating funds available to you in 1988 and we cannot pay any more cheques; additional security, compensation in the form of a lump sum reduction of the mortgage."

I spoke with Mr. Somer's son and he said that he had been on the farm for eight years and his father had been there for many years before that. Clearly it was the case that the Fred Somer family was the first victims of the free trade deal.

I asked the Minister whether, if the free trade deal is putting these people out of business, the Government would provide a line of credit. The Minister, of course, did not answer that. He usually does not respond directly to questions in the House. He talks about how great he is, how great the Prime Minister (Mr. Mulroney) is, or how many billions of dollars he has spent, but usually does not respond directly to any questions put to him in the House. In this case there was no change. He did not respond to whether the Government would provide a line of credit to the producers who are being put out of business and that is where the matter lay.

It is interesting that the Minister for International Trade (Mr. Crosbie) went to the Okanagan Valley a few days later. He showed a great deal of concern. The press report in the *Toronto Star* of April 26 indicated:

> —Crosbie did say he would be "disappointed" if banks and credit unions began refusing loans to grape growers for no reason other than fears over free trade.

He was "disappointed". Mr. Somer and the other producers are not disappointed, they are devastated. They have hundreds of thousands of dollars invested in these vineyards and they are being put out of business. They cannot get a line of credit and therefore cannot look after their vineyards. There will be no crop and they will be destroyed by this action. All the Minister could do was mumble that he is studying the matter, negotiating with the provinces, and so on. However, as far as providing a direct line of credit to get them through this year until longer-term measures will be provided, there was nothing provided at all.

Although the Government has apparently made some representations to the Bankers' Association to support them, the Bankers' Association is saying "no dice" and essentially the Government is saying "no dice".

• (1805)

The Minister for International Trade talks in the newspaper article about visiting Kelowna. He said that in every arrangement there are going to be some winners and some losers. We have not learned of any winners. Certainly, the grape producers in Niagara and the Okanagan Valley are the losers. I think it is time the Government showed its goodwill to these producers who are being put out of business and provided them with an interim line of credit for the operation of their vineyards this year. If the Government is going to have a proper adjustment program, let it be put in place so that these grape producers know where they are going and know that the Government will stand behind its free trade deal.

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I would like to begin by thanking the Hon. Member for Algoma (Mr. Foster) for his continuing interest in agriculture and particularly for raising the question of the position of the Canadian grape growers at this time. I certainly concur with the Hon. Member when he states that the Canadian grape growers and the industry they represent are experiencing difficulties. I do not, however, agree that the reason for those difficulties is solely as a result, or even primarily as a result of the free trade agreement.

As the Hon. Member knows, the grape growing industry in Canada has suffered for many years as a result of historical surplus production. Quite frankly, the federal Government has done its share throughout those years in purchasing that surplus production. In addition, of course, there have been some very real problems in the industry as a result of difficulties with GATT and a subsequent GATT ruling which, I am afraid, was anticipated by the Government and, I would suspect, by the industry as a whole.

During the course of the last eight years, the Government has been buying the surplus grape production even though it has recognized that that in itself is not necessarily a solution. Nevertheless, it was a type of assistance that the Government could provide. In fact, the Government spent some $13 million buying the surplus, and I am sure the Hon. Member applauds the Government's recent announcement that it will buy the surplus production in 1988, as it has done in previous years.

We believe that our efforts in buying the surplus production has given some degree of stability to the industry. Furthermore, we have on numerous occasions sat down with the industry and tried to address the problems that were anticipated with the GATT ruling. That is now with us and we are in the position, of course, of having to respond. The nature of that response will be very significant in terms of working out a long-term strategy.

With respect to the free trade agreement itself, I would suggest that the financial difficulties which exist in agriculture in general, and in the grape growing industry in particular, are not a result of a single year's events and not a result of a single development such as the free trade agreement. I think the difficulties which exist and which have been affecting those in the Kelowna area are the result of ongoing difficulties. Certainly the federal Government is committed to coming up with some sort of adjustment program. I too talked with producers in the area. I know how important it is that an announcement is made in the near future, and I anticipate that it will be.

FILM DISTRIBUTION INDUSTRY—EFFECT OF CANADA—UNITED STATES FREE TRADE AGREEMENT/EFFECT OF AGREEMENT ON CULTURAL INDUSTRIES

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I am rising to continue with the question of culture on the bargaining table for the so-called free trade deal. It is not a free trade deal. It is not free trade because we do not have protection against the American countervail power. It is simply not free trade. It is much worse than that. It is a loss of political sovereignty. It is a loss of our power to make decisions and it is a loss of cultural sovereignty.

The film distribution scheme is perhaps the first casualty from the point of view of culture because of the shameful act of the federal Government in giving up on a promise it made to Canadian producers, directors and film people that there would be some improvement to allow for film distribution in Canada. It was not going to be Canadian ownership as recommended by a task force, but there would be a film distribution scheme. The Government abandoned that.

• (1810)

Last week the Minister of Communications (Miss MacDonald) had the colossal gall to say that because of free trade not including culture this very minor measure could be proceeded with. The film distribution scheme recently proposed by the Government is a farce. It is a real capitulation

from the not staggeringly strong measure that it had proposed a year ago. It is still far from Canadian ownership.

The point is that culture was always on the table. It is not just film distribution. It is a whole lot of things. There would not be a section on culture if it had not been on the table at all.

Article 2004 is on intellectual property. Article 2005 is on cultural industries. Article 2006 is on retransmission rights. Obviously, the Americans did not have confidence that the Government would proceed with retransmission rights although it had already promised to do so.

Article 2007 is a print-in-Canada requirement. This is a sudden repealing of the sections in the Income Tax Act which define a Canadian issue of a newspaper or periodical for purposes of deduction of income tax expenses. In order to get this, as a result of this provision, the production has to be printed or typeset in Canada. There was a great row when this provision was brought in. The American Government protested it for a very long period of time. It was not clear that it would go through at all. Finally, it did go through. Here we have with a stroke of the pen a provision which has enormously stimulated the magazine industry in Canada and which is now going to be taken away.

Those are four very specific provisions. There are also a number of areas in which tariffs will be reduced on cultural goods.

Article 2012 deals with the definition of cultural industry. It says what cultural industries are. However, it is made very clear that printing is not a cultural industry. We could not have told Gutenburg otherwise, that printing was not a cultural industry. Thus the printing trade has been simply wiped off the cultural map in negotiations in which, clearly, culture was on the table. This is one of the items that got lost. It got traded away, although we have a printing industry in Canada and we want to keep it and stimulate it. This means that provisions that deal with school textbooks being printed in Canada in order to get on school lists will be against the free trade deal.

Articles 2010 and 2011 in this agreement are on monopolies. However, we do not call them monopolies. We do not call the CBC a monopoly. We call it a public broadcasting corporation. We do not call TVOntario or TV Quebec a monopoly. They are provincial networks for broadcasting. It seems to me that if the trade deal had been in operation back in the 1930s when the CBC was set up, it could not have been established. The same goes for TVOntario and TV Quebec.

The monopoly section of this deal says that whenever an American corporation can make money in the trade deal it has the right to do so. The Government may not set up a public service in that service area. Or, if it wants to set one up it has to go through a process, it has to notify the American Government that it wants to do so. It has to consult with the American Government, if the American Government asks it to do that. It may be taken to binding arbitration. If we agree to go to binding arbitration we would go there. If we do not agree we would be taken to dispute settlement. In the meantime there can be retaliation of so-called equivalent commercial effect, which means that Canadians would be set against Canadians. Extra tariffs could be placed on lumber, fish or some other product in order to punish us for taking an independent stance in the area of culture. Compensation could be ordered, and it could be ongoing compensation. This problem exists most importantly for our social programs. It could also occur for our cultural programs. There is no specific exemption.

When we look at the so-called exemption for culture, it is made very clear that it is only a partial exemption, that notwithstanding any other provision of this agreement, a party may take measures of commercial effect equivalent to those that in our case Canada took. In this way the United States could retaliate if we do something to protect our own culture.

This is an agreement that is the beginning of the end for our political sovereignty for Canada. It strikes right at the heart of our cultural identity. It is a shameful agreement. What is even more shameful is the fact that the Canadian Government will not square with Canadians about it. It will not even admit it is going on. It buries the most important provisions at the back of the agreement where it hopes that people will not see them. It does not even mention monopolies in the elements of the agreement. It sneaks these provisions in and hopes that Canadians will not notice.

• (1815)

I hope that Canadians will notice. I hope that Canadians will protest and fight for Canada.

Mr. Lee Clark (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, although I respect the right of the Hon. Member for Broadview—Greenwood (Ms. McDonald) to interpret the free trade agreement as she sees fit, I simply cannot—and I say this at as a politician historian—concur with her assessment that the political sovereignty of Canada is in any way in jeopardy as a result of the agreement. However, the specific question before the House today relates to the cultural community and industry in general, and that is the point I would like to address.

We on the government side believe that our cultural industries are exempt from the free trade agreement, including Canada's publishing, film and video, music and sound recording, broadcasting and cable industries. The Government, as promised, has maintained all existing cultural support measures for cultural industries, as well as the ability to introduce new ones.

There are four specific undertakings in the free trade agreement touched upon by the Hon. Member. She identified them. We do not believe the ones identified by the Hon. Member have anything to do with the cultural role of these industries, and there are no other undertakings in the agreement which will apply to the cultural industries.

The exemption for the cultural industries makes it clear that the free trade agreement will not in any way limit our flexibility to introduce special measures to assist these industries, as required now or in the future.

Last week the Minister of Communications (Miss MacDonald) announced policies which were referred to by the Hon. Member in rather disparaging terms, with respect to new investment policies for the film industry and $200 million in new support programs to assist the production, promotion, and marketing of Canadian film and videos. The Minister also announced that she will shortly table legislation, as promised, to ensure that Canada operates a separate national distribution market. Through the additional funding and legislation to regulate the importation of films and videos, the Government has reaffirmed its commitment to the industry.

This policy was not negotiated as part of the free trade agreement. It is a Canadian solution to Canadian problems, developed in consultation with the film industry in Canada and around the world. Despite attempts by the Americans to raise the issue, Canada's cultural industries, including the film distribution issue, were kept off the bargaining table.

The free trade agreement will not in any way affect our ability to continue to develop cultural policies for Canada. In particular, the claim that the agreement will encourage U.S. retaliation against our future cultural policies is groundless. In fact, the opposite is true. At the moment the United States is free to take unilateral action against Canada in retaliation for what it considers to be unfair trade practices. The agreement will improve the situation, by placing some constraints on the ability of Congress to take action against any of our so-called cultural trade barriers. The United States will be required to demonstrate that a Canadian measure in fact contravenes the trade agreement. United States retaliation must be limited to a measure of equivalent commercial effect.

Furthermore, the U.S. will not be able to act unilaterally, as it can now. Advance notification and consultations with Canada would have to take place, in accordance with provisions in the agreement. The trade agreement is about trade, it is not about culture. It is a commercial arrangement that will put our economic relationship with the United States on a secure footing. Our culture can only gain from the stronger Canada that will result from this agreement.

ENERGY—LOW SULPHUR WESTERN COAL—PROPOSED USE BY ONTARIO HYDRO

Mr. Alan Redway (York East): Mr. Speaker, I know that I do not have to remind you that yesterday was Mother's Day. I know that you are well aware of that, and I am sure you celebrated Mother's Day as people right across this country did. I am sure that all of us paused to reflect on that very special day and to think about that special relationship that you and I, Mr. Speaker, and all Canadians have or had with their mothers.

Unfortunately, my mother passed away about five years ago. Mother's Day always brings back those memories and those feelings of that special relationship. Many times I think of the qualities and the character that she tried to instil in me with her own way with those various lessons that she taught me. I think, as well, about those little things that make the mother-child relationship so special—and certainly occasions such as Mothers Day bring back one's childhood memories.

• (1820)

I often think of the nursery rhymes my mother used to repeat, and the one that comes to mind this evening is one she used to say when it was raining outside. Her purpose in saying it was probably to get me out of her hair. It went along the lines: "Rain, rain, go away, little Allen wants to play".

That is a rhyme that comes to mind every time it rains. I am one who does not like to stay inside when it rains. I much prefer to be outside enjoying the rain, whether it be a teeming rain, a thunder-storm, a steady all-day rain, or drizzle, or a mist. I am one who always enjoyed the rain. However, it is not something that I enjoy as much now, the reason being that when I am caught outdoors in the rain now, it not only takes the press out of my pants but causes severe health problems.

We are all aware of the devastation caused by acid rain in this country, and across the world. Our forests, our lakes and rivers are being severely affected, as are our buildings. As well, human health is severely impacted. We know that acid rain can lead to respiratory diseases and to certain cancers.

Acid rain is a tremendous problem for the world today, and it is one that all Canadians are well aware of. The only people in the world who do not seem to be well aware of the problem of acid rain are the Americans, who seem to think that acid rain is caused by bird droppings, or something of that sort. Some Americans do not seem to be able to come to grips with what this problem is all about.

Half of the acid rain that we experience emanates from U.S. sources, and our Prime Minister (Mr. Mulroney) has been doing his best, in the last few years, to try to deal with that. He has put acid rain at the top of the agenda with the Americans. He has talked to the President about it; he has talked to the U.S. Congress. He has done everything short of going to war with the Americans. As a sovereign nation, we know that we cannot force the Americans to reduce their acid rain emissions. Rather, we have to do so by encouragement, by negotiation.

The other half of the acid rain problem emanates from within Canada—and again this Government has made enormous strides in controlling acid rain emissions from within Canada. The federal Government has now entered into agreements with seven of the provinces to reduce acid rain emissions by 50 per cent of what they were in 1980, with the target date for that reduction being 1994. In addition, the federal Government has introduced strict lead emission controls for cars and trucks.

Perhaps the greatest source of acid rain emissions is Ontario Hydro, and that is the case because of the fact that Ontario Hydro uses high sulphur American coal to generate power, instead of the low sulphur Canadian coal that has been proposed as a substitute by our Government. It is because of the use of the high sulphur American coal that we have this enormous acid rain problem, and it is one that we cannot seem to solve.

• (1825)

A short time ago, you know, Mr. Speaker, and I know the Governments of the provinces and the federal Government set up an action committee to deal with this problem to try to find a way to bring low sulphur western Canadian coal to Ontario so that Ontario Hydro could make use of it, and reduce these horrible acid rain emissions very substantially. That action committee was made up of the Deputy Prime Minister (Mr. Mazankowski), the Premier of Ontario, the Premier of Saskatchewan, the Premier of Alberta and the Premier of British Columbia.

I have not heard of very much action from this committee. We have heard all the excuses. We have heard that Ontario Hydro can get cheaper coal from the United States, so why shouldn't it buy cheaper? We have heard the excuse that all these long term contracts are in place with the Americans, so we have to keep buying this high sulphur coal from them, causing acid rain emissions in Canada. We have heard the excuse as well that transportation costs from western Canada to Ontario are so high that it does not make economic sense. We have heard all the excuses, but what we are looking for is action.

I would like to ask the Parliamentary Secretary when you and I, Mr. Speaker, and all Canadians can expect to get some action out of the action committee so that I can start enjoying those rain storms again the way I used to when I was a kid. How about it, Mr. Parliamentary Secretary? When are we going to get that action?

Mr. Deputy Speaker: The Chair does think that is a good question. The Hon. Parliamentary Secretary.

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Thank you, Mr. Speaker, for that non-editorial comment. "Jack Spratt could eat no fat, his wife could eat no lean, but together they licked the platter clean". I think that identifies the sense of co-operation which this Government has tried to bring to the country since 1984. It is because of that sense of co-operation in elements like the action committee that sometimes things are a little slower. It is easier in terms of speed to be a dictator, but it is not necessarily more secure in achieving what it is we would like to achieve.

It is particularly encouraging to stand in this Chamber today, and I speak as the Parliamentary Secretary to the Minister of Energy, Mines and Resources, from Alberta, one of the places from where low sulphur coal might come and deal with a question by a Member from Toronto. The interests of the people of Toronto, the people of Ontario and central Canada do coincide with the producing provinces which have the low sulphur coal. British Columbia, Alberta and Saskatchewan, the Member mentioned, were involved in these discussions.

We are pleased in western Canada to hear that Ontario Hydro has made a commitment to reduce its emissions by 50 per cent over eight years, between 1986 to 1994 and that progress is already under way. In terms of action, 1 million tonnes of low sulphur western coal was bought by Ontario Hydro this year due to an unexpected demand. Original concerns about price are starting to diminish. The price of western coal and its deliverability—transportation is a big part of it—is starting to come down. One of the first initiatives our Government undertook was the deregulation of transportation, bringing in more competition. We are beginning to see this important commodity become more price competitive.

The Member asks specifically when we can expect action. I wish he would use the words "more action". There has been action. Meetings have been held. The Secretariat has produced a report on coal technologies which will now be the subject of a high level meeting of the action committee that I understand will be held in the very near future. We expect out of that to have some financial commitments to continue to work on those technologies which reduce price, help Ontario consumers, help the acid rain situation, and help create jobs in western Canada which will ripple back to eastern Canada with an increased capacity to purchase goods and services, equipment, supplies and materials. It is good economically. It is especially good for the environment and to be able to demonstrate in this country that by working together we can lick that platter clean and produce a better situation for all Canadians.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly, this House stands adjourned until tomorrow at two o'clock pursuant to the Order made Wednesday, May 4, 1988.

The House adjourned at 6.30 p.m.

HOUSE OF COMMONS

Tuesday, May 10, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

HARBOURS AND PORTS

PORT MORIEN, N.S.—OVERCROWDING AT WHARF

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, the fishermen at Port Morien, Cape Breton, Nova Scotia, are in desperate need of improvements to their harbour. The existing facility was constructed over 40 years ago to accommodate 20 small boats and approximately 5,000 lobster traps. Today it accommodates 48 very large vessels and over 10,000 lobster traps. At present, boats have to tie up five to six abreast. All boats use gasoline or diesel fuel, and if a fire should erupt aboard any one of those vessels all the fleet could be lost.

I call upon the Department of Fisheries and Oceans and the Minister responsible to provide the necessary money to construct an additional 150-foot extension on the end of the existing wharf, and a 150-foot finger wharf. The request by these fishermen is both reasonable and well thought out. It is time for the Government of Canada to act positively on such a reasonable request.

* * *

• (1405)

NATIONAL NURSES' WEEK

TRIBUTE TO WORK OF NURSES

Mrs. Mary Collins (Capilano): Mr. Speaker, for over 300 years dedicated and competent nurses have been serving Canadians. They have played an active and valuable role in the development of our national health care system since the time of Jeanne Mance, the first lay nurse in Canada, during the early years of the 17th century.

The importance of nursing in our health care system is illustrated by the fact that more than 200,000 practising nurses in Canada constitute over 50 per cent of our health care professionals. Nurses serve the community by caring for all groups of people. Their presence is felt in a variety of venues as they provide care in homes, occupational settings, clinics, hospitals, and in nursing homes.

The nursing profession touches everyone. In recognition of this important contribution I am sure that my colleagues will join me in recognizing National Nurses' Week, and May 12, Florence Nightingale's birthday, International Nurses' Day.

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FINANCE

NORTHERN RESIDENTS TAX DEDUCTION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I and my colleagues in the New Democratic Party continue to be profoundly dissatisfied with the manner in which the Minister of Finance (Mr. Wilson) has handled the problems arising out of the eligibility list relating to the Northern Residents Tax Deduction. The Minister of Finance has refused to meet, even at his convenience, with the presidents of the northern Ontario municipal associations or with groups of elected municipal leaders to hear their concerns surrounding the matter.

Unable or unwilling to put forward a solution which will include all northern isolated communities on the eligibility list, the Minister is asking a $2.8 million task force to find the solution. This task force is being given a year and a half to report, which is far too long for communities not on the list to wait.

Six months of staff time was spent to produce the 14 pages of regulations that led to this problem, regulations which anyone with 15 minutes and a map could have determined were going to create divisions. Now we need $2.8 million and 18 months to solve the problem.

Members in this House, too, were led to believe by government Ministers that communities to be added to the list would receive the benefit retroactive to 1987, not 1988 as the press release now states.

Another concern is that the task force proposals are to be essentially revenue neutral. The Minister of Finance must reconsider the mandate of the task force before an already inequitable situation is compounded.

S. O. 21

AWARDS AND DECORATIONS

ORDER OF CANADA—EDMONTON RECIPIENTS

Mr. William G. Lesick (Edmonton East): Mr. Speaker, this year's round of Order of Canada investitures included three Edmontonians, of whom we are not only very proud but to whom we wish to pay tribute.

Krishan Joshee, Chairman of the Alberta Gaming Commission, is a retired teacher who is widely known for his volunteer work and his dedication to a long list of committees which have fostered multiculturalism in Edmonton and all of Alberta.

Dr. Henry Kreisel is an author, scholar, teacher, and administrator. A former Vice-President of the University of Alberta he has contributed greatly toward the development of the Heritage Language Institute.

Mrs. Mary Lobay has, over many years, given most generously of her time to a number of community projects as well as to the University of Alberta, the Edmonton Police Commission, and the Canadian Ukrainian Museum and Archives.

On behalf of Canadians, it is an honour to salute these three distinguished Edmontonians.

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APARTHEID

SOUTH AFRICA—CALL FOR MORE RIGID ECONOMIC SANCTIONS

Hon. André Ouellet (Papineau): Mr. Speaker, Rev. Allan Boesak, President of the World Alliance of Reformed Churches and the leader of the United Democratic Front, was in Montreal last weekend urging the Canadian Government to act on its promises to impose more rigid economic sanctions on South Africa.

Rev. Boesak warned that the ultra right-wing Conservative Party in South Africa, which is gaining in popularity, and which totally opposes any reform of apartheid, is able to point to the promises made by the Canadian Prime Minister (Mr. Mulroney) and the Canadian Secretary of State for External Affairs (Mr. Clark) as empty threats that South Africa can ignore without fear of reprisal.

Rev. Boesak also warned that if Canada fails to act on its promise, extremist groups which advocate the use of violence will gain more followers at the cost of moderate groups like the UDF.

When will the Canadian Government act on its promises? As we in the Liberal Party have long stated, mandatory, all-encompassing sanctions must be imposed on South Africa now.

[*Translation*]

CANADIAN EXPLORATION INCENTIVE PROGRAM

ESTABLISHMENT OF OFFICES TO EXAMINE REQUESTS FOR SUBSIDIES

Mr. Guy St-Julien (Abitibi): Mr. Speaker, on May 6 in Val-d'Or, on behalf of the Hon. Minister of Energy, Mines and Resources (Mr. Masse) and the Hon. Minister of State for Forestry and Mines (Mr. Merrithew), I announced that a review office under the Canadian Exploration Incentive Program would be set up in Val-d'Or. At the same time, the Hon. Member for Timiskaming (Mr. MacDougall) announced that an office would be established in Kirkland Lake, not far from Rouyn-Noranda.

On page 3 of a letter dated May 5, 1988, the Rouyn-Noranda SDE wrote, "We serve northeastern Ontario since we are connected geographically to this neighbouring mining region."

Mr. Speaker, by setting up review offices in Val-d'Or and Kirkland Lake, thus drawing closer to the people of Abitibi, Témiscamingue and northern Ontario, the Government of Canada is greatly facilitating mining exploration, which makes a large contribution to the Canadian economy.

* * *

• (1410)

[*English*]

CANADA POST CORPORATION

TREATMENT OF EMPLOYEES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, where does one picture workers being searched and harassed as they enter or leave their place of work? Where does one envisage the stigmatization of all employees as thieves or drug addicts? What kind of society would ban handbags or purses on the job and force workers to ask permission to retrieve personal belongings? Would it be the Soviet Union, or maybe South Korea? No. It is Canada Post.

Canadian postal workers, especially women, face this degradation and invasion of privacy every day because of Draconian new regulations within the Post Office. Canada Post wants to curb mail theft and loss which amounts to a fraction of one per cent of all mail handled.

But why single out postal workers in heavily supervised plants? Why does Canada Post not look at its network of privatized post offices, none of which have security? Finally, why does the Minister responsible for Canada Post not call a halt to this needless harassment of Canadian workers?

CHARTER OF RIGHTS

CALL FOR INCLUSION OF PROPERTY RIGHTS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, the guarantee of property rights is a most important and fundamental right, and one that was neglected by the Liberal Government when drafting the Canadian Charter of Rights.

The sad fact is that, without a guarantee of property rights, the Charter remains a flawed document and a great disappointment to many Canadians.

The recent passage of a Private Member's Motion calling for the inclusion of property rights in the Charter is a clear indication that members of this Government are prepared to offer Canadians such rights, while the NDP, who voted unanimously against the motion, along with 20 per cent of the Liberals, would deny them.

Clearly, the Progressive Conservative Members of the House have reflected the concerns of Canadians through their strong endorsement of property rights. I urge the Prime Minister (Mr. Mulroney) to take up this call for action and ensure that property rights are included on the agenda for the next First Ministers' Conference.

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ENVIRONMENTAL AFFAIRS

BRITISH COLUMBIA—ALLEGED NON-ENFORCEMENT OF POLLUTION LAWS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, Bill Andrews of the West Coast Environmental Law Association reports that, according to the federal records, both the federal and provincial Governments are not enforcing pollution laws for British Columbia's 22 pulp mills.

Environment Canada's records show that 21 mills consistently failed to comply with federal limits for one type of pollutant, and 18 mills went over provincial limits for another pollutant.

It would appear that every day last year the 22 mills dumped 2.5 million cu. metres of oxygen-depleting substances and toxic contaminants which end up in the food chain. Yet, Andrews could find no record that either level of government laid charges against even one pulp mill last year in British Columbia for exceeding limits on continuous discharges of pollution.

All this went on under the nose of the Minister of the Environment (Mr. McMillan) who likes to talk tough on polluters. The Minister should get on top of the situation in British Columbia and across Canada, and start practising what he preaches.

S. O. 21

ABORIGINAL PEOPLES

TIMING OF DEPARTMENTAL INFORMATION LEAKS

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, why is it that every time a meeting is scheduled between the native groups and the federal Government a timely leak develops? Whether it involves funding or aboriginal rights, it seems to be too much of a coincidence. Are these leaks happening to ensure that native representatives will be sufficiently angry, thereby guaranteeing failure?

Are these leaks designed to ensure that the process fails and is doomed before native leaders have even met with government officials?

Whenever Indians and Inuit are scheduled to meet with the federal Government, only negative aspects are brought out by the media, so that by the time the leaders sit down at the negotiating table everyone is angry and the whole thing falls apart, with the Indians coming out smoking.

* * *

• (1415)

FORESTRY

EXPORTS OF UNPROCESSED LOGS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, when it comes to our forest industry one thing becomes crystal clear—we must have more value added associated with our timber resource. For years Canadians have said that we must process more of our timber into finished or semi-finished products. Yet more and more raw logs are exported each year.

For example, in 1985 British Columbia exported 2.5 million cubic metres of logs. Last year British Columbia exported 3.4 million cubic metres of logs. This means that we are exporting jobs, since most jobs in the forest industry are associated with timber processing and not with the harvesting of the resource.

It is time we made more of an effort to add value to our Canadian resources. Reducing the volume of raw logs exported would be a major step in the right direction.

I urge the Government to communicate this concern to the Government of British Columbia, and urge it to curtail the export of British Columbia jobs by curtailing the export of raw logs. The sooner the better.

Oral Questions

POLITICAL PROTEST

VIOLENCE OUTSIDE NEW BRUNSWICK PROGRESSIVE CONSERVATIVES' ANNUAL MEETING

Mr. Albert Girard (Restigouche): Mr. Speaker, with this statement I will present you with a resolution that was passed unanimously by the New Brunswick PCs at our annual meeting last Saturday in Moncton, and a newspaper article dated May 7, 1988.

What we witnessed outside was a most disgusting incident involving a handful of disgruntled individuals who felt obliged to make up for their lack of numbers with violence.

Canada is a nation of fairness and tolerance. I think most Canadians do not approve of the actions taken by these protesters. I know that New Brunswickers are not very proud of the shadow which has been cast upon our good character and our warm hospitality.

All political leaders should ask themselves if this kind of behaviour is what we should expect as a sign of things to come in the forthcoming election. I urge all political leaders to denounce this type of violence publicly and to serve notice that it will not be tolerated.

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SOCIAL AFFAIRS

HAMILTON DROP-IN CENTRE—CARE FOR CHILDREN

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the face of poverty in the country is changing. It is now the face of the child.

I had an opportunity last week to meet with constituents in my riding who are delivering a program in downtown Hamilton, a program on which I served at one time as a member of the board of directors. It has a drop-in centre for the down and out, those disadvantaged in our society who have nowhere else to go.

When I was on the board it served primarily older men, those who had dropped out for a number of reasons. Now, on average, 10 children a day drop into the centre. Four children, on average, under the age of one are brought into the centre. These are children who are part of a situation in which one in five in the country is living in poverty and has nowhere else to go but a drop-in centre. At one time this centre was a haven for the downcast, what we would call the downtrodden, the down and outers. Is this what society has come to?

Unfortunately, our own Standing Committee on National Health and Welfare has refused to study the question of child poverty, even though the cry has been ringing from one end of the country to the other to look at this question in a compassionate way to find solutions so that our children do not have to go to school hungry.

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

ESTABLISHMENT OF CANADIAN EXPLORATION INCENTIVE PROGRAM

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, on Tuesday, May 3, the Progressive Conservative Government announced the creation of a new Canadian Exploration Incentive Program through the Minister of Energy, Mines and Resources (Mr. Masse) and the Minister of State for Forestry and Mines (Mr. Merrithew). This new program (CEIP), which will last at least two years, will take effect on January 1, 1989. It provides for federal participation of some $210 million annually to generate private sector investments of around $700 million.

Given the importance of mining exploration for a region like Abitibi-Témiscamingue, this means hundreds of millions of dollars invested in our regional economy for several more years.

What good news for Abitibi-Témiscamingue! Many thanks to the Prime Minister (Mr. Mulroney), the Minister of Finance (Mr. Wilson) and the Minister of Energy, Mines and Resources for this new program!

Once again, it shows how sensitive our Government is to regional economic development and prosperity.

ORAL QUESTION PERIOD

[*English*]

INCOME TAX

APPLICATION OF MINIMUM TAX—NON PAYMENT BY WEALTHY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. In the last general election all three national party Leaders favoured a minimum tax on wealthy Canadians. Indeed, the Prime Minister said during a nationally televised debate, and I use his words:

> It is unfair that an individual not pay a minimum tax . . . Anybody in this country of wealth—should pay tax and it should be a handsome tax . . . I have said it many times.

Would the Prime Minister explain why it is that he has broken his promise to the country declared on national television? Could he explain why, according to the latest income tax returns from Revenue Canada, more than 5,000 well-off Canadians did not pay a single cent of tax in 1986? Will he explain why dozens of people who made more than a quarter of a million dollars a year in income did not pay a single cent of tax?

• (1420)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the minimum tax has been introduced, as the Prime Minister

promised in 1984. That minimum tax is having an impact resulting in a clear reduction of those people who are in the higher income brackets who are not paying taxes.

When the minimum tax was introduced I made it quite clear that there would be some reasons why there would be some people who would not pay tax. The reason for that is because people have real losses.

The Hon. Member for Hamilton East is nattering away back there. I do not think that she quite understands that when people have real losses, the tax system in this country states that they should be able to carry those losses forward.

If the Right Hon. Leader of the Opposition is saying that we should not allow these losses to be carried forward, then let him say so. That was the principle that he lived by when he was Minister of Finance and that we are following right now, because we think it is only fair. It is those people who are in those circumstances who are not paying tax, but many other people are directly affected by the minimum tax.

ELECTION PROMISE

Right Hon. John N. Turner (Leader of the Opposition): The Minister, in effect, has admitted that his minimum tax is a phoney. When the Minister introduced it in this House, we said it was a phoney. We condemned it because there were loopholes that were not covered. We pointed out that even those Canadians who might pay a minimum tax in year one could get a refund in year two.

We said it was a scam, even though the Leader of the New Democratic Party said on December 4, 1985, as reported at page 9137 of *Hansard*: "I am pleased by what has been announced today—and I compliment the Minister of Finance . . . "

We saw through the scam, even if the NDP did not.

I do not wish to interrupt any consultation between the Prime Minister and the Minister of Finance, but I ask the Prime Minister the following. Why did he make yet another promise that he did not intend to keep?

Why do more than 5,000 well-to-do Canadians not pay a dime, a nickel, or a single penny of income tax, while income taxes on people who make less than $15,000 a year have gone up by more than 24 per cent since the Government came to power?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if there is any political Party that understands tax scams, it is the Liberal Party of Canada.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): The scientific research tax credit, which was one of the first things that we cancelled when we came into office, cost the taxpayers of Canada $2.5 billion when the previous Finance Minister had stated it was only going to cost $100 million. Instead of $100 million, it was $2.5 billion.

We have changed many elements of the tax system to make it fair and to remove some of the reasons why people were not paying taxes, culminating in tax reform which starts this year.

The Hon. Member is bleating a lot about 1986 figures. They are a great improvement over 1985, and in 1988 when tax reform comes in, we will see a major change still. We have taken out practically every one of those unfair tax gimmicks that he and subsequent Finance Ministers of the Liberal Party of Canada introduced during their term of office.

Mr. Turner (Vancouver Quadra): Mr. Speaker, let it be noted that the Minister of Finance has virtually admitted that his so-called minimum tax is a phoney. He has not answered the question. He has not dealt with the numbers. He has hoped to create a bit of subterfuge over it, but Canadians are not fooled. The Minister and the Prime Minister misled them in the last general election, and the Minister misled the House of Commons.

[*Translation*]

EQUALITY IN INCOME TAX

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Conservative Party promised it would protect the rights of Canadian taxpayers. Instead, the Prime Minister has introduced a policy that favours taxpayers in the upper tax brackets. Only 1 per cent of the wealthiest Canadians in this country pay less income tax under this Government.

How does the Prime Minister or how does his Minister justify the fact that people earning less than $50,000 annually have seen their income tax increase by more than 62 per cent, although the Conservative Party promised it would not raise taxes?

Why are the Prime Minister and his Minister squeezing middle-income Canadians, when 5,000 well-off Canadians don't pay any income tax at all?

• (1425)

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Right Hon. Leader of the Opposition is saying that the people of Canada were being misled. That could not be further from the truth. We have stated absolutely clearly what the minimum tax would do and what it would not do. What we did was go to the heart of the problem. Why are people not paying tax? Because of loopholes that he and subsequent Ministers of Finance from the Liberal Party put into the tax system. We changed those systematically, from scientific research tax credits, to carve outs, to the income attribution rules, limited partnerships, all of these things.

Mr. Turner (Vancouver Quadra): That's a phoney.

Mr. Wilson (Etobicoke Centre): The Right Hon. Leader of the Opposition says it is a phoney. I wonder how phoney it was when he was recommending to his clients as a private sector lawyer to take advantage of all of these. He was the one who was probably advising his clients to take advantage—

Mr. Speaker: The Hon. Member for Cochrane—Superior.

* * *

ABORIGINAL PEOPLES

DEPARTMENTAL DISCUSSION PAPERS—GOVERNMENT SERVICES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my question is directed to the Minister of Indian Affairs. I have in my possession a set of departmental discussion papers which propose to severely restrict government services to Indian people. As I read these documents, I noted how closely they parallel the philosophy and spirit of the Nielsen Task Force report on Indian programs, code-named the "Buffalo Jump" of the 80s, which I thought the Prime Minister had repudiated some time ago.

This document admits that social and economic indicators for natives are among the worst for any social group in Canada. Despite this admission, these papers say the Government should carefully avoid expanding the scope of responsibilities for aboriginal people. How can the Minister expect the aboriginal people of Canada to trust the Government when this kind of callous, cynical thinking is going on behind the closed doors of his own Department?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I appreciate the Hon. Member's question because it gives me an opportunity once again to enunciate what is government policy. Government policy is decided by Cabinet and announced by Ministers. Officials may discuss.

The Hon. Member was quite fair in saying he has something in his possession that was used as discussion for officials. But the Member should also know, when it talks about limitation, that the departmental budget increase for DIAND since 1984 is over 40 per cent main to main. The increase this year is 10 per cent plus. The Hon. Member should then recognize there is no curtailment of services to Indian people in Canada by this Government.

CONDITIONS IN INDIAN COMMUNITIES

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, we heard this morning from Queen Beatrix of Holland that Members ought not to forget the problems that exist in the Third World. The House and the country and the Government should know that Third World conditions, and worse, exist in many Indian communities across Canada. So if the Minister is saying he rejects the philosophy of these papers, I want him to tell the House when he is going to announce accelerated programs to overcome the serious backlog of housing needs in Indian communities? When is he going to announce that good quality schools will be built in Indian communities where they are so badly needed?

• (1430)

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I know the Hon. Member has a real concern and I appreciate it. The Hon. Member can also recall that within the last 12 months in one province alone, the Province of Manitoba, $55 million was spent in northern Manitoba on school construction for Indian people, the largest single construction undertaken in education facilities by any federal Government in the Province of Manitoba.

The Hon. Member also knows and has to be aware that when we sat on the aboriginal affairs committee there was a proposal and discussion about the death rule, including discussion on Bill C-31. Regardless of what is in the story and regardless of what is in the paper, I asked for assistance. I would like to quote from the committee report. On March 17, 1988—

Mr. Prud'homme: Speech.

Mr. McKnight: I am sorry, Mr. Speaker, but some Members in the Opposition do not wish to have this discussed.

Mr. Prud'homme: It is still a speech.

Mr. McKnight: I said:

> I would be very pleased if all Parties sitting around this table would be able to sit together and find a way of addressing that failure . . . I would appreciate the opinion of all Members from all Parties on a way to do that.

Mr. Penner: It is irrelevant.

Mr. McKnight: The Member says it is irrelevant. The death rule is very, very important to aboriginal people under Bill C-31, and we hope to have the co-operation of two Parties to address it.

Mr. Prud'homme: You are the creator of it.

* * *

INCOME TAX

MINIMUM TAX—NON PAYMENT OF TAX BY WEALTHY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Minister of Finance about the fairness of the tax system. The Minister will recall that the minimum tax was brought into this House so that average Canadians would know that when they paid their share of tax, people who were wealthier than they were were also paying their fair share. Now we find out that 5,200 Canadians earning over $50,000

paid no tax in 1986, and on the Minister's hit parade, the top 40 earning over $250,000, paid no tax at all.

Can the Minister say what is fair about a minimum tax that still allows wealthy Canadians to arrange their affairs so as not to pay a nickel in income tax in 1986?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have answered that question which was put by the Leader of the Opposition. I would also point out to the House that both the Member and the Leader of the Opposition are using figures that have not been published. They have not been officially released so they should not be commenting in any formal way about them.

I want to remind the Hon. Member that, out of one side of his mouth he is saying you have to make sure that people pay more tax, while out of the other side of his mouth he is saying you cannot do anything about flow-through shares; you cannot make any changes in flow-through shares. It is the tax loopholes with flow-through shares that were changed in tax reform.

Mr. Riis: What about the minimum tax?

Mr. Wilson (Etobicoke Centre): The Hon. Member cannot have it both ways. You cannot say you cannot touch any of these things in the tax system, and yet say that people have got to be paying more tax. We have changed things. We have changed the tax system incredibly over the last three and a half years. The result is there are far fewer people who are getting away with the gimmicks that were put in the system as a result of about 15 years of Liberal Government.

Mr. Rodriguez: You fooled me.

FAIRNESS OF SYSTEM—MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, the Minister of Finance has changed things so effectively that dozens of people earning over a quarter of a million dollars a year avoided paying any tax in 1986, and thousands of other Canadians avoided paying any tax in 1986. Average Canadians say that is not fair.

I want the Minister to tell me what is fair, now that we do have these preliminary reports, about a tax system where the average income of tax filer earning under $15,000 fell and yet his or her tax rose between 1984 and 1986. What is fair about a tax system that has increased the tax on these low income Canadians while at the same time the tax on those with incomes of over $50,000 actually fell? The Minister of Finance may believe that that is fair, but is there a single other Canadian who can say that that is fair when poor people pay more in tax and wealthier Canadians pay less?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think this is probably a classic example of the old adage that figures lie and liars figure.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): There is a misuse—

An Hon. Member: That is an old adage.

Some Hon. Members: Oh, oh!

Mr. Speaker: I am sure the Hon. Minister did not want to impute any wrong motive to the Hon. Member.

Some Hon. Members: No. Absolutely no!

Mr. Speaker: I would invite the Hon. Minister to continue his answer, of course making it clear that no improper motive was attributed.

Mr. Wilson (Etobicoke Centre): There is certainly no attempt to attribute motives, Mr. Speaker, but it is a very astute adage.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: Perhaps the Hon. Member for Ottawa Centre could ask another question.

REQUEST THAT MINISTER CHANGE MINIMUM TAX SYSTEM

Mr. Mike Cassidy (Ottawa Centre): I regret, Mr. Speaker, that rather than trying to answer the question which the average Canadian wants answered, the Minister decided to resort to abuse.

Some Hon. Members: Oh, oh!

An Hon. Member: Go back to Ontario, Mike.

Mr. Cassidy: I am in Ontario now.

Mr. Speaker: The Hon. Member will complete his question.

Mr. Cassidy: Mr. Speaker, my final supplementary is quite simply this. Since we are talking about fairness in the tax system, is the Minister satisfied with a minimum tax which still allows more than 5,000 Canadians earning over $50,000 a year to pay no tax? Or is he prepared to bring in changes to the minimum tax system in order to ensure that wealthy Canadians all pay their share to the Treasury of Canada?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the answer that I wanted to give to the previous question, where the New Democratic Party Member said that in the under $50,000 a year group taxes went up from $1,605 to $2,394, that is an increase which is significant, but the amount I think should also be taken into account.

I would also point out to the Hon. Member that since 1984 the increase in personal taxes paid by Canadians was 80 per cent as a result of growth in the economy.

Mr. Turner (Vancouver Quadra): That is nuts. That is not right.

Mr. Wilson (Etobicoke Centre): The Leader of the Opposition is starting to mouth off again.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): If he checks the figures he will see that 80 per cent is as a result of the growth in the economy and 20 per cent is as a result of tax changes.

The specific answer to the question as to why there are still some people who are not paying any tax is this. I have said it before and I will say it again. We do not include alimony in the minimum tax. We do not include real losses in the minimum tax. There are other items such as that which are not included in the minimum tax. If the Hon. Member for Ottawa Centre is prepared to stand up and say that we should include real losses and alimony, let him do it. If he wants a fair tax system, he will agree with the way we have done it. He will agree that by not including those items it is the fair and equitable way of treating people in the tax system today.

SUGGESTED LIMITATION ON TAX DEDUCTIONS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Finance who disputes the published 5,000 plus figure but has not offered us another figure. However, clearly a large number of Canadians paid no tax in 1986 and, therefore, the Government has not kept its promise to make the system fairer.

Why did the Government not adopt the proposal of the Official Opposition for a simple and straightforward mechanism to limit the total amount a taxpayer could deduct for tax incentives so that everyone would pay a share of tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member said I have not answered the question. First, I do not comment specifically on unofficial figures because these figures will be made official and at that time I will be quite happy to do so. I have commented very specifically on the reasons that these numbers, which she and others have quoted today, have been leaked to a newspaper. We have kept our promise.

• (1440)

Mr. Gray (Windsor West): There are such figures, you admit it.

Mr. Turner (Vancouver Quadra): Are the numbers right?

Mr. Wilson (Etobicoke Centre): The Leader of the Opposition asks if the numbers are right. They are unofficial. I do not know whether they are right.

Mr. Turner (Vancouver Quadra): You certainly do, one way or the other. Come one, one way or the other, you know whether they are right.

Mr. Speaker: The Hon. Member for Trinity has asked the question and I would ask her colleagues to co-operate in letting the Minister reply to her.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, we have taken a number of actions to improve the fairness of the tax system. We have eliminated the scientific research tax credit. We have gone to the heart of the reasons why people are not paying tax including the SRTC, the carve-outs that the oil industries used, the drilling depletion funds, MURBS, the allowable business investment losses, mining depletion, and the changes to the dividend tax credit.

All of these changes go to the cause of the problem the Hon. Member is referring to, and surely she should be on her feet saying that this is bringing fairness to the tax system, and congratulations should go to the Government. Possibly she might like to say that we should be doing more, but at least she should acknowledge the major changes that we have brought about over the last three and a half years in improving the fairness and equity in the tax system.

TAX SIMPLIFICATION—MINISTER'S POSITION

Miss Aideen Nicholson (Trinity): Mr. Speaker, I am overwhelmed by the Minister's modesty.

Some Hon. Members: Hear, hear!

Miss Nicholson (Trinity): Mr. Speaker, the Minister also promised tax simplification and has in fact delivered a more complex form than previously. Now even Canadians with very modest incomes are paying to have their tax forms completed. Does the Minister intend to address this question at all?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member said that she was overwhelmed by the statements that I have been making. I would be overwhelmed if she would stand up and acknowledge some of the good works this Government has done in dealing with the problems she has recognized.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Hon. Member has said that we promised tax simplification and we have done nothing about it. I regret to tell her that we have done something about tax simplification, in two ways. First, we have made a number of changes in the tax system, going from exemptions to credits, making it much clearer to Canadians what they get out of the tax credit. There is a change in the number of tax brackets from 10 to three so it is easier to understand.

As well, dealing with the problem the Hon. Member recognizes, that people feel that they have to go to tax practitioners to get their forms filled out, my colleague, the Minister of National Revenue, and I, have made a number of changes in the tax guide this year and we will make further changes next year. We have put in a number of tax tips to help

Canadians identify which parts of the tax guide and which parts of the tax form affect them, and which do not. It is much easier for people to use that tax guide when filling out their tax forms.

* * *

ABORIGINAL PEOPLES

DEPARTMENT'S BUDGET—HOUSING NEEDS OF INDIAN PEOPLE

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Indian Affairs. Three years ago the then Deputy Prime Minister, Erik Nielsen, produced and introduced what was known as the "Buffalo Jump" of the 1980s, the Conservative blueprint for the assimilation of Indian, Inuit, and Métis people.

When the Minister and the Government came to office there was a backlog of over 10,000 in housing units required for aboriginal people in Canada. That has grown since the Minister has been in office. The Minister's own documents now reveal that there will be fewer schools produced rather than more, and they have all kinds of ways of describing those as being better schools without talking about there being fewer schools.

On Bill C-31, the Minister above all knows that the budget that he has before the House right now is totally inadequate. Again, there are tens of thousands of aboriginal people being denied housing, medical coverage, and all kinds of other benefits. When will the Minister do something about Bill C-31, something about housing and something about schools, something good for aboriginal people rather than all this bumf and assimilation?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, not being an expert on bumf, I will leave that to the Hon. Member.

The Hon. Member must be aware that the report about which he talks, the Nielsen report that called for cut-backs and was made public, came since 1984, but at the same time the budget for the Department of Indian Affairs and Northern Development has increased 40 per cent. The Hon. Member must also take some credit and some responsibility, because when Bill C-31 was introduced in the House it was supported unanimously by all three Parties.

REQUEST FOR INCREASED BUDGET

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question stems from the Minister's own Estimates, hardly a secret document. It proposes cuts in human resources development by 50 per cent, cuts in renewable resource development by 85 per cent, and cuts to self-government, to comprehensive claims, and to economic development on lands, reserves and trusts. These are cuts to a group of Canadians who are the worst off in Canadian society according to the Minister's own documents, individuals who have a life expectancy 10 years lower than Canadians generally. When will he come forward with a budget that will address these issues—now or after the next election?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member identifies some programs which were sunsetted, programs which expired, and he calls those cuts. The Hon. Member must know about legislated programs, though I know that the NDP has not had the experience nor will it likely have the experience of administering a Government. If it did, it would realize that some programs are sunsetted.

Regardless, I know the Hon. Member has copies of releases provided within the last month indicating initiatives taken by this Government, including Indian child care. There has been consultation with Indian people in the provinces to establish Indian child care and return it to Indian people who are best able, in my opinion and I am sure in the Hon. Member's opinion, to handle Indian child welfare.

The Hon. Member recognizes that we are putting forward $20 million to assist Indian men and women who are on social assistance to be productive. We have taken these initiatives at a time when the budget has increased, and we are continuing to meet the needs of Indian men and women in Canada to the best of the ability of this Government.

* * *

[*Translation*]

RESEARCH AND DEVELOPMENT

QUEBEC'S SHARE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of State (Science and Technology) and I would like to draw his attention to the dwindling share of federal funding for research being allocated to Quebec. This time, I think the figures are quite clear. In 1984-85, when the Progressive Conservative Party had just come to power, Quebec received 20.2 per cent of research contracts. The following year, it was down to 10.5 per cent, and the year after, to 9.94, while last year there was a slight increase to 12.2 per cent. This means that despite formal protests from the Government of Quebec, the province continues to receive only crumbs in terms of research contracts. I would like to ask the Government what it intends to do to give us the assurance that Quebec will receive its fair share of research contracts from the federal Government.

[*English*]

Hon. Frank Oberle (Minister of State (Science and Technology)): Mr. Speaker, I am pleased to respond to the Hon. Member's question. The figures indeed do not lie as he has quoted them, but they only reflect the transfers from the expenditures of one Department of Government, Supply and

Services, which is involved in only 6 per cent of the total expenditures involving grants and contracts of the Government of Canada. Therefore, the figures are badly distorted.

I do have some real figures here involving all government transfers. In 1985, Québec received 34 per cent of all of the transfers and Ontario 38 per cent. These are the true figures.

[*Translation*]

SPACE AGENCY—MONTREAL

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, perhaps the Minister, who seems to be quite comfortable with all those figures, could explain what is happening in space research. We have heard that in March, $9.2 million worth of research contracts in the space sector were allocated by the National Research Council, but none of these went to Quebec. It should come as no surprise to the Minister that Montrealers are concerned, and I would like to ask him whether he now realizes why the people of Montreal want the space agency to be located in their city. When could the Minister inform the House when the location of the space agency will be announced, and is there still hope that Montreal will get the space agency?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, first of all, the Hon. Member mentioned the figures for one month. When we consider government expenditures, I think it is only fair to look at a period of more than 30 days. I realize that it may suit the Hon. Member to talk about a period of 30 days, but I think that in this particular area, we should consider the spending that has taken place over the last twelve, eighteen or twenty-four months, so as to have a more accurate picture of the geographical distribution of these expenditures.

As regards our activity in the space industry, quite recently we announced we would be taking part in the American space station. We have reiterated our participation in the European space agency, and we have said several times—and I am merely repeating what the Prime Minister said before—that we will have a space agency. The parameters of the program have to be determined, and as soon as Cabinet will be able to decide on the location, I should be delighted to make the announcement, if the Prime Minister will let me.

* * *

• (1450)

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—CONSTITUTIONALITY OF AGREEMENT IN UNITED STATES

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Prime Minister. Has the United States informed Canada that part of the trade agreement is unconstitutional in the U.S. and therefore it wishes to have changes in the wording of certain sections for implementing legislation purposes?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the U.S. informed the trade negotiation office, I believe last week, that there could be some problem with the agreement. However, they have not confirmed that it is unconstitutional and have not asked for any amendments at this time.

SHIPMENT OF ALASKAN OIL

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, this morning on the floor of the U.S. Senate, Senators Byrd and Bentsen acknowledged that the provision concerning oil shipped via Canada to the Lower 48 from Alaska was unconstitutional. In view of that admission on the part of those Senators and on the part of officials in the Department of Energy here in Canada, what is the Canadian Government going to do in response to a serious situation where the U.S. seeks changes in the wording of the agreement and we have not been prepared to make such changes ourselves?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, as I said in my earlier answer, the U.S. has not made any formal presentation to Canada. The question is purely hypothetical until we get that request so there is no sense making a definitive statement at this time.

* * *

[*Translation*]

MINES AND MINING

CANADIAN EXPLORATION INCENTIVE PROGRAM—IMPACT

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is directed to the Prime Minister and Member for Manicouagan. Thanks to the new measures announced last week by his Government, flow-through shares will again be available as an incentive to mining exploration, and the new Canadian Exploration Incentive Program will have a very special impact on Quebec and Canada.

Could the Prime Minister inform the House whether this new program was designed to maintain an adequate level of mining exploration by small companies and whether it meets the economic needs of mining communities in Quebec and Canada? Thank you!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the question was also addressed to me by the Hon. Member for Abitibi in my capacity as Member for Manicouagan, and it is with great pride that I draw the attention of the

House to the presence in our gallery of the Mayor of Baie-Comeau.

In fact, I must congratulate the Hon. Member for Abitibi on his exceptional work in connection with the flow-through shares program. I would like to point out that—obviously the Liberals are not interested in flow-through shares—the Association . . . Mr. Speaker . . .

Mr. Speaker: The Prime Minister may proceed.

Mr. Mulroney: Mr. Speaker, this is a very important matter for Quebec and for northern regions generally. I am surprised at the tumult among Opposition Members, because the Prospectors Association of Quebec has stated that it believes these measures will ensure continued employment, a climate of confidence for investors and a more stable climate for businesses. That is the result of the action taken by the Government and the Hon. Member for Abitibi!

[*English*]

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

Mrs. Finestone: Mr. Speaker, it would be nice to hear some real questions answered.

Mr. Hnatyshyn: Would you mind sitting down, then?

Mr. Speaker: Perhaps the Hon. Member could put a real question.

Mrs. Finestone: I will be happy to, Mr. Speaker. Can you guarantee a real response?

* * *

IMMIGRATION

REFUGEE STATUS CLAIMANTS—REFUGEE CLAIMS OFFICERS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, of the 47,416 refugees in Canada, we now have a backlog of 13,900 ready to be processed by the Government. However, only 16 of the 27 officers of the Refugee Status Advisory Committee are left to rule on the claims. I suggest that the delays are unacceptable and sad human tragedies, causing emotional hardship to individuals and families. Why has the Minister laid off 11 of the most qualified refugee claims officers since March if the Conservative Government is really serious and wants to, as it says, speed up the claims processing system? It just does not make sense.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first, there are no hold-ups as a result of this because, as the Hon. Member well knows, the Immigration Appeal Board stage, whose appointments are now before the courts, has essentially slowed down the process. That resulted in fewer cases coming to the refugee group and they are dealing with those on a priority basis.

Let me say as well that if we had our Bills we would not be in this position.

Some Hon. Members: Hear, hear!

Mrs. Finestone: To my knowledge the Government has an obligation to apply the laws that are on the books. If the Government wants to pass humane, intelligent, and sensible legislation, we will adopt it.

Mr. Speaker: I ask the Hon. Member to put her question, please.

REQUEST THAT CLAIMS OFFICERS HAVE CONTRACTS EXTENDED

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, will the Minister not extend the contracts of these 11 highly respected, top-notch individuals in order to keep the process going at a time when there are thousands of refugee claimants? She knows that she should be hiring more rather than cutting half the staff.

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, let me say first that we did not lay off these people, as the Hon. Member knows. Their terms expired and their appointments are currently under review.

• (1500)

In addition, I would like the Hon. Member to be just as eloquent before her colleagues in the other place.

* * *

SHIPBUILDING

CONSTRUCTION OF POLAR 8 ICE-BREAKER—PROPULSION SYSTEM

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Transport. According to a CBC report last night the Coast Guard's ice-breaker, *Henry Larsen*, which was launched in January, 1987, has not moved under its own steam in the last 15 months owing to the cyclo-electric engine system that is in it.

Based on this success, the Canadian Government has recently commissioned a second ice-breaker, four times as large, the Polar 8, with the same kind of system, against the recommendations of the Bruneau Committee which recommended that this was not an appropriate technology for this kind of ice-breaker.

In light of the failure of the power system for the *Henry Larsen*, why did the Government ignore the Bruneau report and its recommendations?

[*Translation*]

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, first of all, the Hon. Member for Yukon mentioned the word "failure" in connection with the *Henry Larson*. I

think that is incorrect. Two problems were identified. The first problem concerned the engine and it has been solved. Another problem is being dealt with and it concerns the transformers. Normally, the ship should be operational by July.

As for the Bruneau Report, I believe that far from being ignored, a number of recommendations were accepted. The report did not put any particular emphasis on the propulsion system but on other considerations, and basically, as concerns the kind of technology applied here, we must rely on the expertise of the Canadian Coast Guard which insisted on having this type of propulsion on the *Polar 8*.

[*English*]

SALE OF ICE-BREAKERS TO AMERICAN COMPANY

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the Minister has not told us which July. However, we do understand that there are two proven technologies under discussion. One has proven that it does not work and one has proven that it does.

Given this, why is the Government allowing the sale to an American company of six Canadian ice-breakers which work, while spending millions of taxpayers' dollars for a system to power the Polar 8 which does not appear to work at all?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, my colleague does not have accurate information. The six ice-breakers to which she is referring have this exact kind of electrical propulsion. We want to put the same system on the Polar 8 as was on the *Henry Larsen*. It did not fail. Two problems were corrected, and the Canadian Coast Guard considers that the best technology we can have for propulsion is the electrical one which is to be installed on the Polar 8.

* * *

ENVIRONMENTAL AFFAIRS

RIDEAU RIVER—DESTRUCTION OF PICKEREL EGGS

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, my question is addressed to the Acting Minister of the Environment. As we all know, Sir, each spring the Rideau Canal is refilled with water from the Rideau River, and this spring was no exception.

However, the sudden and untimely lowering of the Rideau River level this year exposed and killed most of the freshly laid pickerel eggs in a critical part of the river, angering all of the conservation clubs in the national capital region.

Why was this allowed to happen? Can the Minister assure the national capital regional conservation authorities that this will never be allowed to happen again?

Hon. Thomas Siddon (Minister of Fisheries and Oceans): Mr. Speaker, as the Hon. Member for Ottawa—Carleton knows very well, the water flows and levels in the Rideau River and Rideau Canal system are very closely regulated because of a number of competing uses for water, including recreation, navigation, and water supply but, above all, to ensure that the environment and natural fish stocks are properly maintained and managed.

This year we had an inordinately low level of snow pack, some 35 per cent lower than average. In the two critical months when the spawning occurs, that is, April and May, the volumes of water were very much lower because the run-off was lower.

I am advised, on behalf of the Minister of the Environment and the Ministry of Natural Resources for Ontario, which manages these matters, that these are the reasons for the low level of flow and some 20 per cent reduction, at maximum, in the spawning of pickerel this year. It is not expected to be a serious problem in the over-all spawn of this particular species.

ROUTINE PROCEEDINGS

[*English*]

WESTBANK INDIAN BAND

PRESENTATION OF REPORT OF COMMISSION OF INQUIRY

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 67(2), I am pleased to table copies, in both official languages, of the report of the Commission of Inquiry concerning certain matters associated with the Westbank Indian Band.

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COMMITTEES OF THE HOUSE

BILL C-124—REPORT OF LEGISLATIVE COMMITTEE

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, as Chairman of the legislative committee on Bill C-124, an Act to amend the Canada Labour Code, I have the honour to report the Bill to the House, in both official languages.

Your committee has considered Bill C-124 and has agreed to report it without amendments.

AGRICULTURE—SIXTH REPORT OF STANDING COMMITTEE

Mr. Geoff Wilson (Swift Current—Maple Creek): Mr. Speaker, as Chairperson of the Agriculture Committee, I have the honour and duty to present, in both official languages, the sixth report of the Standing Committee on Agriculture concerning the regulatory process for farm chemicals and pesticides.

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

PETITIONS

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, it is my honour and privilege to present a number of petitions signed by 526 constituents of the national capital region, on behalf of the Ottawa—Carleton Chapter of the Canadian Friends of Schizophrenics, calling our attention to the fact that much greater research efforts into this serious illness are desperately needed in Canada.

ABORTION—SUPREME COURT OF CANADA DECISION

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, it is my honour and privilege as the Member of Parliament for the federal constituency of Moncton to present, pursuant to Standing Order 106, this petition signed by a number of my constituents, particularly from the parish of Notre Dame de Lorette in Dieppe, expressing their concern with regard to the recent decision by the Supreme Court of Canada as it applies to the Criminal Code and abortion.

They urge this House to take immediate action in order to rectify this situation so that there will be limits placed upon such procedure in Canada.

IMMIGRATION—REQUEST FOR CLOSER CO-OPERATION WITH VIETNAM

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and duty, pursuant to Standing Order 106, to present a petition from a number of residents of the constituency of Spadina who point out that one of the purposes of the Immigration Act is to facilitate the reunion in Canada of Canadian citizens and permanent residents with their close relatives from abroad but that many Canadians from Vietnam find that it takes many months or years to bring in their relatives.

Therefore, they ask the House of Commons to ensure that the Canadian Government negotiates actively with Vietnam to secure an agreement providing for closer co-operation on immigration, including quicker action on Canadian sponsorship.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, I have another petition from a number of residents of the City of Toronto who point out that the trade deal between the Prime Minister of Canada (Mr. Mulroney) and the President of the United States threatens the sovereignty of Canada and has no mandate from the Canadian people. They say that it would in fact reduce Canada's ability to plan the economic, social, and cultural programs we need and would integrate Canada further into the North American defence industrial base.

Therefore, they ask Parliament to ensure that a national debate takes place on the Mulroney-Reagan trade deal and that this debate results in a national general election before such an agreement is finalized.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty, on behalf of constituents from Stump Lake, Shellbrook, and Debden, to put a petition before the House.

Because the Government does not have a mandate regarding the free trade agreement, and for various other reasons, the petitioners call upon the Government to reject the free trade agreement or to allow the people of Canada to reject it during a national general election.

* * *

• (1510)

QUESTIONS ON THE ORDER PAPER

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all questions be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I ask that all Motions for the Production of Papers be allowed to stand.

The Acting Speaker (Mr. Paproski): Shall all Motions for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed from Thursday, May 5, consideration of the motion of Mr. Mulroney that Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the third time and passed.

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I am pleased to have an opportunity to debate Bill C-103, an

Act to establish the Atlantic Canada Opportunities Agency. We are at the final stages of this debate and, as New Democrats, we certainly intend to vote in favour of the legislation.

However, I want to qualify that support for the Bill. While we believe this Bill is a step forward, it is not a major step. It falls far short of what one would like to see. We support it because it has the potential to do some good toward diversifying the economy of Atlantic Canada.

When the Economic Council of Canada released its quarterly report in September, 1987 it said that while the overall economy of Canada will expand, one of the challenges we will face is the uneven expansion of that economy. We were forewarned of the continuing boom conditions in certain areas of central Canada where a very high level of prosperity has been generated. However, other parts of Canada have experienced very little growth and, in some cases, no growth at all. While the prosperity in areas of central Canada will continue, the regions of Canada in the Atlantic, the West, and the North will still face economic challenges.

In August, 1987, the Organization of Economic Cooperation and Development released its report. This organization, composed of the 15 wealthiest western nations, studied the western economy and also found that regional disparity was especially noteworthy in Canada. When one considers that geographically Canada is the second largest country in the world, perhaps it is not surprising that we would not experience uniform economic growth and development across the country. However, even this report points out that the Government of Canada would have to face this challenge.

The most recent unemployment figures show that there is a 7.8 per cent unemployment rate in Canada generally, which is a modest decline in the last number of months.

While we are pleased with that downward trend, let me remind the House that the unemployment level in Newfoundland was 17.8 per cent. This suggests that a little over 80 per cent of the people in Newfoundland are employed but included in that number, as many as 50 per cent in some areas, are part-time employees. Many of them are part-time employees because there is no alternative. While they would prefer full-time employment, they are stuck with part-time work.

Therefore, in real terms, the unemployment rate in Newfoundland is much higher than 17.8 per cent if one takes into account the number of people who are seeking full-time employment.

Newfoundland is one province in Atlantic Canada where regional disparity is most obvious. The difficult economic times continue in spite of the relative prosperity which parts of central Canada are experiencing.

In 1976, the unemployment rate in Newfoundland was 13.4 per cent; increased to 16.8 per cent in 1982; and reached 18.9 per cent in 1983, just before the federal election. In 1984, the year of the federal election, it was over 20 per cent and went up to 21 per cent in 1985. In 1986, the unemployment rate was 20 per cent today and is down to 17.8 per cent. I suggest that it is irrelevant whether the unemployment rate is 17.8 per cent or 20 per cent. It is obviously excessively high.

It has been stated for years that something must be done to address this tragic unemployment situation in Newfoundland. The Government had an opportunity to do something when it decided to establish the Atlantic Canada Opportunities Agency. However, I am afraid that it will fall far short of the objective to remove regional disparity in that area. It will fall far short of creating economic development and business growth in order to employ those thousands of Newfoundlanders and others in Atlantic Canada who are seeking employment.

This becomes most obvious when one considers the financial contribution to ACOA. A minute amount—15 per cent of 1 per cent of the national budget—is being invested into ACOA, which I know you would think unreasonable, Mr. Speaker. It represents $200 million spread over five years, an obvious drop in the bucket.

While this is a small step in the right direction, the financial resources are not available for ACOA to do the job that is necessary.

A particular concern that many Atlantic Canadians expressed to the legislative committee when it travelled in Atlantic Canada was whether this would be new money or money that would normally go into the development of harbours or other economic development initiatives.

We saw in western Canada how money that should have been spent from a soils budget, a fishery budget, or parks budget was coming out of the Western Diversification Office. That is wrong.

Atlantic Canadians are concerned that funds which should come from the fisheries budget, the harbours budget, or another budget will go into the Atlantic Canada Opportunities Agency. They are concerned that it will not be new money but a regurgitation of existing government programs.

I was most amazed to see that the final draft of the legislation for third reading contained no goal to reduce regional disparity, which I thought was its primary objective.

The Government frequently states in the legislation that it may carry out certain initiatives. We need legislation which states that the Government shall support small business, shall support the fishery, shall support the mining sector, and shall support farmers. Governments have an uncanny ability to use the word "may" very creatively. It sounds like it will do something when it has not made the commitment to do so. There is no goal to reduce regional disparity. There is no assurance of equity or fairness among the provinces.

Atlantic Canada is a region comprising several provinces. Is it possible that the Province of Prince Edward Island, for example, could get all or most of the funds from ACOA for one or two years at the expense of other provinces? In terms of

our shared jurisdiction and the relationship that the federal Government has with provincial Governments, there ought to have been some inclusion that the funds would be disbursed on an equity basis. In this way every province would know that it is getting its fair share of the financial entitlements associated with this legislation.

• (1520)

I think that we would all agree that $200 million a year over five years is simply not enough. It is inadequate. It is a drop in the bucket. The total budget would be a little over $1 billion. That is simply inadequate when we consider the horrendous challenges that must be overcome to bring down the serious levels of unemployment in Atlantic Canada.

I am very troubled by the fact that Senator Lowell Murray said at the beginning of this process that he would be making the final decisions on who will be receiving the finances. He will be making the final decisions on who will be supported by this legislation. That reeks of political patronage and political favouritism. That is something about which we have to take extraordinary steps to get around. We must get away from the political manipulations of these funds so that the decision making is made on business, economic and industrial terms as opposed to political terms which favour one Party, one person, or one firm over another.

I know that this would shock you, Mr. Speaker, but there is no mention of single industry towns in this legislation. What are we going to do with all the single industry towns that are struggling to survive as their major business phases out or phases down?

What about affordable housing? Is there anything in the legislation which talks about housing? No.

Is a community initiative fund mentioned in the Bill? No. As a matter of fact, infrastructure for communities is eliminated. If you lived in a community, Mr. Speaker, that wanted to develop its industrial infrastructure, better sewage facilities, better water facilities, better streets, better lighting, or better harbours, it could not use this money for those purposes. The one thing that virtually every municipality in the country calls out for is federal government sharing in terms of the development of municipal infrastructure. That is prohibited. Again, it is a real shortcoming.

The Bill does not make much mention at all of a youth initiative fund. As a matter of fact, I can say that it does not make any mention at all of one. The whole matter of the youth of Atlantic Canada is not addressed. This is another serious oversight.

There is nothing in terms of assistance for technological change adjustment. With respect to companies which are modernizing, upgrading, and introducing technological change, there is nothing in the Bill to provide additional funds for training and so on of employees or future workers.

Primary industries are overlooked in the Bill. There is no mention of the fishing industry. There is no mention of agriculture. There is no mention of mining. It is rather amazing that forestry and all these other areas were simply left out. These have been some of the major mainstays of Atlantic Canada's economy. To think that we are not introducing special initiatives and special attention concerning them, I find quite amazing.

Obviously environmental clean-up which is a problem in a number of the Atlantic Canadian municipalities was purposefully left out of the Bill—another major oversight.

If the Government really wants to help Atlantic Canada, then we need to have more financial resources available to do so. Perhaps we need to have a rethinking or a rejigging of our monetary policy.

In the newspaper today there is an article with respect to the Bank of Canada's high interest rate policy that is in place to dampen the inflationary fires of pockets of prosperity in central Canada. Goodness knows, there are very few pockets of extreme prosperity in Atlantic Canada that are driving inflation up. Interest rate policy that may be appropriate for the booming and healthy economy of pockets in central Canada act as a retardant in Atlantic Canada by keeping economic development and business development down. In fact, it is very difficult to jack up real business activity there, to kick-start a local economy back into life, with interest rates being as high as they are.

The article states:

> While interest rates were intended to take some of the steam out of domestic spending in Ontario, they have bitten just as hard in provinces like Newfoundland, where there is no steam and unemployment is 17.5 per cent.

This indicates that a shift in monetary policy would do a great deal to help Atlantic Canada.

With respect to government procurement, Governments at the federal, provincial, and local levels could make a combined effort to be procuring more of their goods and services from Atlantic Canadian suppliers. This causes some of us in the Opposition a great deal of concern, because the trade deal signed with the President of the United States will prohibit the Government of Canada from participating in a number of regional development programs and also from having procurement programs just for Atlantic Canada. They will have to be opened up for all of continental North America, which means that the Americans can bid on our government contracts in terms of federal government procurement. Goodness, Mr. Speaker, you will recall that the Americans identified 50 different government programs which they said subsidized the groundfish industry of Atlantic Canada. If that is the attitude of the Americans, then once this trade deal goes into effect and they can identify 50 different programs which they say subsidize the groundfish fishery, it means that we will be slapped with countervails and other retaliatory action.

In closing, I want to say that the legislation is a minor step in the correct direction. There is much to do and a long way to go. I hope we all recognize that this is the first step. Perhaps the next Government of Canada and, more accurately the next New Democratic Party Government of Canada, will be able to follow up very quickly to overcome the shortcomings in today's legislation.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, Bill C-103 which relates to the Atlantic Canada Opportunities Agency will not do the job of providing economic assistance to Atlantic Canada. It is unfortunate since a great deal has been said about this legislation. A great deal of hope has been created in Atlantic Canada because of it. It was felt that this would be the piece of legislation or the agency that would finally do something about regional disparity in the country.

When we look at all the legislation and the programs that have come forward to try to deal with regional disparity, and when we look at the situation today and find that regional disparity is actually widening, it is incredibly deflating and demoralizing. In a country such as Canada the Government has announced and repeated its wish to reduce regional disparity and then we see what the results are. The results are a widening of regional disparity.

This Bill was based upon a report that the Government commissioned to try to find, through somebody who knew something about regional development, a way to deal with regional disparity, a way to deal with economic difficulties in Atlantic Canada. What the Government did was take the report and change the terms of it that were most important for getting the job done. The report calls for independent directors, people who would be above politics, people who would be interested in the particular application and who would be interested in the project being suggested. Yet what do we have? We have a board of directors that has been appointed and which consists mainly of Progressive Conservative people, those who have been involved in that Party and who have lent support to it.

• (1530)

How are we to get an independent consensus of what a project stands for, if the directors are more interested in passing something that will help people of their own political persuasion? That is not at all in the interests of Atlantic Canada. How will we bring people to Atlantic Canada and have them establish industries in areas that badly need these industries, if we cannot have infrastructure as part of this legislation? There is no allowance for money to be spent on infrastructure. Therefore harbours or services cannot be constructed under this particular legislation. If that cannot be done, we will find that the people, although they are willing to come to Atlantic Canada, will not come unless the services that they want and have every reason to take for granted in other parts of the country are provided in Atlantic Canada. That is very unfortunate, because services are a very real part of regional development.

The Government seems to be backing away from the concept of regional development. This is seen constantly. For instance, it is seen in the free trade agreement. To the very core the free trade agreement is discouraging and killing the concept of regional development. With the free trade agreement we will be moving to a market economy, which is what the United States wants us to do. If we move to a market economy, we move away from a mixed economy which has been so successful for Canada since the Second World War. The medical programs, the health insurance programs, and the concept of regional development are parts of the fibre of that program, but, the Government wants to back away from that.

The Hon. Member for Kamloops—Shuswap (Mr. Riis) has asked what will we do about one-industry towns. There are 800 one-industry towns in Canada. Without the concept of regional development and aiding those industries that need assistance to make them viable, providing that they can be viable, we will lose not only the industries but the towns.

The Government believes that the private sector can do it. That is not the case. The private sector is not doing it. A good example is a recent Small Businesses Loans Act report for the 12-month period ended March 31, 1987. This report was issued a few weeks ago in April. Not only do we have a report which shows that the Government's programs are not working, but the Government cannot get the report out until more than a year after the end of the period dealt with in the particular report.

In the report it shows that the Small Businesses Loans Act, which gives government support to the lending institutions to guarantee that losses under these loans will be a certain small percentage, is not assisting the areas that need it most. The 85 per cent guarantee the federal Government puts on moneys lent by the chartered banks of Canada is not going to the customers who really need this assistance. If we look in the report we will see that the four Atlantic provinces together only receive 6 per cent of the money allocated under the Small Businesses Loans Act. That is a travesty. One cannot say that the private sector will do the job of correcting regional disparity, and then allow the banks to provide these loans to their privileged customers and not to the people who need this assistance. The idea of that program was to guarantee the major part of a loan to those who would not ordinarily qualify because they were somewhat of a risk. It turns out that the loans are not going to these companies or these people at all.

An interesting aspect of Bill C-103 is that the first part deals with the establishment of the Atlantic Canada Opportunities Agency. The second part deals with the Cape Breton Development Corporation. This Bill deals with two entirely separate things. It also deals with the Government's intention to do away with the industrial development division of the Cape Breton Development Corporation and to establish a new

Crown corporation which will be called Enterprise Cape Breton Corporation.

The Government has also brought forward Bill C-127 which deals with the Cape Breton Development Corporation. It increases the allotment of the coal division of the Cape Breton Development Corporation from $25 million to $50 million. That is where the part dealing with the industrial development division should be. In the Cape Breton Development Corporation there are two divisions—the coal division, which is dealt with in Bill C-127, and the industrial development division, which is the second part of the Bill being discussed today. There should have been one Bill dealing with the Cape Breton Development Corporation, Bill C-127. The Government wants to do away with the industrial development division.

The Cape Breton Development Corporation Act was first passed in 1967 under the then Government of Prime Minister Lester Pearson. At that particular time it was deemed that the economy of Cape Breton was in such a state of deterioration that a special piece of legislation had to be brought forward to deal with this very serious question. A Bill was put forward that had two parts, one dealing with the coal division and the second one promoting industrial development through the industrial development division, a second division of that corporation.

If in 1967 the Government of Canada felt that the situation was so serious that this Act was necessary, what business has the Government today in dismantling the industrial development division? The economic situation in Cape Breton is worse now than it was 21 years ago. At that time there were heavy water plants. This Government said that they would not be closed until alternate employment was found for the workers, but it closed them anyway without any alternate employment. There is a steel plant employing only 50 per cent of the workers that it was employing 21 years ago. There is a mining industry that has had a substantial reduction, with at least a thousand people less today than in 1967. Because of the downturn in the economy, industries and offices located in industrial Cape Breton have left and consolidated in other centres in Atlantic Canada, thereby losing very valuable jobs, good paying jobs, and adding tremendously to the problems in that area.

The Government is now saying: "Let us get rid of the industrial development division; the people in 1967 did not know what they were talking about". They knew what they were talking about; it was an excellent piece of legislation. The industrial development division is an excellent facility and is much needed in Cape Breton Island.

Once the industrial development division under DEVCO is done away with, there will be only one division—the coal division. That will make Cape Breton Development Corporation an ideal candidate in the mind of the Government for privatization. That seems to be what the Government has in mind. It is not the welfare of the people of Cape Breton that is most important; it is facilitating the game plan of the Government. People do not matter. The Government has a little chart and it wants to ping off Crown corporations, regardless of what that indiscriminate selling off will do to the people who will be most affected by those sales.

By doing away with the industrial development division, there is only one division, the coal division, which will easily allow the Government to fulfil its dream of privatizing the Cape Breton Development Corporation. The problem in doing away with the industrial development division is that it is also greatly hampering the chances of Cape Breton to have a meaningful economic revival. The industrial development division had a budget that was given to DEVCO and that it could use for the betterment of Cape Breton Island. It has been successful. I would say that it has not been as successful as it should have been, because it has not been used as well as it could have been.

• (1540)

The facility is there, the vehicle is there, and the ability of this division to add greatly to the industrial and economic benefit of industrial Cape Breton exists today as much and perhaps more than it has in the past. By doing away with that division we do away with this budget. The Government is saying not to worry about the loss of the industrial development division in Cape Breton, because it is setting up a whole new Crown corporation which will be called Enterprise Cape Breton Corporation. It already has an agency in Cape Breton called Enterprise Cape Breton. Now it is to set up another corporation called Enterprise Cape Breton Corporation.

Not only does the Government have no idea how to deal with questions of regional disparity, but it has absolutely no imagination. It will have one agency called Enterprise Cape Breton and a second one called Enterprise Cape Breton Corporation. One would not doubt that the Government is very dull, but it is hard to believe that its dullness has allowed it to make such an unimaginative move as to name one corporation almost exactly the same as an existing agency. What it really intends to do, of course, is to have a corporation called Enterprise Cape Breton and another one called Enterprise Cape Breton Corporation so that it can merge the two without anyone really noticing. No one will ever know which is which because they both have the same name. It is absolutely ludicrous.

However, this stance taken by the Government has a purpose, that is, to do away with one of the agencies gradually without anyone noticing it is gone. Of course the two agencies with practically the same name will both be under the umbrella of the Atlantic Canada Opportunities Agency. Although this is a separate Crown corporation which the Government is proposing, Enterprise Cape Breton Corporation, the president of the corporation will be the same president as the president of the Atlantic Canada Opportunities

Agency. It is economically incestuous. It is absolutely incredible that the Government would actually try to pass this off on the people this country.

What we will have is two agencies with the same name, the same president, under the same umbrella, and ultimately reporting through a diverse and devious means to the same board of directors. What we will really have is the same agency. The Government is trying to tell us that these are two different agencies. That is like saying that when you get change for a quarter you have three times as much money because you have two dimes and a nickel. That is the extent of the ridiculous position the Government is trying to pass off on the people of Cape Breton, and it will not work.

The people of Cape Breton will not accept, yet again, another kick in the teeth by this Government. It has been one thing after another. Every time the Government makes a move, we find that what it has given back is only part of what it has taken away, if in fact it gives anything back. This has to stop. It is evident now,—and it will become more evident as we go along if this Bill is passed—that other Departments will gradually cut back their spending. They will point to the Atlantic Canada Opportunities Agency and tell us that they do not have to spend on small craft harbours, transportation, or other departmental expenditures on structures and institutions which increase much needed employment in these areas. They will not provide the tremendously important services which are necessary if we are to have economic development.

Although there are some good features in this Bill, the good features will be completely nullified by the sleight of hand of the Government in the actual operation. The people of Cape Breton suffer most of all because they will not have the industrial development division; it is to be taken away from them. They will be left with just a piece of an agency, they already have in two separate parts.

I would ask the Government to delete any reference to the Cape Breton Development Corporation, to delete Clauses Nos. 25 to 52 dealing with the Cape Breton Development Corporation, and to make important and meaningful changes to the rest of the Bill so that it will in fact be of benefit to the people of Atlantic Canada instead of the sleight of hand it is right now.

Mr. Cochrane: Mr. Speaker, I do not want to prolong debate, but I would like to make a few comments with regard to the Hon. Member's speech. He made a number of suggestions, and perhaps innuendoes with respect to the board and how it is constituted. Everyone knows the board is appointed by the Minister responsible. The existing 19-member board was appointed in consultation with the provinces. When we look at the list of board members, we note they represent provincial Governments. I believe there is someone from the cabinet secretariat of both the Province of Newfoundland and the Province of New Brunswick. It would be very difficult for us merely to choose from among our friends, as the Member has indicated, people who would pass or approve projects according to who they were.

One of the debates in Atlantic Canada when the committee held its hearings was on whether or not the board should have decision-making ability. The Government, in the way it set the board up and since then in the speeches of the Minister responsible and in the deliberations of the committee, agreed that the board should not have decision-making power. Therefore it is impossible for the board to make a decision on whether application a or application b will be accepted. That is done through the bureaucracy; the board is there to set policy. I, for one, as a Member from Atlantic Canada did not want to see a board that could actually make decisions with regard to applications. That would be too much like the political influence to which the Hon. Member made reference, and we have avoided it. This board is not making decisions on applications. It is there to provide policy and direction and guidance to the Minister based upon its work experience in Atlantic Canada.

I can tell the Hon. Member as a Member from Moncton that when I looked at the list of members of the board I saw a name I did not recognize. I can assure him that I have no idea of that individual's political inclination, nor did I have any input into that actual nomination. In fact, it may have come almost strictly from bureaucrats. I see that at one time he was an employee of DRIE in Atlantic Canada. He then realized, perhaps, the errors of his ways, recognizing there was an opportunity to make a fair amount of money in the manufacturing industry of Atlantic Canada. He is now a successful entrepreneur, operating a small business which is very rapidly growing into a large business in the Dieppe area of my constituency.

I think the suggestions with respect to the board and its influence are misleading. We all recognize that anyone appointed by a politician is obviously open to the question of their political leanings. I think in this case that the Minister and the Government made every effort, in consultation with their colleagues and counterparts in the provinces, to ensure that we set up a board which would have a great deal of credibility, as well as a lot of expertise.

The Member talked about infrastructure. It is true that this program is not designed to solve the problems of Halifax Harbour. He should realize as a Member from Cape Breton—and I can tell him that as the Member for Moncton—that with only $1.05 billion we cannot afford in any one year to give $206 million to Halifax. That is a matter that can best be addressed by the Province of Nova Scotia negotiating an ERDA agreement with the Government of Canada through ACOA and its Minister responsible. That is the best way to handle infrastructure problems in Atlantic Canada.

This particular piece of legislation provides infrastructure for specific site problems. If there is a situation where an industry can start, if there is infrastructure development to take place leading to that site, there is an option under this

legislation for the Minister to act. Those are two areas I wanted to clarify with regard to third reading. I appreciate the points of concern the Member has brought to our attention, and I trust that he understands the explanation I have given.

The Acting Speaker (Mr. Paproski): The Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan) on rebuttal.

Mr. MacLellan: Mr. Speaker, I can appreciate the point of view of the Member for Moncton (Mr. Cochrane) although I do disagree. I feel there is a great deal of political intervention in the appointment of these directors.

• (1550)

It was initially stated that when this agency was to be set up the decision was to be made in Atlantic Canada. The main objection in Atlantic Canada was that you could have approval locally but you sent the projects to Ottawa for internal review in the Department of Regional Industrial Expansion which either delayed them until the projects were not feasible any more or just turned them down. It was believed that by getting perhaps a little more objective support for what was necessary—perhaps a feeling for the needs of the people in the region of Atlantic Canada—that more of the viable projects would be approved. As the Hon. Member for Moncton has said, the Government has scuttled that. We are back to the old ways of doing things, of sending them back to Ottawa; let Ottawa sit on them and ignore the situation in the areas that really need assistance.

What the Government is proposing is a step backward and we cannot afford that. We have to move ahead. We must narrow the gap in regional disparity, not widen it as this Bill will do. With respect to infrastructure, we are not talking about a major program such as Halifax Harbour. I made no mention of Halifax Harbour. That is a subsidiary agreement between the province and the federal Government. What we need are projects not directly related to one particular industry but ones that will have an over-all effect in areas which are really in serious economic difficulty. This piece of legislation does not address that need.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey).

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, it is ironic that we should have this debate today, coming as it does on the heels of the debate yesterday which I think was far more revealing, namely, the dispute between Canada and France over fish. It seems to me that was far more revealing about the intentions and the attitude of the Government. What disturbed me in the debate yesterday when we talked about Atlantic opportunities were the comments of the Secretary of State for External Affairs (Mr. Clark), and I believe he made the same comments on Friday. I refer to yesterday's *Hansard*. In response to a question from me on whether he would take firm action and get tough with France, whether he would do something tangible, whether he would do something realistic to bring this matter to a head and show the Government of France that we were not happy with the kind of treatment that our fishermen were getting, he said:

> I think one knows that a trade war which might begin with this kind of issue would go on to something else. One of the things it might go on to, I say to those who are interested in the economy of Atlantic Canada, for example, might be the investment in Michelin Tire.
>
> If there is a trade war, among the casualties in Canada of this trade war the Liberals are trying to start gratuitously, might be a thousand employees of Michelin Tire in Nova Scotia. The Liberal Party might want casually to throw those Canadians out of work.

How silly, Mr. Speaker. When the head of Michelin Tire in Canada heard those remarks, he said: "Oh, my goodness". Then he consulted his lawyer and said: "We are in business. We are not going to deal with that kind of statement". Do we think for a minute the Government of France has any way of pulling Michelin Tire out of Nova Scotia? Does anyone seriously think that that is possible? Michelin Tire is in business to make money like any other business. Making money comes first with any business. It is silly to say that the Government of France will somehow force Michelin Tire out of Nova Scotia. It is okay for the Minister to try to protect jobs that already exist in other parts of Canada, but when it comes to jobs in a province like Newfoundland which is totally dependent on the fishery, fish mean jobs for us; if we do not have access to fish we do not have jobs. It is all very well for the Government to say to one part of Canada, "we are very interested in protecting your jobs and therefore we are not going to start a trade war with France but those jobs in Newfoundland, those jobs of the fishermen, are expendable."

We are hostages, Mr. Speaker. The question becomes: Are we real Canadians or not? Are we equal Canadians? Do we have equal opportunity? The answer that we happen to come to is no. We do not have equal opportunity. Moreover, it is very apparent that we do not have any influence or clout with the Government of Canada. The seven seats we hold in this Parliament are not enough to give us the kind of access to equality that we need if we are to survive.

Fish is what we are all about. We are an island. We fish. That is what we came for in the first place. If our fishermen do not have access to fish, they do not have jobs. If they have to get permits from the Government of France before they go fishing, what is this country coming to? I ask again: Are we Canadians or are we not? Do we have a government that is prepared to stand up and fight for us? What Government should we refer to? Should we go to the French Government? Should we go to the French Parliament and put our case there? I want to see this Atlantic Canada Opportunities Agency in that context. We do not want a billion dollars. What we want is fish. The Government of Canada is saying, like Marie Antoinette: "Let them eat cake". It is saying: "Do you want fish? No, you cannot have fish. You can have a billion dollars. Take a billion dollars. Let them eat cake". That is what we are getting from the Government, and it disturbs me

as a representative of Newfoundland in this Parliament that that can be said and that we have to be hostages in that way.

Canadianism means more to us than that. Canada means more to us than that. When we voted, only by 52 per cent in 1949, not that long ago, we thought that we were getting into a country where we would be equal partners and that we would have a country which would stand up and fight for us. That is what we are asking the Government to do for us. We are not asking for a billion dollars. We do not want money. We do not want hand-outs. We want the possibility to make it on our own. That means access to fish.

This is the same Government when talking about opportunity to fish that said "no" to the Labrador shrimp company on the Labrador coast which asked for a quota of northern cod. It said: "You may live next to that resource. You may have fished it for a very long time. You may depend on it for a livelihood, but you cannot have a quota of offshore cod. There are other Canadian firms that can have it. The European Common Market can have it but you", the Labrador shrimp company, "cannot have access to that northern cod". As a result of that attitude, in the community of Cartwright which is not very big, maybe made up of 500 people, 80 people have jobs in the fish plant, but that plant will be closed this summer. It will be open for the salmon season, which is a few weeks. The fishermen will make a few dollars, but then the plant will be closed down because the fishermen will not have access to a supply of northern cod. That is the kind of policy in existence, and we are talking about Atlantic Canada opportunities. I say again: "Who wants a hand-out?" What people want is access to fish. That is what gives us economic survival. That is what we have been told by the Government that we cannot have.

I have other problems with this Atlantic Canada Opportunities Agency. As I said before in the House—and I want to say it again today—the problem is that the money has to be spent on business. We heard the Hon. Member for Moncton (Mr. Cochrane) point out that we can have infrastructure if it is project-related. We have a lot of needs in Atlantic Canada that are not project-related. We have a lot of roads that need building. We have a lot of water systems that need putting in place.

• (1600)

Those things have to be there if we are to provide a climate in which business can survive. No business will go into a community that does not have a water system, a paved road, three-phase power or the kind of infrastructure in which business can survive. It is meaningless to come up with $1 billion to encourage businesses to set up if we do not put the infrastructure in place first.

Donald Savoie, the man the Government appointed, said much the same thing. He referred as a model to the original agency that was set up for Atlantic Canada, the Atlantic Development Board. Mr. Savoie was quoted in *Atlantic Insight* as saying that a return to a more grass roots, self-sustaining approach would be the better alternative. The article reads:

> Savoie used the old Atlantic Development Board (ADB) as a model for his new federal agency. Created in the early 1960's—

—created by a Conservative Government, a Government which at that time had some imagination and foresight:

> —the ADB was given six years to spend $150 million to improve the infrastructure of the region. During this period the area's highways were paved, hydro plants were built and much needed information on the Atlantic Economy was collected—

The article in *Atlantic Insight* goes on to say:

> The board's last president, Ian MacKeigan, the 72-year-old former Chief Justice of the Nova Scotia Supreme Court, remains convinced that the ADB, with its local board of directors and less ambitious mandate, was a very better approach to regional development—

Then we moved on to DREE, and we saw the same kind of flexibility to respond to the real needs of Canadians, the flexibility which is missing in this particular proposal.

Even what is in place now is causing us difficulties. There is still the same old red tape. I was in Goose Bay last week, and a man who owns a laundry, George Shepherd, came to me and said: "I want to build a new laundry. The economy in Goose Bay is good now, business is booming. I want to spend $300,000, I will create 12 jobs and I want money from the Atlantic Canada Opportunities Agency".

Do you know what they said to him? They said: "You can't get any money because you are a retail outlet". They said this to the man who is the only such operator in a community of 8,000 people. He has contracts with the Armed Forces and with the German Air Force. Queen Beatrix spoke to us this morning. He has a contract to service the Dutch Air Force in Goose Bay. He services the Marine Atlantic and the coastal boats. He operates a service industry, not a retail industry. Yet the Atlantic Canada Opportunities Agency is telling this man that he cannot qualify because he is in the retail business. That kind of inflexibility has to stop if we are to make any progress at all and if this is to do any good at all. Otherwise the $1 billion will be useless, or if it is not useless, it will certainly not come to us. This has to be changed as well.

We are told that the Atlantic Canada Opportunities Agency will somehow get into training. The North Warning System is being constructed in northern Canada and there are several sites in Labrador. Maybe 5 per cent of those employed at some of those sites are local people. In the long term, the same percentage will hold. This is because local people do not have the skills.

Many of the people who live in those communities are native people. Do you know what the Government has just done, Mr. Speaker? The Government has just cut back on the amount of funds available for post-secondary education for native people. The North Warning System is an initiative of the Government of Canada, and I applaud the Government for it. It is a good idea and it needs to be done. There is 100 per cent support for that. However, the Government has also cut back on the

amount of training funds that will be available for post-secondary education for native people. The Government cannot have it both ways. It cannot say that it wants local and native people to be employed by the North Warning System and then cut off the training funds. If these people do not have training, they will not get the jobs.

What will the Atlantic Canada Opportunities Agency do about that? Will it solve that problem? That is an Atlantic Canadian problem, a training problem and an economic problem. I do not see any evidence that the Atlantic Canada Opportunities Agency is doing much about that at this time.

The last point I want to make deals with opportunities in Atlantic Canada. In Labrador, there are 10,000 megawatts of electricity flowing to the sea every day, untapped. There are all sorts of markets for that in the United States. There is a lot of potential there. There are even potential markets in other parts of eastern Canada. However, as a result of a combination of the free trade agreement and the deregulation policy of the Minister of Energy, Mines and Resources (Mr. Masse), it is less likely now that producing provinces will have to consult with the Atlantic Provinces before they develop their hydro resources.

When Quebec developed a hydro resource for sale to the U.S. in the past, it had to go to other provinces and ask if they wanted the power. The province was forced to go to the National Energy Board to get clearance. There was a mechanism to see that the Atlantic Provinces could take advantage of and buy that power. That mechanism no longer exists.

I make this point because in 1992, in a province which has 10,000 untapped megawatts of electricity flowing to the sea every day, we will run out of power. What supports business and industry? What it is that makes it go? What is the juice, the blood that runs through the veins of business and industry? It is power, and if we do not have that, what can we do? What will our future be like?

In this debate on the Atlantic Canada Opportunities Agency, we must look at development in context. We must look at it in the context of the free trade agreement and in the context of the deregulation policy of the Minister of Energy, Mines and Resources who says that anybody anywhere can sell anything to the United States at any time for whatever price he can get, and he does not have to make any deals with Atlantic Canada or ask Atlantic Canadians if they want to participate and develop hydro resources together. That is the reality.

I hope that the Atlantic Canada Opportunities Agency will work. I must say that not too many other approaches have. Although we have caught up in relation to where we were in the past, we are still, in relative terms, far behind, too far behind, the rest of Canada. I hope that the agency will work, but it will not work unless the items I have identified are dealt with and are solved.

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

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is on the motion of Mr. Mulroney that Bill C-103, an Act to increase opportunity for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the third time and passed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

And the division bells having rung:

The Acting Speaker (Mr. Paproski): Order, please. Pursuant to Standing Order 13(4)(a), I have been requested by the Chief Government Whip to defer the division until today at a later time. Accordingly, the division on the question now before the House stands deferred until after Private Members' Business later this day, at which time the bells to call in the Members will be sounded for not more than 15 minutes.

* * *

• (1610)

WESTERN ECONOMIC DIVERSIFICATION ACT

MEASURE TO ENACT

The House resumed from Tuesday, May 3, consideration of the motion of Mr. Mulroney that Bill C-113, an Act to promote the development and diversification of the economy of western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts, be read the third time and passed, and the motion of Mr. Hawkes:

That this question be now put.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I welcome the opportunity to make a few remarks on Bill C-113 and the Department of Western Economic Diversification. I want to stress the importance of this issue to western Canada. Certainly we can see that importance when we look at the continuing high unemployment figures, particularly in British Columbia where they have been in double digits almost continuously for the last five years. We are very concerned that the trade agreement reached between the Prime Minister (Mr. Mulroney) and President Reagan is going to confirm that kind of high unemployment. The Tories say that agreement is going to open up new opportunities for western Canada. In fact, it will confirm western Canada in its present role of hewers of wood and drawers of water. Unfortunately, while we are hewing more wood and drawing more water, there are fewer people doing it.

I want to look at some figures just produced by the Council of Forest Industries of British Columbia. They talk about the number of jobs in B.C. in the forest industry between 1978 and 1985. In 1978 the logging industry employed 23,168 people. In 1985 it was 19,488, or a loss of 4,000. In the wood industry there were 50,955 jobs in 1978. In 1985 there were 39,603, or a loss of more than 10,000. In pulp and paper there were 20,655 jobs in 1978, and in 1985 this had dropped to 16,850, or a loss of 4,000 jobs. The total in all those industries in 1978 was 94,778 jobs. By 1985 that had dropped to 75,941, or a loss of 20,000. Yet at the same time production went up.

In 1978 in the coast forest region we produced 32,338 thousand cubic metres of log production. In 1987 it had increased to 33,791 thousand cubic metres. In the interior forest region it was 42,815 thousand cubic metres in 1978, and 56,800 thousand cubic metres in 1987. The total for all of British Columbia in 1978 was 75,153 thousand cubic metres. That increased in 1987 to 90,591 thousand cubic metres. At the same time as we lost 20,000 jobs we are producing more wood than ever before.

Unfortunately, we are not processing that wood in British Columbia or even in Canada. We are exporting it. In 1978 we exported 585,500 cubic metres. By 1987 that had risen to 3,394,900 cubic metres. In other words, we were exporting six times as much in 1987 as we were in 1978. We are producing more, exporting more, and yet we have fewer employees. The trade deal is going to make that situation worse.

We can see the urgent need for some kind of redress when we look at the question of federal procurement in western Canada. Again the situation is getting worse. Certainly members of the Conservative Party in 1981 would not have been very happy that only 15.5 per cent of federal procurement came from western Canada. In 1984-85, when the Government came to office, it had dropped to 13.9 per cent. Yet in 1986-87 it dropped again to 11.5 per cent. It has continued to decline whether under a Liberal Government or Conservative Government. It dropped from an already poor figure in 1981-82, to a disastrous figure where the four western provinces are getting only 11.5 per cent of federal procurement.

British Columbia, as you know, has 11.4 per cent of Canada's total population, yet that province, combined with Alberta, Saskatchewan and Manitoba, only gets 11.5 per cent of federal procurement. British Columbia itself gets only 3.6 per cent of federal procurement for its 11.4 per cent of the population. Compare that with Ontario and Quebec which together get 76 per cent of federal procurement. We have nothing against Ontario and Quebec, we would simply like to have our share. We are concerned that this Bill does not address that kind of systemic inequity directed toward western Canada and which, I might point out with reference to the Bill just passed, is also shared by Atlantic Canada.

We are concerned that the whole western diversification initiative is not part of a co-ordinated government plan which will see diversification and regional development take place in western Canada. For example, we can look at an editorial in today's *Toronto Star* which points out that the Bank of Canada's high interest rate policy is adversely affecting regions outside of central Canada. The article says that in his crusade to slow the Ontario economy, Bank of Canada Governor John Crow has asked the rest of Canada to pay an inordinate price. In March and April the other nine provinces together lost 7,000 jobs.

The Bank of Canada and the Government are concerned that perhaps the economy of southern Ontario is superheated so they want to cool it off a little bit. In doing so by raising interest rates and the value of the dollar, they are cooling off an economy which has been on ice for the last several years, the economy of western Canada and eastern Canada. We in British Columbia do not need to have our economy cooled off. We do not need high interest rates to prevent the boom from getting out of hand because we have not seen the boom. We are still trying to recover from the recession of 1982, 1983, 1984, 1985, 1986 and 1987. It is now 1988 and we are still facing some very difficult times.

• (1620)

There are people in my constituency who were laid off five years ago and still have not found work. Young people used to be able to expect that they would find work on Vancouver Island or elsewhere in British Columbia when they grew up. They are now having to come to Toronto to find work. We have policies geared toward central Canada which do not deal with the very real concerns in western Canada. Bill C-113 and the whole western diversification initiative does not begin to deal with that issue.

Raising the value of the Canadian dollar *vis-à-vis* the American dollar will make it much more difficult for our exports to compete in the American market. All the Government's very optimistic projections in terms of the trade agreement with the United States were premised on a 73 cent or 74 cent Canadian dollar. Now that it is up to 81 cents our

products are much less competitive and the trade deal will definitely result in job losses for Canadians.

We are concerned that while the goal of Bill C-113, western diversification, is good, the commitment of the Government and the provisions of the Bill do not reach toward that goal in any significant way. For example, the Government has committed $1.2 billion over five years to this fund. That works out to something like $60 million on an average for each of the four western provinces per year. Considering the massive problems and the need out there, this will be no more than a drop in the bucket.

I want to emphasize that my concerns on this issue are not simply partisan. We see in the submission of the Canadian Federation of Independent Business to the committee that these concerns are shared by many people across Canada. As you know, Mr. Speaker, the Canadian Federation of Independent Business could not be accused of supporting the New Democratic Party as a general rule. It is not a group of closet socialists or anything. Their "Executive Summary" reads in part as follows:

> Yet our enthusiasm has been tempered by growing concern that the Western Diversification initiative is degenerating into at least one or all of the following:
>
> —a political slush fund to support vulnerable constituencies, lure in big business or bail out obsolete industries in hopes of getting short-term political profile
>
> —a bureaucratic slush fund available for other line departments and Ministers to raid in lieu of other national programs that should have their fair share spent in the West
>
> —a narrow and highly centralized approach to diversification with continued emphasis on megaprojects or traditional resource extraction and development
>
> —a confusing "black box" lacking clear criteria or policy direction, and on a collision course with a myriad of client groups who are inevitably going to see thousands of applications rejected and thousands of hopes dashed.

In other words, the Canadian Federation of Independent Business is very concerned that the Western Diversification Fund seems to be very unfocused, seems to be at the mercy of Departments which can raid it, and seems to be something that can be used for partisan political advantage. It is arousing all kinds of hopes but there is very little chance that the majority of those hopes will be fulfilled.

In exchange for this the Canadian Federation of Independent Business suggests that there should be a specific focus on the small business sector. It is important that we recognize the importance of the small business sector in this House, not only with our speeches but in the legislation that we pass. As the Federation points out in its brief, job growth in the past few years in western Canada has been almost exclusively from the small business sector.

In Manitoba in 1985, 64 per cent of new jobs were created by small business. In Alberta 66 per cent of new jobs were created by small business, that is businesses with less than 20 employees. In Saskatchewan 76 per cent of new jobs were created by small business, and in British Columbia the figure was over 100 per cent because big business, companies with more than 500 employees, lost 6 per cent of the jobs they previously had.

It is, therefore, important that we recognize the entrepreneurial spirit in ways which will help it to develop. It is not enough to say that small business and entrepreneurs will find a way to develop. One of the roles of government is to create the structures, the infrastructure, and the processes which will enable that small business spirit to take root.

If you look at the record of New Democratic Party Governments in Saskatchewan, Manitoba, and British Columbia, you will see that while we are sometimes accused of being over-centralist and everything else, in fact the initiatives which we have brought in have helped small business much more than some of the initiatives of the so-called free enterprise Parties. We need to find ways to help that spirit find outlets in ventures which have a reasonable chance of success.

The Canadian Federation of Independent Business suggests four major areas of activity, the first being community development. It is good to see that the Canadian Federation of Independent Business recognizes that development takes place in the community, that it is not simply a matter of the lone entrepreneur going out by herself or himself against a hostile world.

Therefore, the Federation suggests the following four major areas of activity:

> 1. community development, whether it be seed capital for establishment of local business advisory networks and economic planning at the local level, or through financing of sectoral trade associations to assist with market research and information
>
> 2. risk financing and equity investment in small business, through use of various regional tax incentives or W.D.O.-backed loan guarantees
>
> 3. promotion and support of a western entrepreneurial culture
>
> 4. advocacy throughout all federal agencies on behalf of the West.

These are some of the things we would like to see happening. I would particularly like to emphasize the role of women entrepreneurs because a great many of the new businesses which have been started in the last number of years, up to 65 per cent, have been started by women. In fact, new businesses started by women have a much higher rate of success than businesses started by men. Yet, very often, these are the very businesses which need help. That is a special need which should be recognized in this legislation.

Unfortunately, with regard to the funds being spent there seems to be a continued over-emphasis by the Government on megaprojects. We have seen no clear plan for spending the $1.2 billion in the Western Diversification Fund. For example, there was a commitment of millions of dollars to the Salmonid Enhancement fund in British Columbia. We all admit that that money was badly needed. However, it should have come from the regular A-based budget of the Department of Fisheries and Oceans. Instead, it came from the Western Diversification Fund which gives point to the criticism I read earlier of the Federation of Independent Business that that

fund can be used as a slush fund for bureaucrats from other Departments which will raid it to get money for their projects.

That money should have come from the regular budget of the Department of Fisheries and Oceans. It is part of the Government's commitment to British Columbia, part of an ongoing commitment. To say that it is part of a new western diversification initiative is sheer nonsense and poppycock. The Prime Minister promised that the money for the western diversification initiative will be new money. It seems to me that it should have been new money for the Department of Fisheries and Oceans.

• (1630)

There was a commitment of $418,000 from the Western Diversification Fund for the BF Goodrich plant. There are no new jobs in that. There is $9.5 million to the second largest pulp and paper complex in Japan in order to establish a huge complex in northern Alberta. Surely large operations like that should be able to generate their own capital either internally or through bank loans. Why is an already limited Western Diversification Fund being frittered away in situations like this?

Let me refer again to the concerns that were raised by Mr. Dennis Young, President of the Canadian Association of Single Industry Towns, when he appeared before the committee. He pointed out that over 400 single industry towns have disappeared from Canada in the last 100 years. Certainly, many of those single industry towns that have disappeared were in western Canada. Yet the Bill does nothing to recognize the need to build on community strengths of single industry towns and help them diversify. There is nothing in the Bill that specifically guarantees that there can be help for community development, and for community infrastructure.

Mr. Young pointed to the need for a bottom-up approach to development. He pointed to the need for western initiatives to work with local communities for the kind of development that will be in line with what the communities as a whole want, rather than selectively choosing projects and approving them on a proposal by proposal basis.

Finally, I want to refer to some of the proposals that the New Democratic Party has made. We want a $1.2 billion annual fund for community infrastructure all across Canada. However, this would particularly help western Canada. We propose a $200 million annual fund for diversification of single industry towns; $500 million for affordable housing and to perhaps work on overcoming that backlog in native Indian communities to which we have referred. We propose funding for community initiatives and youth initiatives; funds to help people cope with the problems of technological change.

In conclusion, we do not oppose this Bill but certainly have no confidence that it will be able to do the very important job for western Canada that we believe needs to be done.

Mr. Les Benjamin (Regina West): Mr. Speaker, I have had some further thought on this Bill—

Mr. Fennell: Watch out.

Mr. Benjamin: —which I know my hon. friends opposite will be anxious to hear. I was in Saskatchewan last weekend and talked to many people. I deliberately raised the question of western diversification and three or four farmers to whom I spoke told me that it had been tried before. That is what I told the House earlier when I spoke to this Bill. When one looks at the history of western Canada, one can see that we have been through this scheme three or four times. Furthermore, they do not believe in this program. In fact, their disbelief is such that they even nominated me to run again in the next election. If they had believed in this program, they would not have bothered.

No matter what political party is in power, it must answer the question: Diversify to what? There must be a national industrial strategy which involves governments at all levels, the private sector, agriculture, the fishery, forestry, and the trade union movement. That is what has been done in West Germany, Holland, Sweden and Norway for the last 30 years. Such a strategy sets out a plan for the economy through consultation. The largest corporations in Canada plan their activities for the next 20 years. Yet governments in the last 40 years have devised temporary, *ad hoc* programs.

My hon. friend, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) referred to the comments of the Canadian Federation of Independent Business. That is hardly a group that can be referred to as wild-eyed socialists. They referred to this Western Diversification Program as nothing more than a narrow, short-sighted operation. Government Members who were here during the days of Otto Lang will recall speeches about political slush funds. That is what the Canadian Federation of Independent Business calls this fund. It is a highly centralized bureaucratic operation which creates the potential of conflict between Departments. The Bill does not give the Minister the authority he requires to deal effectively with other Departments.

I repeat that there must be a goal for diversification. There must be an industrial strategy that takes into account our geography, our climate and the distance over which we must move goods that are processed and manufactured in the regions of Canada. There should be a mechanism to equalize transportation costs so that they are a relatively neutral factor and would allow processors and manufacturers throughout Canada to deliver their goods to the market with an equal chance to compete.

• (1640)

The competition should be on quality and quantity of product, capability of delivery, warranties, salesmanship, advertising, all the things that go into selling something that someone is producing, manufacturing or processing. This Bill does nothing to attack a problem that we have always had in

western and Atlantic Canada. We discriminate against people because of where they happen to live and where they happen to produce their goods. Therefore, this legislation cannot accomplish what the Government wants it to do, something which we all agree should be done.

There is a classic case in western Canada and Atlantic Canada where the so-called free market forces do not work. I say that because entrepreneurs in western and Atlantic Canada are disadvantaged. They do not have a full and fair chance under the classic free market forces because of where they are located. The deck is stacked against them right off the bat.

Let me illustrate my point, Mr. Speaker. In the late 1940s and the early 1950s we got into the growing of rapeseed, which is now called Canola. We established up to a dozen oilseed processing plants in the three prairie provinces. They were doing pretty good. They were gradually building up and establishing a market in central Canada, the United States and overseas. However, there was a problem with respect to the cost of moving it. There was a famous court case which dealt with the problem. It occurred when Mr. Diefenbaker was Prime Minister of Canada. Rapeseed was finally established as a grain, which took a lot of doing. Rapeseed products then became grain products. Thus by the late 1960s there were oilseed crushing plants going in all three prairie provinces. I think there were one or two in or near your city, too, Mr. Speaker.

What happened then? The next thing we know the Americans got great subsidies on soybeans, corn and cotton seed, as well as palmseed oil. They were putting stuff into Canada in the name of free trade. Our processors in western Canada were faced with transportation costs just to get their product to Ontario, not to mention the United States or overseas. To add insult to injury, this occurred when the Government of the day did not have an industrial strategy. What did they do? It gave, I believe it was, $6 million in grants to build an oilseed crushing plant. Do you know where that was, Mr. Speaker? In Windsor, Ontario. What did they crush? American corn and soybeans. There went diversification in western Canada down the drain. I do not think there are more than two or three oilseed crushing plants left in existence—

An Hon. Member: There are six.

Mr. Benjamin: Out of one dozen half of them have gone belly up.

Unless our geography and our industrial strategy is taken into account, this Bill will not accomplish what is the Government's objective, an objective with which we all agree. That means that under the industrial strategy we will have to discriminate in favour of a region such as western Canada, northern or Atlantic Canada which could well mean less growth, or a bit of a standstill in growth, in the golden triangle from Quebec to Windsor.

I put this question. Why do we want Toronto or Montreal to get any bigger? What for? Glorified ant hills is what they are. Why would one want to establish another manufacturing plant in that part of the country? As far as I am concerned Toronto needs another manufacturing plant like it needs a hole in the head. We have unemployed people in northern Ontario and northern Québec. There are pockets of unemployment in different parts of the country. With an industrial strategy that is workable and meaningful, those are the places to which development would be directed.

I received a letter this morning from a manufacturer of wood products in British Columbia. He has offices in Vancouver and Rossland. I understand that he ships about 1,500 to 2,000 carloads of plywood every year. One could call that some amount of diversification. There is an application before the National Transportation Agency to abandon the whole railway line on which he ships his product. It is the boundary subdivision, 100 miles of track running through Castlegar. While we are debating this Bill, this nonsense in the House, there is a business that has been in operation for many years, a very reputable business which produces a good product, which is losing that railway line. This means that it is finished.

What are we doing? We are sitting back and letting the two national railways go through the process of abandoning a total of 15,000 miles of railway tracks in the country over the next five years. Why would one want to locate a processing plant or a manufacturing plant somewhere out West or somewhere in Atlantic Canada? What for, when one has to resort to putting the product manufactured on overcrowded highways at higher costs while one is still as far away from the markets as was one before? Why would one bother? What incentive is there to diversify in the West or in Atlantic Canada? There is not any. Our market is not big enough.

I return to my main point. There must be an industrial strategy. It has been done in other places. It reminds me of the story of the rooster which went out for a walk one morning. Egg production had gone down in the hen house and the farmer was about ready to butcher all the chickens. The rooster was pretty worried about it because he was going to get the axe as well. So he went out for a walk one morning and happened to get into the zoo. He came across an ostrich nest in which there were some ostrich eggs. He ran back to the chicken coop and rounded up all the hens and took them over to the ostrich nest. He said: "Look girls, I am not complaining but just look at what they are doing in other places". That is what we need to be doing. I am not suggesting that we copy what other countries have done word for word or line for line, but we need to adopt an industrial strategy meant for Canada that suits our requirements. It must fit in with our geography and climate. Darn it all, out West and in Atlantic Canada we can produce things just as good as anybody else anywhere else in the country if we are just given a fair chance to do so. This legislation does not set up that fair chance.

People talk about a level playing field, whether it be with respect to free trade or anything else. It is all very well to have

a playing field that is level, although I have never seen a level one yet. You will know, Mr. Speaker, that even a football field is not level. When we talk about level playing fields, that is fine, but when the other guy has the ball on our 10 yard line, then that ain't very level, is it? That illustrates what happens when something is being produced in western Canada in competition with the same thing in central Canada or in the United States. They have the ball on our 10-yard line. That is the name of the game. That might mean not only allocating where industry goes, agreeing where industry goes and allocating the area. It will mean a greater number of transportation subsidies. They can be called "subsidies" or transportation incentives, I do not care what name is put on it. If the Americans do not like it, tough cookie.

• (1650)

South of my province the States of North Dakota, South Dakota, and Montana are economic deserts. They have the same problem that we do. The distance that they are from their markets means that industry in those three states is minimal, if in existence at all. There the free market forces are allowed to continually be in play. That is not the Canadian way. That is not the way things have been done in Canada since before Sir John A. Macdonald.

If there was anything recognized by our forefathers and the people in Parliament in 1867 and thereafter, it was if the whole nation is going to be developed and kept together, some type of an equity of opportunity had to be built into our laws, transportation, and in government programs of various types. It is a fact of life in a northern nation like ours.

Again, Sir, I do not want to be partisan, because it will not matter what political Party is in power. Unless it is done in that manner, this Bill and others like it will not work. They are doomed to failure. We have gone through this before. Over the years we have had special agencies, special legislation, and special programs up to here. They last a year, or two, or three, and then die a deserving unnatural death.

I hope the Government will take into account what we in the Opposition, certainly my colleagues and I in the New Democratic Party, have had to say on this issue. We have tried to say those things in a positive and constructive manner to urge upon the Government to do it differently than we did it before. Let us not repeat the same mistakes and messes that were made before. We will all be happy about that. We will all make western Canada and Atlantic Canada much better places in which to live.

The Acting Speaker (Mr. Paproski): Is the House ready for the question? A question or comment from the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly).

Mr. Manly: Mr. Speaker, we were all fascinated by the story of the rooster, the chicken, and the ostrich. I wonder if the Hon. Member could repeat the punch line for us.

The Acting Speaker (Mr. Paproski): I would like to congratulate the Hon. Member for being nominated for the next election.

Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

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

And the division bells having rung:

The Acting Speaker (Mr. Paproski): Order, please. Pursuant to Standing Order 13(4)(a), I have been requested by the Chief Government Whip to defer the division until a later time. Accordingly, the division on the question now before the House stands deferred until after Private Members' Business later this day, at which time the bells to call in the Members will be sounded for not more than 15 minutes.

The Hon. Government Whip.

Mr. Fennell: Mr. Speaker, I would request that we suspend the House for five minutes until five o'clock and at that time commence Private Members' Hour.

SITTING SUSPENDED

The Acting Speaker (Mr. Paproski): Is it the wish of the House to suspend the sitting until five o'clock this day?

Some Hon. Members: Agreed.

At 4.55 p.m. the sitting of the House was suspended.

• (1700)

SITTING RESUMED

The House resumed at 5 p.m.

The Acting Speaker (Mr. Paproski): It being five o'clock, pursuant to order made Wednesday, May 4, 1988, the House

will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*English*]

SENATE REFORM

REQUEST FOR CONSIDERATION OF REPORT OF SPECIAL JOINT COMMITTEE

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, you will notice from the Order Paper that Motion No. M-84 is in my name. I am asking for unanimous consent of the House, and indeed we have had negotiations to that end, that the motion be switched from my name to that of the Hon. Member for Medicine Hat (Mr. Porter).

The Acting Speaker (Mr. Paproski): Is it so agreed?

Some Hon. Members: Agreed.

Mr. Bob Porter (Medicine Hat) moved:

That, in the opinion of this House, the Government should give consideration to the report of the Special Joint Committee on Senate Reform, presented to the House during the second session of the Thirty-Second Parliament.

He said: Mr. Speaker, it is a pleasure to speak this afternoon on Motion No. 84. Certainly, the issue of Senate reform has been something that this country has looked at and dealt with for a great many years. Very little over that time has in fact changed. However, I believe there has been enough discussion to suggest the current situation is unsatisfactory and is in need of change. There are those, I suppose, with views from all across the political spectrum. Some are opposed to the Senate and feel it should be abolished. I think members of the New Democratic Party hold that view. There are others who have studied this issue through the years and have come up with a variety of proposals for change to the Senate. The election of the Senate is only a first step.

In looking over the recent history, and I say "recent" in the perspective of this country, in the last 20 years there have been a variety of reports and studies, starting in 1969. The federal Government White Paper proposed a new Senate with half of the Senators appointed by the provinces and the other half by the federal Government. In 1972, a Special Joint Committee of the Senate and the House of Commons on the Constitution recommended increasing the number of western Senators and reducing the power of the Senate to a suspense of veto.

A 1975 constitutional amendment awards one Senate seat each to the Yukon and the Northwest Territories, bringing the total to 104 Senators. In 1978, Bill C-60 proposed replacing the Senate with a House of Federation, with the provinces and the federal Government each appointing half the members based on proportional representation. In 1979 the Supreme Court ruled that the proposals represent a constitutional amendment and would, therefore, require the approval of provincial legislatures as well as the federal Parliament.

The Canada West Foundation recommended replacing the Senate with a House of Provinces. British Columbia, the Ontario Advisory Committee on Confederation and the Canadian Bar Association also submitted reform proposals. In 1979 the Pépin-Roberts Task Force on Canadian Unity proposed replacing the Senate with a provincially appointed Council of Federation. In 1980, the federal and provincial Ministers responsible for constitutional matters discussed a new Upper House involving the provinces with no resolution. The report of the Standing Committee on Legal and Constitutional Affairs entitled "Certain Aspects on the Canadian Constitution" affirms the need for a nominated and substantially reformed Senate.

The Quebec Liberal Party's base paper entitled "A new Canadian Federation" proposed replacing the Senate with a federal council composed of provincial Government delegates. Again in 1981, the Canada West Foundation supported direct election of Senators based on single province-wide constituencies. In 1982, the Constitution Act provided for a six-months suspensory veto for the Senate with respect to constitutional amendment. Alberta also recommended provincial appointment of Senators, the Senate debates, the election of Senators by the people.

In 1983 a Special Joint Committee of the Senate and the House of Commons on Senate reform starts work in April. The Business Council on National Issues supports election of Senators. The final report, the one we are discussing today, the report of the Special Joint Committee on Senate reform, was tabled in January of 1984. A lot of work went into the tabling of the Joint Committee on Senate Reform. I think those who have read it will agree there are areas in that report that were certainly well worthy of consideration and study at the time and have merit in following up on some of the recommendations that have been made.

What kind of elected Senate would serve Canada's system of responsible Government? The Senate, I think, should have significant powers but should not be able to undermine Canada's well tried system of responsible Government. Senators should have a significant degree of independence of Party which would enable them to speak on local and regional issues without adhering to Party policy.

We should consider the original purpose of the Senate, and perhaps we tend to get away from this when we are looking at suggested changes. The Senate was created in 1867 to fill not one but two major roles in the new federation. One was to protect and represent, so far as legislation was concerned, what Sir John A. Macdonald termed "sectional interests". This included those peculiar to a region or linguistic or religious groups. The other major role was to help political stability by acting as a counterweight to the elected House of Commons. These two rules were carried out by the exercise of sober

second thought in review of legislation emanating from the Lower House, the House that drew its mandate from elections based on population, although in those days the franchise was restricted.

Criticisms have been directed at the Senate for a number of years, probably more so in the last few years, and again in the last several months, where most of us in our constituencies have been reminded of some of the Bills which have been in the Senate for some time and the role being played by those in the Senate.

I suppose the appointment of Senators has to be a difficult issue for any Prime Minister to face. No matter what political Party involved, the question always arises as to the patronage aspect that comes forward in appointments to the Senate. Criticisms include the partisan nature of some Senate appointments, the poor attendance of some Senators, the under-representation of various groups such as women, aboriginal people and ethnic groups, the numerous Senate vacancies which are allowed to continue unfilled, the lack of balance in the number of Senators affiliated with different Parties, the constraints that Party discipline imposes on the independence of Senators and the fact that the present distribution of seats does not reflect the growth in western Canada's population. It is argued that all these deficiencies have seriously hindered the effective functioning of the Senate.

• (1710)

Most recent arguments for Senate reform have focused on achieving one of the original goals of the Senate, the protection and representation of regional interests. These arguments spring from a belief that Parliament needs a Chamber which represents those interests with more political authority than can be achieved with the Senate appointed in the present way. The Senate has been successful in the carrying out of its functions in improving legislation and investigating issues of public policy. I think it has been acknowledged that the Senate makes useful contributions to the work of Parliament in carrying out these functions—

Mr. Prud'homme: Sometimes.

Mr. Porter: —with reference to private and public Bills. The Senate holds public committee hearings. It is especially effective in a number of areas. I do not think there are Members in this House who at some time have not served on a committee with representation from the Senate. I think all of us from time to time have appreciated the contribution which those with expertise in certain areas have made to those committees. Certainly there are many capable people who have been appointed to the Senate who are contributing at the present time, and no doubt will continue to contribute, but we must keep in mind that the Senate itself comes under criticism by members of the Senate.

Perhaps I could comment on some of those criticisms. When we talk about change, some of the changes would have to be made constitutionally, others can be made in the Senate itself. Changes could bring about some restructuring, but does it mean that we are stuck with what we have now?

In a report which one member of the Senate gave, he said:

> Much can be done to improve the Senate without any constitutional amendments at all and the Senate's Lamontagne Committee of 1980 set it down in black and white. Some of it would only require ordinary legislation. Some of it the Senate could do itself.
>
> One of the problems with the present Senate is dead wood: Members who do not turn up regularly, let alone work. This is often exaggerated. My own experience is that at least two-thirds of the members do attend pretty regularly, and at least half do work hard and conscientiously when the Senate is sitting and in committees, which often sit when the Senate itself is in recess. Many are also active in their home communities, involved in various public activities, often doing constituency work . . . But some dead wood undoubtedly is.
>
> —provision to vacate a seat of any Senator who failed, for two consecutive years, to attend at least one-third of the sittings in each each year. The Constitution already stipulates that any Senator who fails to turn up at least once in two consecutive sessions loses his seat; and a fair number have lost their seats accordingly. But others have been literally wheeled in once in two sessions and so retained their seats. Moreover, a single session may now last for years (a recent one lasted for three), so that a resolute valetudinarian—

A person—

> —could retain his or her seat by a single appearance in seven or eight years.

Mr. Prud'homme: That is a shame.

Mr. Porter: I think it is a shame, and I think all of us who sit in this House appreciate the work that has to be done on behalf of those people whom we represent. Perhaps if there were an elected Senate there would be an onus on those in the Senate who felt that they had to represent their constituents with the same diligence as those of us on all sides of this House feel obligated to do as we make representations on their behalf.

I think it has been concluded by most of the groups, certainly the Joint Special Committee on Senate Reform, that we should have an elected Senate elected directly by the people of Canada.

Mr. Prud'homme: Hear, hear. I totally agree.

Mr. Porter: I am glad the Hon. Member for Saint-Denis (Mr. Prud'homme) agrees with me.

Mr. Prud'homme: My Party agrees too.

Mr. Porter: I am pleased to hear that. I do not hear very much from those sitting next to me in the New Democratic Party.

It is difficult for all of us to address the problems that we face with the Senate. We all have different perspectives of what should happen. We have different views, depending upon the region of the country one is from. Hon. Members are aware of the activity in western Canada of the Triple E Senate, the proposal made primarily in Alberta that will be gathering views in other parts of the country. One of the problems comes down to how we would elect the Senate, for how long and for what terms. But I think there is consensus enough within this country of ours at present to come up with

proposals that would not only enhance the role of the Senate, the role of those as individuals who are there, but to make it more meaningful for what it was originally intended, that is, to represent the regions.

There is no doubt that regions have changed dramatically since the Senate was formed. Our population base has shifted. There are areas of Canada that feel through our electoral system that they are perhaps under-represented in this House. The shift in population in recent years I do not think is reflected as accurately as it might be. Some of the proposals coming out of the 1984 report point out some ways that could address those changes which so many of us feel are needed.

We are told frequently, after so many abortive attempts at Senate reform from time to time which come from vigorous action for fundamental change in the Senate, that it would be a mistake to adopt inconsequential reforms. Only a politically strong second chamber can dispute, when necessary, decisions taken by a government that is supported by the House of Commons. Therefore, only an elected Senate can satisfy the original intent of the Fathers of Confederation, namely, the provision of the Chamber that would balance judicially the power of the Commons, which is based on representation by population safeguarding the legitimate interests of the people of the less populous provinces.

I know there are others who wish to speak.

Mr. Prud'homme: Keep going. You are doing well. There are so many in the House that we have a stampede of people. This looks like the Senate in here.

Mr. Porter: Perhaps it does.

Mr. Prud'homme: We haven't got a quorum.

Mr. Porter: The Hon. Member has noticed. I did not mention that.

Mr. Prud'homme: I am here because I am interested.

Mr. Porter: We are talking about reform. Talk over the last 20 years obviously has not achieved very much. I think it is time that something was implemented. We have good groundwork on the report recommended by the joint task force. If there is a better method of Senate reform, let us examine it and the numerous options available and make the necessary changes. If we could do it in a non-partisan way, it would be most beneficial to Canadians. I would not want to curb the aspirations of members of this place who may not be back again either by choice or electoral preference for positions that may become open at some time. However, I think the time is long overdue that we take a serious look at what I, many in this House, and the vast majority of Canadians feel is the need for Senate reform.

• (1720)

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I listened with interest to the Hon. Member's remarks, but had great difficulty relating them to the report of the Special Joint Committee on Senate Reform which was presented to the House in January of 1984 and which is the subject of this motion.

There were quite specific proposals for Senate reform made by the Special Joint Committee, the most notable of which was the proposal that Senators should be elected for one term of nine years. That proposal, of course, went down the tubes very quickly, but that was the main proposal, and I would have thought that the Hon. Member would have wanted to discuss it and indeed many of the other proposals concerning the powers of the Senate that were made in the Joint Committee report.

The Hon. Member might have also read the dissenting reaction to the report that was made by my colleague, the Hon. Member for Churchill (Mr. Murphy). In his report, he argued very eloquently that a nine year term itself was far too long but, more important, since under this scheme, a Senator would serve only one term and not be able to run again, the Senator would be totally unanswerable to the electorate. He would be unaccountable. He would not have to worry, during the nine years he is a Senator, about what he is doing on behalf of the regional and local interests he is supposed to be concerned about. He does not have to worry about those interests because he does not have to get re-elected.

Mr. Thacker: But his Party does.

Ms. Jewett: The hope was that there would not be as much emphasis on Parties, as mentioned by the Hon. Member for Medicine Hat (Mr. Porter). That is why this proposal was sort of laughed out of court and why none of us have paid any attention to it since. As I say, it is over four years since the proposal was originally made. The public is effectively denied the possibility of ever holding its elected representatives in the Senate accountable under this scheme of one nine year term.

The committee itself, in its report, stated:

> We realize that senators who serve for a single term would not be obliged to account for their actions to their electorate at a subsequent election.

The majority also made what I find to be the incredible statement:

> If senators are not able to seek re-election—they will be less likely to get involved in the kind of constituency duties that would duplicate those of members of the House of Commons, and they would be able to devote most of their energies to sittings of the Senate and its committees.

The majority of the committee is basically suggesting that the work of the Senators would be done here in Ottawa and that they would not worry about their constituencies. They would live in Ottawa, and we all know that if one stays in Ottawa too long, one can certainly lose sight of the needs of one's region, province or constituency, and we have seen many Members do so over the years. It seems to me that for the majority of the committee to suggest that is for it to say that politicians do not have to return home to mend political fences.

Indeed, my colleague from Churchill also made a number of other criticisms in his dissenting report. I found one of the most interesting ones was his criticism of the double majority votes that were proposed in the report. On certain linguistic and cultural matters, it was proposed that there would have to be a double majority, a Francophone majority and an Anglophone majority, before any matters relating to linguistic and cultural affairs could be passed. The Anglophone majority would be composed of all those who were not French speaking. This too was a quite shocking recommendation, certainly capable of offending the sensitivities and aspirations of native Canadians and of other Canadians who comprise the Canadian mosaic.

A third area of criticism could relate to the committee's emphasis on the role of the Senate in holding hearings and producing good, sound committee reports. In fact, the Joint Committee made this almost the *raison d'être* of the Senate, but it completely ignored the fact that even in January of 1984, the House of Commons had created several excellent all-Party committees and task forces and of course has since done so under the reform of the House, and has pretty much moved to fill the vacuum in the area of research and legislative study where the Senate in the past has been credited for doing its best work. The particular report we are supposed to be discussing today does not meet the main purpose of a democratic second Chamber, and that is probably why my colleague entitled his dissenting report "The False Front: The Elusion of a Democratic Senate".

The Hon. Member mentioned that the New Democratic Party is for the abolition of the Senate, and he was quite correct. We have been for some time. We are delighted to be joined by the Prime Minister (Mr. Mulroney) who, on August 23, 1987, told reporters that he had suggested abolition of the Senate during the Meech Lake discussions the preceding May, and indeed, on August 25, in the House in response to a question from the Hon. Member for Kamloops—Shuswap (Mr. Riis), the Prime Minister said, as reported at page 8393 of *Hansard*:

> If my hon. friend is speaking on behalf of his Party, and if the Leader of the Opposition will undertake today to meet so that we can arrange for a resolution to go before both Houses to provide for the abolition of the Senate, I can assure him that I will bring it in as quickly as I can.

The Prime Minister subsequently backed down, citing the Meech Lake agreement, although it is interesting that the agreement had already been achieved when he made that recommendation for an all-Party resolution to abolish the Senate.

On August 27, however, the Prime Minister did agree to a meeting of House Leaders to review what could be done under present restraints. I must say that there has never been another word, even though the House Leader of the New Democratic Party wrote to the Government House Leader on September 17, 1987. He said that we were still interested in such a meeting of House Leaders to discuss a resolution on the abolition of the Senate and asked him to schedule such a meeting, but there has been no reply. In fact, it might be useful for Hon. Members to read that whole question and answer section of *Hansard* on August 25, 1987.

• (1730)

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

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I am pleased to be taking part in the debate this afternoon on the motion by the Hon. Member for Medicine Hat (Mr. Porter). The question of Senate reform and the future of that institution is both timely and important. With passage of the Constitutional Accord, Senate reform will be the priority item in future federal-provincial negotiations. This fact should be welcomed by all Members of this House.

With the adoption of an amending formula requiring the consent of the federal Government and all provinces, the Accord, in the words of the Special Joint Committee, will assure that provinces such as Alberta, which feel strongly about Senate reform, cannot be forced to accept a Senate reform package that does not live up to their expectations. Despite this, there has been some talk by opponents of the Accord who would have us believe that future Senate reform will be impossible as a result of the change to the amending formula. This charge must be challenged and I propose to address this accusation in my remarks today.

Under the changes to the amending formula in the Accord no province is singled out for special status. The Accord ensures full consensus on fundamental changes affecting the federation, including Senate reform, an item now guaranteed to be on the agenda for future constitutional talks. Surely it is reasonable that there be a strong consensus on a reformed Senate. How can it be otherwise? Surely no one can seriously suggest that a future reformed Senate be imposed on provinces such as British Columbia or Alberta as it could be under the present formula when those provinces have a particular and long-standing concern with this issue.

Critics of the Accord, including some members of the Opposition, have suggested that we should maintain the old 70-50 rule for changes to the Senate on the grounds that reform will be more easy to achieve. I want to emphasize that the unanimity requirement does not spell the end of Senate reform. It reflects the principle of equality of the provinces, unlike the procedure for Senate reform adopted in 1982.

Unanimity was achieved on the constitutional amendments of 1940, 1951, 1960, and 1964, as well as on the complex set of issues in the Meech Lake Accord. Unanimity is already required for certain important matters of concern to the country as a whole, such as the composition of the Supreme Court and changes to the amending formula itself. Most amendments will still proceed with the support of seven provinces representing 50 per cent of the population. As for additional matters on which unanimity will be required, the proposed amendment will guarantee each province a say where

changes to key national institutions and the composition of the federation are considered.

The adoption of the Accord will allow Governments to proceed to address a range of issues with all provinces as full participants. The Accord guarantees annual First Ministers' Conferences on the Constitution, and two items, Senate reform and roles and responsibility in relation to fisheries, have been placed on the agenda for these conferences. Public discussion and debate in Parliament and the legislative assemblies will help Governments assess how they might consider other constitutional issues.

On the question of unanimity I would like to quote Peter Meekison, an expert on Canadian federalism and a long-time constitutional negotiator for the Alberta Government. He told the special joint committee that: "Senate reform is no more difficult under the proposed change than it is under the existing formula in that—it is very difficult for a province to cast a veto. The natural tendency—is to try to find a compromise." Many of the same factors that led to unanimity at Meech Lake will play a part in the process of Senate reform.

The Canadian Senate was originally charged with the responsibility for protecting what Sir John A. Macdonald called "sectional interests". The establishment of this institution was a critical part of the Confederation agreement. The Senate was to offset representation by population in the House of Commons. There are two important reasons why the Senate has been unable to protect regional interests adequately. First, non-elected Senators are not considered to be legitimate regional or provincial voices in Parliament. Second, the distribution of Senate seats gives a near majority to the two most populous provinces. It does not, therefore, provide an adequate means to temper the expression of majority will in the House of Commons. To the suggestion that the Accord will make Senate reform more difficult, Senator Lowell Murray said in a speech at a national conference on Senate reform last week in Edmonton that:

> I would simply reply that without Quebec's return to the constitutional table, Senate reform is impossible. Moreover, if the Senate is to become a vital national institution, we have to go about reforming it in the right way. We must recognize the vital interest that all provinces have in such national institutions, we must respect the principle of the equality of the provinces, and the need to secure consensus before making fundamental changes.

The interim procedure agreed upon for Senate appointments is not intended to be permanent. Rather, the proposed amendment explicitly states it is to apply "until an amendment to the Constitution of Canada is made in relation to the Senate." The unanimity rule will protect each province against an amendment to national institutions unacceptable to that province. Therefore, unanimity is as much a source of protection as it is a potential hurdle.

The Accord reinforces the federal character of the Senate by acknowledging the legitimate role played by the provinces in the choice of candidates who must nevertheless have the approval of the federal Government, which continues to make the appointments. As Senator Murray said in the other place on March 31:

> We have had enough of isolating provinces in constitutional processes. We have had enough of running roughshod over concerns that are vital to a province's interest.

I could not agree more. I would also like to refer to an address given to the Institute of Island Studies on April 11 by Premier Ghiz of Prince Edward Island. He noted that:

> Pending Senate reform, all appointments are made from lists supplied by the provinces. In an historical context—this provision is quite a reasonable one and in no way signals a lessening of the executive power of the central government.

I would conclude my remarks by saying that for future Senate reform to succeed, all parts of Canada must be assured that the Senate speaks in a particular way for their own specific interests. I personally feel strongly that Senate reform is necessary and no less possible with the adoption of the Meech Lake Accord. However, I cannot and will not at this time go on record as being in favour of an elected Senate.

This Government, under the leadership of the Prime Minister (Mr. Mulroney), is dedicated to seeking agreement on a reformed Senate that will ensure regional interests figure more prominently in national decision-making. There is strong support for Senate reform among the provinces and a desire to work together with the Government of Canada toward that end. The result will be a balanced national Government within a strong federation.

The skeptics and pessimists were proven wrong last June when they said Quebec could not be brought into the constitutional fold. I have no doubt they will be proven wrong again on the subject of Senate reform.

[*Translation*]

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, the motion moved by the Hon. Member for Medicine Hat (Mr. Porter) urges the Government to give consideration to the conclusions of the 1984 Joint Committee on Senate Reform.

Mr. Speaker, without wishing to downgrade the merits of the Committee's report, I would like to say first of all, that steps have already been taken to conduct talks on Senate reform.

Last year, our eleven First Ministers agreed unanimously, on April 30 at Meech Lake and later on June 3 in Ottawa, on a draft constitutional amendment that will soon change the practice of federalism as we have always known it.

This Accord would make it possible for Quebec to take its place again in the Canadian family and become once more a full participant in constitutional change in this country, doing so with honour and enthusiasm.

However, in addition to the return of Quebec and Quebecers as full partners in the Canadian federation, the Accord provides much more. It will provide for a more faithful reflection of Canadian reality in the Constitution and emphasize the great principles of federalism supported by most

Canadians. The Accord will make Canada stronger by enhancing its unity and emphasizing respect for its various components.

• (1740)

With its recognition of Quebec as a distinct society within Canada, the Constitution will also recognize one of the fundamental characteristics of this country which is the presence of French-speaking and English-speaking Canadians from coast to coast. After its major efforts in the area of official languages and after achieving international recognition as partaking of these two great cultures as its rightful heritage, Canada will finally recognize this essential aspect of its identity in the Constitution.

By acknowledging that Quebec has special needs with respect to immigration and by offering the other provinces an opportunity to enter into arrangements responsive to their needs, the federal Government made it clear that to the extent that the national interest was secure, it was now possible to be particularly responsive to the needs of the regions. By adding this element of flexibility to the concept of federalism, the First Ministers helped to make more Canadians feel at home within our federation.

This willingness to be flexible while respecting national objectives and safeguarding the interests of all Canadians is particularly manifest in the section of the Constitutional Accord that deals with spending power.

Mr. Prud'homme: It sounds wonderful!

Mr. Tremblay (Lotbinière): It sounds wonderful? It does, but do you know what it means? That is the main thing.

Mr. Prud'homme: Absolutely!

Mr. Tremblay (Lotbinière): To get back to what I was saying, when Parliament feels it is necessary to establish programs in areas of exclusive provincial jurisdiction, it will no longer impose on its provincial counterparts its particular way of dealing with and solving problems, something we have experienced for many years. Provinces that feel they must adapt their programs to the specific needs of their population will be able to do so without being penalized—just imagine!—if they agree to make them compatible with national objectives.

The federal character of Canada is also clearly reflected in the section on our institutions. At last the Constitution will provide that when it is necessary to make changes in our central institutions, all partners in our federation will have the right to express their positions and protect their interests.

Prince Edward Island, Nova Scotia or Quebec will thereby be on an equal footing to protect the terms of their association with other parts of the country.

The federal nature of central institutions also will find its expression in the Supreme Court of Canada. From now on, Mr. Speaker, appointments to the Supreme Court will be made under a double veto system, based on the goodwill and co-operation of both levels of Government.

The First Ministers went further, because clearly, attempting to solve everything in one shot would be an invitation to failure, but also because they knew that the June 3rd Accord could only be the beginning of a more general reform process. They decided to hold a First Minister's Constitutional Conference once a year, in order to look at issues that are important to Canada's future.

Under the latter they have already agreed to consider Senate reform, including its role, functions, powers, the procedure for selecting Senators and Senate representation. The Prime Minister (Mr. Mulroney), the Hon. Member for Medicine Hat (Mr. Porter) and many Parliamentarians recognized the importance of Senate reform and are ready to work at it over the next few years. A forum and a time-frame have therefore been identified for the federal-provincial talks proposed by the Hon. Member. And this time, perhaps for the first time in our history, this is serious.

As a token of good faith, Mr. Speaker, the Prime Minister has waived his priviledge to select Senate appointees alone, pending a more encompassing reform.

Which removes you from the list, dear Member for Saint-Denis (Mr. Prud'homme)!

An interim appointment process has been set up to respect the spirit of federalism, whereby the provinces are involved in appointments to the higher Chamber. That process—

Mr. Prud'homme: Agreed!

Mr. Tremblay (Lotbinière): Are you suggesting that you also are the friend of provincial Premiers!

Mr. Prud'homme: Certainly!

Mr. Tremblay (Lotbinière): So I see.

Therefore that process, Mr. Speaker, by enhancing the Senate's legitimacy, also should increase people's interest in that institution, thereby ensuring increased participation in the discussions surrounding the coming reform.

Some people have suggested that this interim appointment procedure is nothing more nor less than our abdication on the part of the federal Government of its legislative power to the benefit of the provinces. We are told that provincially oriented and crooked-fingered politicians might even be able to gain control of the legislative agenda and disrupt the work of the duly elected representatives of the people.

I do not believe anyone can seriously undertake to defend this position, but even if it were so—imagining the unimaginable—and if the power of the elected Members of the House of Commons were to be the ransom paid to politicians of a different stripe, would the situation be all that much different from what it is today, and this query I direct to the Hon.

Member for Saint-Denis? Would it be better if the representatives of a defeated federal Government were given the power to control the destiny of a new House of Commons democratically elected by the people? Is the legitimate legislative power not held to ransom when senators appointed by a Liberal administration of an earlier generation are threatening to rule the law-making roost—until after the year 2000, if you can imagine! They cannot be serious. It is untenable, undefensible! Some time ago it was unimaginable!

Mr. Prud'homme: That was a long time ago.

Mr. Tremblay (Lotbinière): Well, if the Hon. Member will allow me . . . Mr. Speaker, I do not share the view—that is my right—of those who fear the legislative power will end up in provincial hands, and it seems to me the answer to such fears is relatively simple. If indeed the provincial governments are to recommend Senate appointees, the fact remains that the Queen's Privy Council for Canada, therefore the federal Government, will alone be empowered to make the appointments. You might as well be a candidate in the next election. I will tell you why, if you allow me to finish.

This power is not a mere formality, Mr. Speaker. The federal Government can refuse any list submitted by a provincial Government until one candidate is agreable to it.

It is clear that unabashed provincialists and straw men of provincial Governments will have little chance of being judged acceptable by the federal Government.

You are indicating to me, Mr. Speaker, that unfortunately my time is running out. I merely want to point out that it is a real need and that we were actively seeking to change the *status quo*, to implement recommandations which would lead to a fundamental reform of the Senate, in order to answer the present needs. The shameful paralysis of Government business has been going on for too long, Mr. Speaker, the Bills passed by the House are important, as they are designed to foster economic growth and job creation in Canada.

For all these reasons, we submit that the agreements with the Premiers will soon lead to serious and fundamental reform.

• (1750)

[*English*]

Mr. William G. Lesick (Edmonton East): Mr. Speaker, I am pleased to take part in this debate on the motion of my colleague, the Hon. Member for Medicine Hat (Mr. Porter). The motion before the House calls upon the Government to give special consideration to the 1984 report of the Special Joint Committee on Senate Reform.

This is a most timely debate, especially for those of us from Alberta. It is now just over a year since the signing of the Meech Lake Accord on April 30, 1987. The Accord represents the beginning of a new era in Canadian federalism. As well as bringing Quebec into the constitutional family, the Accord provides new constitutional and institutional arrangements to encourage closer, more harmonious relations between the federal and provincial governments.

One of the most significant aspects of the Accord is its commitment to further constitutional reform and to Senate reform in particular. It is to this issue specifically that I address my comments this afternoon.

As Hon. Members will be aware, the constitutional Accord of June 3, 1987, provides for an entrenched second round of discussions aimed at fostering further constitutional development. In particular, the Accord requires the Prime Minister (Mr. Mulroney) to convene a First Ministers' Conference on the Constitution at least once a year once the Meech Lake amendments have been proclaimed. Among the items on the agenda for these conferences will be Senate reform. This will include the role and functions of the Senate; the powers of the Senate; the method of selecting Senators; representation in the Senate.

As a result of a change in the amending formula, the consent of all provinces will be required for amendments to these matters. In future, each province will have an equal say on this vital issue. This contrasts with the present arrangement which grants a veto to Ontario and Quebec acting together, but not to any other two provinces acting together.

Finally, as a demonstration of the Prime Minister's good faith and commitment, the Accord provides that until constitutional amendments on the Senate are achieved, the federal Government will appoint Senators from among candidates proposed by provincial Governments and who are acceptable to the federal Government. The provinces thus will have a real say on appointments to the Senate until more comprehensive reform is achieved.

Contrary to what some critics of the Accord have suggested, the Accord provides for the full and open discussion that I believe all aspects of Senate reform deserve. It assures that all the major points that need to be addressed must be considered at annual First Ministers' Conferences.

Senate reform has been the subject of many studies and reports over the years. The report of the Special Joint Committee on Senate Reform was an important and useful contribution to this ongoing question. It recommended that the Senate be directly elected in order to "strengthen the authority of Parliament to speak and act on behalf of Canadians in all parts of the country".

The Hon. Member for Lethbridge—Foothills (Mr. Thacker) was a distinguished member of the Special Joint Committee which tabled its report in January, 1984. The report called for a directly elected Senate, with a weighted representation of seats to increase regional representation. Senators would be elected for a single nine-year term, with one-third of the Senators elected every three years. The Senate would have a 120-day suspensive veto over ordinary legislation, and ratification authority over Order in Council appointments to federal agencies with important regional implications.

Other reports may differ on the precise composition and powers of a reformed Senate. I think it is safe to say, however, that there is a strong feeling that an appointed Senate no longer meets the needs of the Canadian federation, especially in the area of regional representation.

I believe that we simply can no longer tolerate a situation in which an appointed, non-accountable body such as the present Senate acts to frustrate the will of the democratically elected House of Commons. We have seen the Senate take it upon itself to delay several important pieces of legislation over the course of this Parliament. These include Bills on immigration and refugees, drug patent protection, and copyright protection. That is clearly unacceptable in a modern, democratic society.

At the present time the Senate speaks for no one but itself and the interests of the majority party in that chamber. In doing so, the Senate has only managed to raise public awareness of the inadequacies of the Senate and the need for fundamental reform. Some critics have suggested that passage of the Accord should be made contingent upon Senate reform. There has been an agreement since August, 1986, that Senate reform is a second round issue. The terms of the Meech Lake Accord fully reflect the distinction that the First Ministers made between the Quebec round and the second round.

The requirement for unanimity has raised a fear in some quarters that Senate reform will be impossible. Senate reform is only impossible as long as Quebec is not at the table. Would it be healthy for confederation if a province were to have its representation on the Senate reduced without its consent? No. That sort of thinking belongs in the past.

The Prime Minister has said he will table a Senate reform proposal on behalf of the federal Government at the initial Conference of the First Ministers following ratification of the Accord. The Prime Minister also indicated in the House on August 26, 1987, that Parliament will have a role in paving the way for the discussion of Senate reform at that Conference.

As a further indication of the seriousness with which the Government approaches the question of Senate reform, I would refer Hon. Members to an excellent speech delivered last week by the Minister of State for Federal-Provincial Relations, Senator Lowell Murray. In his May 5 address before the National Conference on Senate Reform at the University of Alberta, the Hon. Senator said:

> I speak for the Prime Minister and all my Cabinet colleagues in saying that we know the importance that is attached to Senate reform by Canadians—especially those who live in Western Canada—and that we are convinced of its importance in the future of our country.

Those who support a directly elected Senate can also take encouragement, because as Senator Murray went on to say:

> When the present round is complete, the Prime Minister has made clear that the Government of Canada will put forward a proposal for Senate reform. While the basic elements of the Government's position are emerging—one thing, however, is clear.
>
> If the vitality of our democratic institutions is to be strengthened, the Senate should be elected. A second thing is also clear: we should ensure the Senate has the means to act effectively while preserving the accountability of the government to the House of Commons within our system.

In conclusion, I would like to express my agreement with Senator Murray that Senate reform is a national constitutional issue and the Senate is potentially a key national institution. This Government has consistently demonstrated its ongoing commitment to national reconciliation, including institutional reform.

I believe the Constitutional Accord outlines the best way to proceed on Senate reform. On this issue, as on several others, the Accord charts the right path to the future, a path that will encourage full federal-provincial collaboration as we consider changes to the key federal institutions and as we carry on the day-to-day business of the federation.

The Acting Speaker (Mr. Paproski): The time provided for consideration of Private Members' Business has now expired. Pursuant to Standing Order 42(1), the Order is dropped to the bottom of the Order Paper.

Mr. Prud'homme: Mr. Speaker, I know that it is too late now, but I wanted to take the floor. It was one minute to six.

The Acting Speaker (Mr. Paproski): Not by my watch, I am afraid. If you know it is too late, why did you get up on a point of order?

Mr. Prud'homme: I am sure that you saw me standing, Mr. Speaker. You rushed to six o'clock.

The Acting Speaker (Mr. Paproski): I would never rush to six o'clock when I see the Hon. Member for Saint Denis (Mr. Prud'homme) rising.

• (1800)

GOVERNMENT ORDERS

[*English*]

GOVERNMENT ORGANIZATION ACT, ATLANTIC CANADA, 1987

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney, that Bill C-103, an Act to increase opportunities for economic development in Atlantic Canada, to establish the Atlantic Canada Opportunities Agency and Enterprise Cape Breton Corporation and to make consequential and related amendments to other Acts, be read the third time and passed.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 13(4)(a) the House will now proceed to the taking of the deferred division on the motion for third reading of Bill C-103.

Call in the Members.

The House divided on the motion (Mr. Mulroney), which was agreed to on the following division:

● (1810)

(*Division No. 357*)

YEAS

Members

Althouse	Heap	Pennock
Angus	Hnatyshyn	Pietz
Belsher	Holtmann	Porter
Benjamin	Hovdebo	Price
Bernier	Hudon	Ravis
Bertrand	Jelinek	Reimer
Blais	Jepson	Ricard
Blouin	Johnson (Bonavista—Trinity—Conception)	Riis
Bouchard	Joncas	Robinson
Bourgault	Jourdenais	Rodriguez
Boyer	Kempling	St-Julien
Bradley	Kindy	Schellenberger (Wetaskiwin)
Brightwell	King	Scott (Hamilton—Wentworth)
Cardiff	Ladouceur	Scowen
Cassidy	Langdon	Siddon
Clark (Brandon—Souris)	Lawrence	Sparrow
Clinch	Layton	Stewart
Cochrane	Lesick	Suluk
Collins	MacDonald (Kingston and the Islands)	Tardif (Charlesbourg)
Corbett	MacDougall (Timiskaming)	Thacker
Cossitt	MacKay	Towers
Crofton	Manly	Tremblay (Québec-Est)
Crosby (Halifax West)	Martin	Tremblay (Lotbinière)
Crouse	Mayer	Tupper
Dantzer	Mazankowski	Turner (Ottawa—Carleton)
Daubney	McCain	Valcourt
de Cotret	McCrossan	Van De Walle
de Jong	McDermid	Vankoughnet
Desjardins	McDougall (St. Paul's)	Vézina
Dick	McInnes	Vincent
Duguay	McKenzie	Wenman
Epp (Thunder Bay—Nipigon)	McKinnon	White
Epp (Provencher)	McKnight	Wilson (Swift Current—Maple Creek)
Fennell	McLaughlin	Wilson (Etobicoke Centre)
Ferland	McLean	Wise
Fraleigh	Merrithew	Witer
Fretz	Minaker	Young—129
Friesen	Moore	
Gagnon	Nicholson (Niagara Falls)	
Gérin	Nickerson	
Graham	Nystrom	
Grisé	Oberle	
Gustafson	O'Neil	
Halliday	Oostrom	
Hamelin	Orlikow	
Hardey		
Hawkes		

NAYS

Members

Berger	Foster	Hopkins
Boudria	Gagliano	Isabelle
Copps	Gauthier	Kaplan
Dingwall	Gray (Windsor West)	MacLellan
Finestone		
Nicholson (Trinity)	Prud'homme	
Ouellet	Rossi	
Penner	Tardif (Richmond—Wolfe)—19	

● (1820)

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

Bill read the third time and passed.

* * *

WESTERN ECONOMIC DIVERSIFICATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mulroney that Bill C-113, an Act to promote the development and the diversification of the economy of western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts, be read the third time and passed, and the motion of Mr. Hawkes:

That this question be now put.

The Acting Speaker (Mr. Paproski): Pursuant to Standing Order 13(4)(a) the House will now proceed to the taking of the deferred division on the motion for the previous question in relation to Bill C-113. Shall I dispense with the ringing of the bells?

Some Hon. Members: Dispense.

The Acting Speaker (Mr. Paproski): Accordingly the question is as follows. Mr. Mulroney, seconded by Mr. Clark (Brandon—Souris), moved that Bill C-113, an Act to promote the development and diversification of the economy of western Canada, to establish the Department of Western Economic Diversification and to make consequential amendments to other Acts, be now read a third time and do pass. Mr. Hawkes, seconded by Mr. Grisé, moved:

That this question be now put.

The House divided on the motion (Mr. Hawkes), which was agreed to on the following division.

(*Division No. 358*)

YEAS

Members

Belsher	Cardiff	Crosby (Halifax West)
Bernier	Clark (Brandon—Souris)	Crouse
Bertrand	Clinch	Dantzer
Blais	Cochrane	Daubney
Blouin	Collins	de Cotret
Bouchard	Corbett	Desjardins
Bourgault	Cossitt	Dick
Boyer	Crofton	Duguay
Bradley		
Brightwell		

Epp (Provencher)
Fennell
Ferland
Fraleigh
Fretz
Friesen
Gagnon
Gérin
Graham
Grisé
Gustafson
Halliday
Hamelin
Hardey
Hawkes
Hnatyshyn
Holtmann
Hudon
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kempling
Kindy
King
Ladouceur
Lawrence
Layton
Lesick
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
Martin
Mayer
Mazankowski
McCain
McCrossan
McDermid
McDougall (St. Paul's)
McInnes
McKenzie
McKinnon
McKnight
McLean
Merrithew
Minaker
Moore
Nicholson (Niagara Falls)
Nickerson
Oberle
O'Neil
Oostrom
Pennock
Pietz
Porter
Price
Ravis
Reimer
Ricard
St-Julien
Schellenberger (Wetaskiwin)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Stewart
Suluk
Tardif (Charlesbourg)
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa—Carleton)
Valcourt
Van De Walle
Vankoughnet
Vézina
Vincent
Wenman
White
Wilson (Swift Current—Maple Creek)
Wilson (Etobicoke Centre)
Wise
Witer—112

NAYS

Members

Althouse
Angus
Benjamin
Berger
Boudria
Cassidy
Copps
de Jong
Dingwall
Epp (Thunder Bay—Nipigon)
Finestone
Foster
Gagliano
Gauthier
Gray (Windsor West)
Heap
Hopkins
Hovdebo
Isabelle
Kaplan
Langdon
MacLellan
Manly
McLaughlin
Nicholson (Trinity)
Nystrom
Orlikow
Ouellet
Penner
Prud'homme
Riis
Robinson
Rodriguez
Rossi
Tardif (Richmond—Wolfe)
Young—36

• (1830)

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

Mr. Forrestall: Mr. Speaker, I rise on a point of order. Had I been here on time, I would have voted with the Government.

The Acting Speaker (Mr. Paproski): The next question is as follows: Mr. Mulroney, seconded by Mr. Clark (Brandon—Souris), moved that Bill C-113, an Act to promote the development and diversification of the economy of Western Canada, to establish the department of western economic diversification and to make consequential amendments to other acts be now read a third time and do pass.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour will please rise.

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

(*Division No. 359*)

YEAS

Members

Althouse
Angus
Belsher
Benjamin
Berger
Bernier
Bertrand
Blais
Blouin
Bouchard
Boudria
Bourgault
Boyer
Bradley
Brightwell
Cardiff
Cassidy
Clark (Brandon—Souris)
Clinch
Cochrane
Collins
Copps
Corbett
Cossitt
Crofton
Crosby (Halifax West)
Crouse
Dantzer
Daubney
de Cotret
de Jong
Desjardins
Dick
Dingwall
Duguay
Epp (Thunder Bay—Nipigon)
Epp (Provencher)
Fennell
Ferland
Finestone
Forrestall
Foster
Fraleigh
Fretz
Friesen
Gagliano
Gagnon
Gauthier
Gérin
Graham
Gray (Windsor West)
Grisé
Gustafson
Halliday
Hamelin
Hardey
Hawkes
Heap
Hnatyshyn
Holtmann
Hopkins
Hovdebo
Hudon
Isabelle
Jelinek
Jepson
Johnson (Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kaplan
Kempling
Kindy
King
Ladouceur
Langdon
Lawrence
Layton
Lesick
MacDonald (Kingston and the Islands)
MacDougall (Timiskaming)
MacKay
MacLellan
Manly
Martin
Mayer
Mazankowski
McCain
McCrossan
McDermid
McDougall (St. Paul's)
McInnes
McKenzie
McKinnon
McKnight
McLaughlin
McLean
Merrithew
Minaker
Moore
Nicholson (Trinity)
Nicholson (Niagara Falls)
Nickerson
Nystrom
Oberle
O'Neil
Oostrom
Orlikow
Ouellet
Penner
Pennock
Pietz
Porter
Price
Prud'homme
Ravis
Reimer
Ricard
Riis
Robinson
Rodriguez
Rossi
St-Julien
Schellenberger (Wetaskiwin)
Scott (Hamilton—Wentworth)
Scowen
Siddon
Sparrow
Stewart
Suluk
Tardif (Richmond—Wolfe)
Tardif (Charlesbourg)
Thacker
Towers
Tremblay (Québec-Est)
Tremblay (Lotbinière)
Tupper
Turner (Ottawa—Carleton)
Valcourt
Van De Walle
Vankoughnet
Vézina
Vincent
Wenman
White
Wilson (Swift Current—Maple Creek)
Wilson (Etobicoke Centre)
Wise
Witer
Young—149

NAYS

Members

Nil

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

Western Economic Diversification Act

Bill read the third time and passed.

The Acting Speaker (Mr. Paproski): It being 6.40 p.m., the House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 3(1).

At 6.41 p.m., the House adjourned.

APPENDIX

ADDRESS
of
HER MAJESTY QUEEN BEATRIX OF THE NETHERLANDS
to
Both Houses of Parliament
in the
HOUSE OF COMMONS CHAMBER, OTTAWA
on
Tuesday, May 10, 1988

Her Majesty was welcomed by the Right Honourable Brian Mulroney, Prime Minister of Canada, and thanked by the Honourable Guy Charbonneau, Speaker of the Senate and the Honourable John A. Fraser, Speaker of the House of Commons.

Hon. John A. Fraser (Speaker of the House of Commons): Order, please. The Right Honourable the Prime Minister.

Right Hon. Brian Mulroney (Prime Minister): Your Majesty, Your Royal Highness, *chers collègues*, Honourable Senators:

It is a great honour for me to welcome you here today. On behalf of the Canadian Government, please allow me again to extend, Your Majesty and Your Royal Highness, our warmest welcome to Canada and especially to Ottawa. May I say it in a special way. When you are here in the House of Commons, Your Majesty, and in Ottawa, you are back home.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In a special sense I say, "Welcome home, *bienvenue chez vous*".

The relationships that exist between our two nations are in many ways unique. They are based first on immigration, which binds us together with family ties. Nearly a million Canadians pride themselves on their Dutch ancestry, and their contribution to Canada has been absolutely magnificent. There is the legacy of valour of the Second World War, during which our soldiers, our young men and women, fought for the freedom of your country.

I must pay special homage to the Members of Parliament, both past and present, who participated in the liberation of the Netherlands, including our very distinguished Minister of Veterans Affairs, the Honourable George Hees, who is with us here, Your Majesty, today.

Some Hon. Members: Hear, hear!

• (1110)

Mr. Mulroney: He says, Your Majesty, that he entered the Canadian Forces as a boy of nine!

This afternoon, Your Majesty and Your Royal Highness will be inaugurating "The Sweetest Spring", an exhibition of art and artifacts at the Canadian War Museum. This exhibit, jointly mounted by the Canadian War Museum and the Royal Netherlands Army Museum, underlines our close ties and reinforces our common values.

[*Translation*]

Our nations cherish the same important ideals of peace, justice and freedom. The presence of your family in Ottawa during the dark days of World War II formed the basis for a direct affinity between members of your family and Canada, and for a deep affection between Canadians and you yourself.

[*English*]

I know, Your Majesty, that you have fond memories of Stornoway, where you resided temporarily in Ottawa. I also have fond memories of Stornoway, where I resided temporarily in Ottawa. In fact, Your Majesty, all Leaders of the Opposition in Canada have come to regard this gracious home as essentially a temporary residence.

The splendid Dutch tulips, now in bloom on Parliament Hill and throughout our capital, are an enduring legacy of your family's wartime stay in Canada. This generous gift from Queen Juliana to the people of Canada is a unique tribute and one which all Canadians value, particularly at this time of year. When Princess Margriet was born here, the colours of the Netherlands were raised above these Parliament Buildings, celebrating the unprecedented event of a member of a reigning European Royal Family being born on North American soil.

Today this rich heritage has produced a wealth of political, economic, social, and trade relationships.

[*Translation*]

Your visit to Canada reaffirms the importance of our relations with the European Economic Community, with Western Europe and especially with the Netherlands. The history and the future of Western Europe are closely linked with our history and our future. Together we have formed an association as fruitful as it is diversified, based on political, economic and cultural ties, an unshakeable faith in democracy and an ardent desire to preserve our freedom.

The Netherlands have played a fundamental role in the development of Western civilization. To Canadians, Your Majesty, your country has always been synonymous with social justice and respect for human rights.

[*English*]

I am pleased to note that our dialogue in this area has been active and fruitful. I would like to underline, Your Majesty, the fact that we share similar views on major international issues should come as a surprise to no one. Our countries are committed members of the international community with similar political, economic, and trade objectives. Most of all, Your Majesty, our countries and our peoples are friends—friends who share values and traditions, friends who espouse the same principles, and whose children dream the same dreams.

On behalf of the Government of the people of Canada, I welcome you to Canada and, through you, extend our warmest greetings to the people of the Netherlands.

Your Majesty, may I ask you at this special and affectionate moment of home-coming to speak now to the Parliament and to all of the people of Canada.

Some Hon. Members: Hear, hear!

Her Majesty Queen Beatrix of the Netherlands: Mr. Speaker, ladies and gentlemen, our meeting with the Canadian Parliament is taking place in the year in which we are commemorating the Glorious Revolution of 1688, which placed Dutch Stadholder William III together with his wife, Mary Stuart II on the throne of England.

The Glorious Revolution stands as a landmark in the development of British parliamentary democracy. By virtue of the Bill of Rights then presented to William of Orange and his wife before they ascended the throne, Britain's Parliament regained its traditional significance. The Bill of Rights re-asserted that the Sovereign could only rule with the consent of the representatives of his subjects. To many peoples in the seventeenth century that was a revolutionary principle; the people of the Netherlands, however, had adopted the principle a century earlier. The subsequent political development of both the United Kingdom and the British Commonwealth was conditioned by the principle of consent. In a few weeks, on the twentieth of July, the British House of Commons, the mother of all parliaments, will commemorate the events of 1688. It is pleasing to know that delegations from the Canadian and Netherlands parliaments will attend the ceremony.

In Canada in 1839 Lord Durham laid the foundations for a democratic form of government in his "Report on the Affairs of British North America". On the basis of the "responsible government" principle he entrusted the government of the colony to the colonists themselves. The policy of placing the responsibility for government with the people was thereby extended to Canada.

To our countries this form of responsibility has long ceased to be a matter of doubt or debate. In fact, we should now attach to the term "responsible government", the essence of the Durham report, a different, far deeper significance. Since then our dealings have become more international, our present more linked to the future. Besides to their own citizens, to whom governments are quite naturally answerable, they are therefore feeling increasingly answerable to those with whom we share the world and to generations as yet unborn. This is the new signification of "responsible government".

The peoples of countries such as Canada and the Netherlands are particularly conscious of their common destiny with the other inhabitants of our globe. National decisions are increasingly making themselves felt far beyond frontiers. Governments are also increasingly being confronted with tasks they can no longer perform alone.

An international task for Canada was implicit in the three basic principles, namely, Peace, order and Good Government, of the Constitution Act, 1867. The maintenance of "Order" is a function that a government could perform alone, but not the maintenance of "Peace". By definition, therefore, "Good Government" can imply nothing but to govern in collaboration with other countries.

Canadians have long been aware of the fact that their country is a member of a global community. It was this realization that led to Canada's willingness to make sacrifices in the great conflicts of this century. Canada made an impressive contribution to the victory of the Allies in World War I. She then played a prominent role as an active member of the League of Nations. Canadian participation in World War II was further evidence of her sense of international solidarity, which was of incalculable moment, particularly to the Netherlands. Much of Holland was liberated by Canadian soldiers, all of whom, exactly like their fathers, had crossed the Atlantic Ocean as volunteers to destroy a power and an ideology that posed a mortal threat to our common civilization. A few days ago, on the 4th and 5th of May, Holland gratefully commemorated the 1945 liberation and, as in every year, flowers were laid on the graves of members of the Canadian Forces who found their last resting place in our country.

• (1120)

After our common struggle in that war, our equally common conviction that democratic states should together safeguard their security found expression in new forms of co-operation among allies. Canada and the Netherlands have already been members of the North Atlantic Treaty Organization for 40 years. Both countries have from the outset regarded NATO as an organization that embraces more than mere common military defence. Article II of the treaty by which NATO was established speaks of the parties strengthening their free institutions, their democratic institutions, encouraging economic collaboration and creating a true Atlantic community. It is significant that this section was called "the Canadian Article".

A feeling of responsibility for the destiny of the world in general is also evident from the two countries' active participation in the work of the United Nations. An appeal to Canada for peace-keeping operations has never been in vain. Canada

and the Netherlands are also co-members of many other international institutions. Not only do their representatives meet each other there, they often defend the same points of view. A noteworthy unanimity between two countries here bridges the difference that separates them. Countries like Canada and Holland can make a valuable contribution, especially internationally, in the form of ideas, initiatives and mediation. Backed by the confidence they have gradually managed to inspire in the world, the very countries that are not among the superpowers may thus play a sometimes disproportionately important role.

One of the main aims of our two countries is the global promotion of the international rule of law. This is where we touch the heart of our responsibility for relations in today's world, a world teeming with problems. I will name only one of them: the lagging behind of what we call the Third World, that extensive area in which equitable relations leave a great deal to be desired and where the international rule of law is least in evidence. The duty not to acquiesce in that lag in development is implicit in "responsible government". Canada and the Netherlands give high priority to aid for the Third World and to economic co-operation with Third World countries. Our two nations have for years done much in this area, both to alleviate poverty directly and to render assistance in the longer term, to help people to help themselves. It was no mere chance that the first compendious United Nations report on Third World problems was drawn up by a commission chaired by Lester Pearson.

But "responsible government" in the field of development co-operation may not stop at emergency aid and charity. Neither is the transfer of capital and know-how sufficient. The opening of our markets is, economically and psychologically, just as important. That is the only way in which we can make a real contribution toward growth in the countries themselves. Indeed, it is disturbing that some developed countries are again considering protectionist measures. Protectionism is ultimately bad for everyone, but the poor countries are the victims; they are the first and the worst affected. By giving in to the inclination to protect ourselves we cause multiple damage, we hamper economic growth and increase injustice in the world. An open economy is both a Canadian and a Dutch tradition. It is pre-eminently a tradition we may not abandon.

[*Translation*]

Mr. Speaker, Lord Durham's compelling plea for "responsible government" alluded to responsibility towards citizens. The passage of time and social developments have given the term a new signification. As distances shrank and the interdependence of countries severally increased, we became ever more conscious of our responsibility towards all those who with us populate the world. This realization goes very deep in Canada and the Netherlands.

Moreover, the recent past has given the term "responsible government" a new dimension, our answerability for the future, the obligation to leave behind for our children a world fit to live in.

Fifteen years ago the Club of Rome in its first report gave an urgent warning. As we see it now, the warning was perhaps not urgent enough. Not only is our highly developed society threatened by a future shortage of raw materials, but the very level of development we have already reached holds treats to our well-being, to say nothing of the hazards that loom if the creation of further opulence goes on at the same hectic pace.

It is essential that environmental research conducive to the adoption of rational measures be stepped up and that the efficacy of such research be increased through international co-operation. Preventive intervention is imperative in view of the irreversibility of certain processes that harm the environment. It is true that the very technical knowledge that threatens our future will often enable us to redress the damage done, but we only really control technology if we employ it to prevent damage. Only the courage to take unpopular measures now will safeguard the future for coming generations. The requirement that the quality of the heritage we have received and that we in turn shall have to hand on to posterity may not be impaired is not yet universally realized. Essential, fundamental alterations in our pattern of behaviour are overdue. The close attention of parliament and environment-conscious citizens is a requisite, a stimulus and a guarantee of an effective policy in this area. Politicians and industrialists must join forces and find the answers.

Illustrative of Canada's attitude is that the major United Nations conference on the ozone layer was held in Montreal last year, and that now Canada is again busy preparing a conference on "controlled development" as a follow-up of the Brundtland report.

There have been a number of successes in environmental protection, both national and international. A bolder approach at global level that takes the interconnection of matters concerning food supplies, the generation of power, development aid and the environment into account, is however required. The parallel Canadian and Dutch views on these problems and the approach to them invite a greater common advance in international planning.

In a bilateral context, environmental technology is one of the important fields in which Canada and Holland exchange know-how and experience. A Memorandum of Understanding between our governments on the subject was signed yesterday; similar memoranda with the governments of Ontario and Quebec are to be concluded shortly.

• (1130)

[*English*]

Mr. Speaker, Members of the House and the Senate, since the first parliament was set up, the elected representatives have fulfilled the mandate entrusted to them by the people. In our times, parliamentarians have been given another, double mandate: one by those with whom we live on this globe and

one by generations as yet unborn. The commitment to "responsible government", which cabinets and parliaments must honour has thereby been made much more onerous a task, and it demands courage to commit oneself wholly to this objective.

The term we must now have in mind is moreover far longer than the life of a parliament. The sense of responsibility for others and for the future is nevertheless deeply rooted in this legislative body. It was in this parliament, where I am your guest today, that political democracy was established in Canada in the 19th century. It is heartening to note that the members of today's assembly realize that they are now the guardians of a responsible democracy. Thank you.

Some Hon. Members: Hear, hear!

Hon. Guy Charbonneau (Speaker of the Senate): Your Majesty, Your Royal Highness, on behalf of the Senate I want to thank you most heartily for your remarks, which were a vivid testimony to the quality and vigour that characterize our bilateral relations, and to the importance of those relations.

Nor can I resist commenting on how very rare it is to receive within these walls the sovereign of a friendly and allied power who can point to a childhood spent, in part, in Canada's capital. It gives us, I think, an additional reason for our pleasure in welcoming you today to the Parliament of Canada. It is one of the distinguishing features of the links that bind our two countries. Our long tradition of working together to preserve the values that are dear to us reinforces the significance of the personal link, which has been extended in the most natural way by the many other family ties between Canada and the Netherlands.

[*Translation*]

Your profound statements come as no surprise to students of the political writings of your great philosopher, Spinoza. Your reign as we have seen, continues the admirable example of your predecessors who were mindful of the role Spinoza urged governing authorities to play when he stated, and this was in the seventeenth century, that the rights of the individual took precedence over the authority of the State. Need I recall in your presence his warning that the State that denied this principle would be mere power and be vanquished by power?

It is indeed very fitting to say in this Chamber that you have evoked the great humanist tradition that brought us the principle of intellectual freedom. We understand why Descartes, attracted by the tolerance and love of freedom of your people, spent twenty years in Holland, and why Pascal admired the dialectics of your philosphers. The tradition continues today, at a time when your thinkers have spearheaded the movement for religious reform throughout the world, taking the calculated risk of bringing about a moral crisis.

[*English*]

The friendship between our two countries is consolidated by the significant commercial exchanges between us. Renowned for their technological innovations and business sense, the Dutch are valued partners for dynamic, technologically advanced, and resource rich countries like Canada. Dutch investments in this country are already quite substantial and the possibility of more joint ventures and increased trade can only fortify our commercial relations.

Our cultural ties are also especially important for Canadians of Dutch origin who want to maintain their links with the Netherlands, but all Canadians cherish the spirit of friendship and co-operation which permeates our relations with your country. Our economic contacts, official visits, and the significant flow of tourists in both directions illustrate the wish of our citizens not only to retain our special ties, but also to nurture them for our mutual benefit.

Your Majesty, your visit to Canada will give you the opportunity to witness the vitality of our young country, but I have no doubt that the warmth of our feelings toward the Dutch nation will also become evident. I trust your trip will be a pleasant one and that it will provide you with more fond memories of Canada.

Some Hon. Members: Hear, hear!

Mr. Speaker: Your Majesty, Your Royal Highness—

[*Translation*]

Speaking on behalf of my colleagues in the House of Commons and of other honoured guests present in this Chamber, I wish to thank you for your most cordial speech. Canadians of Dutch descent have played a major role in many areas of Canadian society.

[*English*]

There have been people from your country, Your Majesty, in Canada from our earliest days. Their continuing presence explains why there is a certain resemblance between our two countries. We are convinced that this visit by Your Majesty and Your Royal Highness will help to reinforce those similarities and enable us to extend our co-operation along a number of promising avenues, taking as our starting point our already thriving relationship. Your profound appreciation of the need for international co-operation, especially in regard to our environment, has been most certainly noted in this Chamber today.

• (1140)

I would like to take this opportunity, presented by your presence within these walls, to ask you to convey the best wishes of the Canadian House of Commons to the people of your country and to assure them of our friendship. To you, Your Majesty, and Your Royal Highness, you will always be home in our country. God bless you.

Some Hon. Members: Hear, hear!

Mr. Speaker: It is my duty to announce that the House will convene at two o'clock this afternoon.

HOUSE OF COMMONS

Wednesday, May 11, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

FISHERIES

CANADA-FRANCE DISPUTE—RIGHTS OF NEWFOUNDLAND FISHERMEN

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, three Newfoundland trawlers have been denied permits to fish inside the 12-mile zone around St. Pierre by the Government of France, in spite of a 1972 treaty with France that specifically allows them to do that.

• (1405)

This denial of permits comes after one Newfoundland boat was arrested, and is only the latest shot in the "cod war" with France, a war in which the Government has consistently shown itself to be lacking in courage and lacking in the responsibility to stand up and fight for the Newfoundland fishing industry.

It is a Government that has been accused by the Premier of Newfoundland of "regionalizing" the issue. I quote from a letter from the Premier of Newfoundland to the Secretary of State for External Affairs (Mr. Clark):

> It is most regrettable that in addressing this national boundary issue you have now regionalized this issue further and appear to suggest that the maintenance of jobs outside of Newfoundland is of greater importance than the maintenance of jobs in Newfoundland.

We in Newfoundland are equal Canadians, Mr. Speaker. We demand justice. We demand responsibility from this Government. We demand that the Government of Canada stand up and fight for our rights, because we are not "hyphenated" Canadians, or second-class Canadians; we are equal Canadians.

HEALTH

SUPPORT FOR BAN ON TOBACCO ADVERTISING

Mr. John Reimer (Kitchener): Mr. Speaker, I rise in the House today to commend the Minister of National Health and Welfare (Mr. Epp) on the introduction of Bill C-51, the Tobacco Products Control Act.

This Act will prohibit the advertising and promotion of tobacco products. It will include stronger, more visible health warnings so that consumers will be more fully informed about the serious hazards of using tobacco products.

The Canadian Cancer Society, with over 350,000 volunteers, the Canadian Heart Foundation, with some 300,000 volunteers, the Canadian Lung Association, with over 100,000 volunteers, the Canadian Medical Association and the Canadian Nurses Association, with their hundreds of thousands of members, and School Principals' Associations all favour the prohibition of advertising and promotion of tobacco products.

For the sake of the health and welfare of all Canadians, I urge the Government to move this Bill on to report stage, third reading, and speedy passage through this House.

* * *

CANADA POST CORPORATION

OPPOSITION TO SUPERMAILBOXES BY HANDICAPPED PERSONS' ORGANIZATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, those Members of Parliament who represent constituents who live in new suburban areas and who get their mail from the new so-called supermailboxes know how unhappy those constituents are. Their battle against the imposition of Canada Post supermailboxes has now been joined by another national organization. This time it is the Winnipeg based Coalition of Provincial Organizations of the Handicapped, which represents 15,000 disabled persons across Canada.

This organization has found that supermailboxes are especially difficult to get to for its members in winter, and their presence discourages the disabled from locating in new suburban areas.

Yet Canada Post continues to say that supermailboxes are the way of the future. The disabled reply that it is another step backward for them.

Finally, Mr. Speaker, we ask what is so "super" about supermailboxes? Is it that they are superfluous, or supercilious, or just superabundant? They are all of the above.

* * *

THE SEXES

POLITICAL REPRESENTATION

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, he or she who strays on to the field of battle between the sexes does so at his/her own peril.

When the Minister of Employment and Immigration (Mrs. McDougall) told the Canadian Women for Political Representation that "men in politics are more confrontational and women work harder to reach consensus" one wonders whether she was thinking specifically of the Hon. Member for Hamilton East (Ms. Copps). One also wonders just how hard the Hon. Member for Broadview—Greenwood (Ms. McDonald) has worked to reach consensus with the tobacco industry.

Indira Gandhi, Golda Meir, and Margaret Thatcher all conjure up visions of mild-mannered consensus seekers. Or do they?

In the battle in question, I personally prefer fraternization to confrontation, and therefore resolutely refuse to rush in where angels fear to tread.

* * *

HEALTH

JONQUIÈRE REGION STATISTICS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, a health study undertaken by the Departments of Community Health of Chicoutimi and Roberval shows that the number of deaths due to heart disease is 34 per cent higher around Jonquière than in the rest of Québec, that the incidence of lung and respiratory diseases is 78 per cent higher, and that the infant mortality rate is almost 40 per cent higher.

The number of deaths from cancer in the Jonquière area is 43 per cent higher than the provincial average. Unfortunately, the study does not draw any conclusions as to cause.

Greenpeace, currently conducting a tour of the St. Lawrence and Great Lakes aboard their ship the *Beluga*, point the finger at pollutants from Alcan's smelter as a likely cause of the health problems. The smelter's stacks emit 600 tonnes a year of toxic polycyclic aromatic hydrocarbons, known as PAHs. More than 100 current or former Alcan workers have been diagnosed as suffering from bladder cancer, one of the diseases linked to exposure to PAHs.

The people of Jonquière would like to know what the Minister of the Environment (Mr. McMillan) and the Minister of Health (Mr. Epp) will do to protect them.

* * *

• (1410)

CANADIAN NATIONAL RAILWAYS

ABOLITION OF JOBS IN CAMPBELLTON

Mr. Albert Girard (Restigouche): Mr. Speaker, on Monday of this week the riding of Restigouche received some very distressful news from Canadian National Railways. We were informed that 38 jobs in Campbellton would be abolished. Sneaky public relations officers of this Crown corporation have assured us that the employees affected will have the opportunity to use their seniority in other regions, or they can accept a good compensation package. But what about the socio-economic impact on the community?

CN is completely cold and uncaring when it comes to the cruel results of its austerity measures. The city of Campbellton served the purposes of CN very well for many, many years. But now the people of Campbellton have been discarded by an inconsiderate group of executives who are enjoying themselves in their big office towers in Montreal. Are Mr. Lawless and company saying in the words of Marie Antoinette, "Let them eat cake"? Well, may the hurt and economic hardship that we have been forced to endure in Campbellton over the past years be returned to you, Mr. Lawless, many times over.

* * *

ABORTION

PARTICIPATION OF KU KLUX KLAN MEMBERS IN CALGARY RALLY

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, like Members of Parliament, people in all parts of Canada hold strong, sincere, and conflicting views on the question of choice in abortion. They write letters, sign petitions, visit their Members of Parliament. They march and they demonstrate. This is the Canadian tradition of participation. It is not part of the Canadian tradition for members of the Ku Klux Klan to take part in such demonstrations while wearing their white hoods.

On Monday, unfortunately, Klan members, one of them hooded, attended a rally outside Calgary's City Hall seeking funding cuts to the Calgary Birth Control Association.

I believe all Canadians, whatever their views on the subject of choice in abortion, can only deplore and repudiate the presence of these white-hooded thugs on Canadians streets.

They symbolize bigotry, cowardice, and viciousness. They have no place in Canada.

* * *

[*Translation*]

INDIAN AFFAIRS

ALLEGED REFUSAL OF SOCIAL SERVICES FOR NATIVE PEOPLES

Mr. Guy St-Julien (Abitibi): Mr. Speaker, according to secret documents obtained by Canadian Press, senior officials of the Department of Indian Affairs and Northern Development have decided to deprive Native people of new social services by holding up the tabling of a Bill to grant them new subsidies.

Mr. Speaker, the Minister of Indian Affairs and Northern Development (Mr. McKnight) did not attend this secret meeting. Senior officials at Indian Affairs and Northern Development may have secret discussions if they wish, but they will have to abide by the provisions of the 1977 James Bay Agreement on financing, building new schools and a number of other demands made by the James Bay Cree and Inuit, and they should not forget the Algonquins and Attikameks in the riding of Abitibi.

* * *

FINANCE

EFFECTS OF NEW METHOD OF CALCULATING FEDERAL SALES TAX

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, Quebec furniture manufacturers are very concerned about the new way of calculating federal sales tax that will become effective on November 1, 1988.

Mr. Speaker, this measure will mean an additional $34 million in taxes to be paid annually by Quebec furniture manufacturers. The measure will not close the gap that favoured imports and, in most cases, will make the gap even wider. Because it is so complex, this measure will result in substantial additional administrative costs. There is only one definition: What are the marketing costs and what are the distribution costs? How will small businesses be able to find their way through the fantastic amount of red tape created by this new way of collecting federal sales tax?

Furniture manufacturers feel this measure is a liability because of the lack of clarity as to the taxable amount. They also feel it is unfair to make the furniture industry pay for action taken by other industries. Considering that the Government is now in its second phase of consultations on tax reform, why introduce, at this particular moment, a measure that makes no sense at all and that discriminates against small businesses in Canada by imposing this huge amount of red tape?

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[*English*]

ENVIRONMENTAL AFFAIRS

TEMAGAMI WILDERNESS AREA—MULTI-USE CONCEPT SUPPORTED

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, in response to comments in the paper today made by the Minister of the Environment (Mr. MacMillan) on the Temagami wilderness area I say to the Minister, who seems to be in the dark on this issue, that there is nothing as precious to the residents of the Temagami area as the forests. As northern Ontarians, we have come to share our resources and use these forests responsibly with a view to the future.

The facts are that the Temagami forests have been a multi-use area for over 100 years. As for the road extension which is at the centre of the controversy, simply put, its construction will ensure future growth and stability to the entire Temagami area. The Minister of the Environment should start to listen to his colleagues in the area in which they are involved. He should listen and become familiar with the Government's forest sector strategy, and he should stay away from what is clearly a provincial matter.

Multi-use management of the Temagami forests has worked and will continue to work for years to come. The Minister should start listening to the people of Timiskaming and the Temagami area, and not his environmental lobby groups in Toronto and Ottawa.

* * *

• (1415)

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—ADVERTISEMENT INVITING FIRMS TO LOCATE IN U.S.

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, here is the future for average Canadians under the free trade deal with the U.S. An advertisement inviting Canadian firms to shift operations to Georgia appeared May 9 in *The Financial Post*. The ad says "The cost of labour is among the lowest in the United States." As well, "fewer than two in 10 workers belong to a labour union". It also says "What's more, we haven't raised our corporate tax rate since 1969."

That is what is ahead with the trade deal, Canadian companies shifting to low wage, less unionized southern states like Georgia, with Canada having to cut its tax rates to match

Georgia, reducing revenue for social programs for people here in Canada.

* * *

[*Translation*]

EXTERNAL AFFAIRS

DURHAM REPORT AND QUEEN BEATRIX OF THE NETHERLANDS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, today I wish to condemn the Prime Minister of Canada (Mr. Mulroney) and the Prime Minister's Office, and the Secretary of State for External Affairs (Mr. Clark) and his office, for having failed to inform the Queen of the Netherlands that part of the Durham Report was unacceptable to French Canadians, especially where it recommended the assimilation of French Canadians.

Mr. Speaker, the Secretary of State for External Affairs, who is here in the House, and the Prime Minister must bear part of the responsibility for having failed to inform Her Majesty in advance that the Durham Report was not fully accepted by French Canadians in this country.

* * *

[*English*]

ATLANTIC CANADA OPPORTUNITIES AGENCY

POSITION OF LIBERAL MEMBERS OF PARLIAMENT

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, it was with dismay that I witnessed the Liberal Members of Parliament vote against Bill C-103. This statute establishes the Atlantic Canada Opportunities Agency which gives to Atlantic Canadians the opportunity to control more of the economic development efforts in Atlantic Canada.

This new strategy of regional development has been welcomed by Atlantic Canadians, but Liberal MPs voted against it. They also voted against establishing the Enterprise Cape Breton Corporation which gives Cape Breton a separate Crown corporation for industrial development with a separate board of directors. Why did they vote against it? Because they were told to do so by a Member of the other place. Imagine, puppets on a string, swinging in the wind.

If Liberal Members were truly interested in ACOA, where were they when the hearings were held in Atlantic Canada? The Bill was studied and commented on by Atlantic Canadians, but the Liberals were not there to listen. That tells the story.

ORAL QUESTION PERIOD

[*English*]

FILM DISTRIBUTION INDUSTRY

GOVERNMENT POLICY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have questions for two Ministers concerning the Prime Minister's trade deal with the U.S. I want to turn first to the Minister of Communications who has allowed Canadian cultural policy to be dictated by the wishes of a few Hollywood film moguls.

As she and the House know, the Hollywood studios have a stranglehold over distribution of films in Canada. They control 90 per cent of the Canadian film market. As a result, a year ago the Minister sensibly announced that those huge Hollywood studios would no longer be allowed to distribute films in Canada which they did not make. Now she has backed down and allowed Americans to distribute independent and foreign produced films in Canada.

• (1420)

Why did the Minister change the policy she announced last year? What other reason could there be for changing that policy than to attempt to accommodate the Prime Minister's wish not to jeopardize the trade deal with the United States?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I am well aware of the position of the U.S. majors. They did not want legislation. They did not want a separate market for film distribution rights in Canada. They wanted a box office tax on Canadian filmgoers.

But we will have legislation, we will have a separate market for Canadian distribution of films, and we will not have a special tax on Canadian filmgoers.

However, I would like to say to the Prime Minister—the Leader of the Opposition—

Some Hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, I would like to say to the shortest-lived Prime Minister in Canadian history that the majors took a position when Francis Fox was the Minister of Communications. He was told to do nothing, and he did nothing. John Roberts was told to do nothing, and he did nothing. Mr. Faulkner was told to do nothing, and he did nothing. The Liberals were told to do nothing, and they did nothing. That was their policy, and that is their policy.

We are moving on legislation, to create a separate market for the distribution of films in Canada.

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Hon. Minister will not be dismayed if I correct her history and advise her that a fellow Nova Scotian, Sir Charles Tupper, has the record. However, I recognize the Freudian slip of the

Minister and I want to assure her that we will take care of that.

[*Translation*]

OPPORTUNITY TO MAINTAIN ORIGINAL POLICY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, will she admit that she would not have had to waste millions of dollars in taxpayers' money to enable Canadians to compete with Hollywood, if she had stuck to her original policy and simply prohibited the Americans from distributing independent and foreign-produced films in Canada? Why didn't the Minister maintain her original policy and save Canadian taxpayers millions of dollars, instead of bowing to the demands of the free trade agreement initiated by the Prime Minister with the United States?

[*English*]

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I am sure that the Leader of the Opposition knows something about film making. Perhaps he could expand on his role as a director of CFI. He may remember his role in Canadian Film Investments, a company which took advantage of the capital cost allowance to make films which used American actors and American themes.

That was the sort of film issue with which the Leader of the Opposition was personally connected. Perhaps he would like to explain to Canadians why that capital cost allowance was exploited at the cost of millions of dollars to the Canadian taxpayer to make films which were not Canadian.

We are putting money into distribution for the first time in this country. That is something which the film distributors welcome. We have put money into the making of Canadian cultural films which are winning awards around the world. The Leader of the Opposition might not like to acknowledge that, but we think it is a great thing.

Mr. Turner (Vancouver Quadra): Mr. Speaker, that performance of the Minister was not an award winning performance by any means. I can assure her that our films, good or bad, were at least Canadian films, and she can take some instruction from that.

* * *

• (1425)

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—
CONSTITUTIONALITY OF AGREEMENT IN UNITED STATES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Minister sold out Canadian culture for the sake of a trade deal. I almost feel sorry for her in trying to defend this policy because she knows, as I know, that it is a national disgrace for Canadian culture.

My supplementary question concerning the trade deal is directed to the Secretary of State for External Affairs. Can he confirm that the White House concluded that a section on energy in the trade deal is unconstitutional and the United States wants to change the deal in order to accommodate the State of Alaska? If that is so and the deal is to be changed to accommodate Alaska, will the Canadian Government be open to changes suggested by Canadian provinces?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, we expect the United States to translate into their legislation the trade agreement as it stands now. If there is a constitutional problem in there, they will have to settle it down there.

As far as we are concerned, the free trade agreement stands and it will be put into legislation shortly.

* * *

FILM DISTRIBUTION INDUSTRY

GOVERNMENT POLICY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, a year ago the Minister of Communications announced a film policy which was a fair solution to a serious problem in the Canadian film industry. But the Prime Minister, Ronald Reagan, and Jack Valenti sold her out while they were so busy designing a poor trade pact for Canada.

This new revised policy is a sham. The Minister knows that it is a sham, the industry people know that it is a sham even if they write her letters saying that they think it is—

Mr. Speaker: I want to point out that yesterday there were some complaints that not enough Members were heard. One of the reasons is that preambles, when argumentative, invite a very long answer.

Mr. Rossi: What about the answers?

Mr. Speaker: I think I indicated that when preambles are overly argumentative they invite a very long answer. I want to co-operate with Hon. Members who have come to me because they are concerned that they are not getting a chance to be heard. The Hon. Member.

Mrs. Finestone: Why did the Minister cave in, and break her promise to the film industry so that instead of having an effective increase in Canadian productions, placing this industry on a solid base, we have nothing really to speak of?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I listen to the whining of the Opposition and I understand why, since they did nothing for so long—

Mr. Speaker: I have asked members of the Opposition to be more careful in their preambles and to put their questions

more directly. I would ask the Minister to deal directly with the question.

Miss MacDonald: I quite understand why they are taking this stand. However, I want to say that I have heard from the Association of Canadian Film and Television Producers. They say to me: "You are to be particularly congratulated on advancing your distribution legislation to the penultimate stage".

Some Hon. Members: Hear, hear!

Miss MacDonald: They go on to say: "No previous Minister of Communications has succeeded in addressing Canada's film distribution problems to the extent that you have".

I want to tell the Leader of the Opposition that the British Columbia producers have also written to me. They say: "We believe that this new program is a major step forward in resolving the problems of the Canadian film industry". That is what the industry is saying. That is what is being said by the national associations and the regional associations.

I must say that, for an Opposition which did nothing about this for 40 years, I understand why they are still doing nothing.

Mrs. Finestone: It is too bad that the Minister cannot read the editorials that do not seem to agree with what she just said.

GOVERNMENT FUNDING—MINISTER'S POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, with the Minister of Finance having cut over $100 million from the private sector film money that was coming in, does the Minister not realize that she has engaged in a shell game when she tries to plug that gap with $29 million annually, which does not address the basic problem? Again, why did you cave in on this film distribution Bill, just to save your Prime Minister and—

• (1430)

Mr. Speaker: I would also ask Hon. Members to address Ministers through the Chair, and vice versa. The Hon. Minister will respond.

Hon. Flora MacDonald (Minister of Communications): Thank you, Mr. Speaker. I will rely on the industry for advice in this difficult dossier. Certainly it has been extremely helpful. The independents in Canada have had a great input. They also gave me one message for the Opposition, for the Liberal Party. They said: "For God's sake, don't let them screw up this legislation like they are screwing up the copyright".

Mr. Speaker: The Hon. Member for Oshawa.

Mr. Shields: Here is Shirley Carr's puppet!

Mr. Nystrom: Twenty-eight per cent, Jack!

Mr. Broadbent: I say to my caucus colleagues that I would just as soon have twenty-two letters, Mr. Speaker.

Some Hon. Members: Oh, oh!

* * *

FISHERIES

CANADA-FRANCE DISPUTE—ACCESS TO WATERS BETWEEN NEWFOUNDLAND AND FRENCH ISLANDS

Hon. Edward Broadbent (Oshawa): My question is directed to the Secretary of State for External Affairs. On Monday in the House, with reference to the serious situation in Newfoundland, with particular reference to the waters lying between St. Pierre and Miquelon and Newfoundland, the Minister said: "We believe that the traditional practices respecting the smaller fishermen of Newfoundland and Labrador should be respected to the letter". The Minister said that on Monday. Yesterday the French responded by moving in the opposite direction. They denied access to these waters to three Newfoundland captains of trawlers. What is the Government going to do next?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that is not quite what happened, as the Hon. Member, I think, will determine when he looks into the matter. There was a decision taken by three trawlers to apply for a permit which, in the view of the Government of Canada, they do not require. There was an administrative response to that request by officials on St. Pierre and Miquelon.

About the situation with respect to French policy, I will try to be as precise as I can. There was an action taken in advance of the French elections. A protest was delivered to the French Ambassador. He indicated that French policy had not changed. There is now a new Government in France. It has in hand a formal protest from me, and it also has in hand an indication of our view that it is in the interests of fishermen from St. Pierre and Miquelon and fisherman from Newfoundland and Labrador that the pre-existing practices be respected by both sides.

That new Government of France took office and the Prime Minister was sworn in just this week. They have not yet had the opportunity to respond to us. We expect them to respond with urgency on that question.

FRENCH PERMITS—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I understand what the Minister is saying about the new Government, and one hopes there is a shift in policy as a result of that. But I would like to ask him with respect to our own Government's policy, in that narrow body of water we are talking about between St. Pierre and Miquelon and Newfoundland, is it the Government's view that in terms of international law the

French have no right to be requiring or issuing permits for any part of that water?

Right Hon. Joe Clark (Secretary of State for External Affairs): It is our view, Mr. Speaker, that it served the interests of both Canada and France, and the interests of the fishermen of St. Pierre and Miquelon and of Newfoundland and Labrador, that the practices that had been undertaken by both countries for a long time, practices that were broken in one instance by the French, that those traditional practices should be respected. We hope to be able to deal with the question on that basis. That is the position I have taken in the protest I have lodged with the Government of France. It is on that basis that we intend to proceed.

I should make it clear that while we have followed the practice, and intend to consistently, this important difference between our two countries should not be fought on the backs of small inshore fishermen. Obviously, the French will understand that if they intend to proceed with this variation in practice, we would have to reciprocate. We hope things would not reach that stage.

[*Translation*]

ACCESS TO TERRITORIAL WATERS—IMPOSITION OF CONDITIONS BY FRANCE—MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if I understood the Minister correctly, he said that according to international law, the French have the right to impose this condition for obtaining access to their territory near St. Pierre and Miquelon. Is that true?

[*English*]

Is that correct?

[*Translation*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the situation is as I described it. There was an agreement between Canada and France about giving notice of any change in this practice by either party. There was an agreement providing for at least three months' notice of any change in practice. We did not receive such notice from the French with respect to this traditional practice, and I repeat, our basic position is that the practice honoured by France and Canada is one that has served the interests of the people of Newfoundland and St. Pierre and Miquelon, and we feel that it is important to see that this practice is respected. That is what I told the French in our protest note, and we are now awaiting a reply from the new French government.

[*English*]

SITUATION OF NEWFOUNDLAND FISHERMEN

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, my question is also directed to the Secretary of State for External Affairs whose colleague, the Minister for International Trade, was in Labrador last week selling free trade while his Government was here selling out Labrador fishermen and Newfoundland fishermen. That is why the Premier of Newfoundland has called him a patsy and sent him this letter today, which is a stinging rebuke of government policy.

Is the Secretary of State for External Affairs really saying that the job of a Labrador fisherman is less important in this country than that of a man who works for Michelin, even if anyone were silly enough or stupid enough to think that Michelin Tire would really pull out of Nova Scotia? Is he saying that Newfoundlanders are hostages to Canadian fortune, that we are second-class citizens in our own country? Because, if he is saying that, we are going to roast the rear end of the Tory Party in Newfoundland in the next election.

An Hon. Member: Right on!

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no question, in the view of this Government, that the people of Newfoundland, all of the people of Newfoundland, are first-class citizens of Canada—

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): —but it is not enough to talk about that. It is not even enough to defend their interests vigorously when they are contested by foreign countries, as we have done. It is also essential to put in place a series of programs that will improve the economic lot of people who live in Newfoundland. That is among the reasons we have brought in major programs to encourage economic development in Atlantic Canada.

Mr. Rompkey: Just give us the fish!

Mr. Clark (Yellowhead): Those measures were introduced yesterday, and Atlantic Canada will long remember that the Liberal Party voted against that initiative to help Atlantic Canada.

Mr. Rompkey: Let me quote Marie Antoinette again: "Let them eat cake". We don't want the billion dollars; give us the fish. That is what makes us what we are. You can keep the billion dollars. Just give us the fish, okay?

Mr. Mazankowski: You are getting in deeper.

Mr. Tobin: Shut up and eat cake, that's what he is saying.

FRENCH PERMITS ISSUE

Hon. William Rompkey (Grand Falls—White Bay—Labrador): I want to ask the Secretary of State for External Affairs about the three trawlers that were denied permits by France, guaranteed under the 1972 agreement that this Party signed when we were the Government. Is he going to be a patsy on that one, too, or is he really going to do something? Is he going to stand up to the French this time and fight for Newfoundland fishermen?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one thing I am not going to do is take

away from the people of Atlantic Canada $1 billion that could serve their interests.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The Liberal policy is now abundantly clear. Not only are they against the agency we have set up to help encourage development in Atlantic Canada but they want us to cut federal spending in Atlantic Canada by $1 billion. That is their position. Well, we certainly do not agree with that position, nor do we agree with the kind of attitude that led to the signature of the 1972 agreement, a Liberal treaty that created this problem we are now trying to solve. We are trying to solve it on the basis of a particular incident that happened in a pre-election atmosphere in France.

I have delivered a strong protest to the Government of France. There is a new Government there. We expect them to respond to it urgently, and as soon as they respond, certainly we—

Mr. Speaker: The Hon. Member for Vancouver—Kingsway.

* * *

FILM DISTRIBUTION INDUSTRY

MINISTER'S POLICY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I would like to return to the Minister of Communications and her infamous film Bill about which one Canadian distributor said: "Flora's film Bill has about as many teeth as one of my chickens, and they have more heart". So I want to ask her—

[*Translation*]

Since it is obvious the Minister has abandoned her film distribution and publishing policies because of the free trade agreement, when and why did she abandon these two essential policies?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, Ms. Marie-Josée Raymond, joint chairman of the task force on films and Chairman of the Sectorial Advisory Group on International Trade, stated: "The action taken with respect to films is a very important step and includes a set of measures beneficial to Canadian producers and distributors". That is what the joint chair of the task force on films had to say.

• (1440)

[*English*]

The people in the industry support what we are doing. They support it in Quebec, they support it in British Columbia, and they support it in their national associations.

The Hon. Member from the NDP may wish to quote an ex-Liberal candidate in support of what he is saying, but I listen to the voice of the industry recognizing what is being accomplished in this field. I am very happy indeed to have the support of the film industry.

I also say to the Hon. Member—

Mr. Speaker: Perhaps the Hon. Minister can extend her next answer. The Hon. Member for Vancouver—Kingsway.

MINISTER'S POSITION

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my supplementary question is directed to the Minister. It is not what an ex-Liberal cabinet Minister said, but what the present Conservative Minister of Energy, the ex-Minister of Communications, stated, as reported in the *Toronto Star* yesterday. He said: "What we have is a lack of policy. If we develop good policy then perhaps we can generate some money". He was not referring to the Liberal Party; he was referring to the Minister of Communications' film and book publishing policies.

Given that even her own Cabinet colleagues do not have faith in her publishing and film policy, who forced her, and why did she change her previous film policy to sell out to the Americans?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I take some pride in my record as Minister of Communications. In the past year I have introduced a program of public lending right payments for 5,200 authors in this country, something which had been requested for 40 years and was never dealt with, and I brought it in.

We will be bringing in film distribution legislation and a $200 million support program. I have ensured the maintenance of the postal subsidy for our publications industry—

Mr. Speaker: The Hon. Member for York West.

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SIKH ORGANIZATIONS

REQUEST THAT MINISTER APPEAR BEFORE MULTICULTURALISM COMMITTEE

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Secretary of State for External Affairs. Thus far the Minister has refused to co-operate and participate with the Standing Committee on Multiculturalism which is conducting special hearings into a recent letter that the Minister sent to the Premiers in which he urged a political boycott of three Canadian Sikh organizations. This is a slap in the face to the parliamentary process.

Given that these hearings provide Parliament with an opportunity for a rational discussion on a very sensitive issue, and given that these hearings were approved by all three political Parties and their members, why is the Minister aggravating the situation by refusing to participate? Will the

Minister not do the honourable and responsible thing and come before the committee freely and voluntarily to discuss this most important and very sensitive issue?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, two very quick, brief responses to that question. First, with regard to the involvement of Parliament in the activities of the Secretary of State for External Affairs, I certainly am prepared to compare my record with any of my Liberal predecessors. For example, on the question of statements in the House, during the brief Government of my colleague, the Right Hon. Leader of the Opposition, and his predecessor with the long shadow, among other things—

Mr. Turner (Vancouver Quadra): You had one with a long knife, my friend.

Mr. Clark (Yellowhead): The Right Hon. Leader of the Opposition corrects me—

Mr. Speaker: The Right Hon. Minister will complete his answer.

Mr. Clark (Yellowhead): His predecessor had the long shadow and the long knife. I apologize for only giving part of the answer.

Second, in accordance with my practice of responding to the wishes of Parliament, and in accordance with my schedule, I have accepted an invitation to discuss this question, which I regard as a security question, with members of the Standing Committee on Justice and Solicitor General, which deals with security matters.

MINISTER'S POSITION

Mr. Sergio Marchi (York West): Mr. Speaker, the answer shows contempt for Parliament and abrogates the traditions whereby—

Mr. Speaker: We have a long tradition of not imputing motives, and that is a pretty strong allegation. I know the Hon. Member can put his question in another manner.

Mr. Marchi: Mr. Speaker, the Minister can freely go to a Committee of Justice behind closed doors and discuss the matter with CSIS.

I ask the Minister again, given the fact that his letter is at the centre of a parliamentary investigation, why is he afraid to come before that committee and either retract or defend that letter?

Why is the Minister willing to precipitate an unnecessary show-down that will force the Multiculturalism Committee to subpoena him as a witness?

Why does he not come voluntarily and defend or promote his letter, and stand up as the Secretary of State for External Affairs, rather than hiding behind closed doors?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is not my practice to hide. The Hon. Member will know that there was a motion introduced on that very question in the House of Commons. He should know it, because he introduced it. There was a debate on the matter. I put forward the position of the Government of Canada. It is a clear position to which we adhere.

With regard to the invitation to a committee, I am not going to a committee to talk to members of CSIS. I am going to a committee to talk to Members of Parliament. I am going to the committee that is charged by this Parliament with security questions. They have invited me to come to discuss an issue which I believe to be essentially a security issue. I am responding to that invitation as a reflection of my continuing respect for the practices of the House of Commons.

* * *

NATIONAL DEFENCE

ACQUISITION OF NUCLEAR POWERED SUBMARINES—VIEW OF CANADIAN CENTRE FOR ARMS CONTROL AND DISARMAMENT

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, my question is for the Prime Minister, and it concerns the Government's multibillion dollar proposal to purchase nuclear powered attack submarines.

Yesterday, in a scathing attack on this proposal, the Canadian Centre for Arms Control and Disarmament insisted that the Government was naive to assume that the submarines would compel the U.S. Navy to respect Canada's Arctic claims; that far from contributing to Canadian independence they would integrate us even closer into the U.S. forward maritime strategy; and that they would devalue Canada's own credibility as an active proponent of the nuclear non-proliferation treaty.

In light of this damning indictment, will the Prime Minister now give his assurance that the submarine proposal will not be proceeded with?

Hon. Perrin Beatty (Minister of National Defence): Mr. Speaker, the Centre's position, just as the Hon. Member's position on this issue, are both predictable and not surprising in any way.

The position taken by the Government is that, after 20 years of neglect of Canada's Armed Forces, it is time that we develop the capacity to defend Canada adequately and to contribute to the collective defence of the West.

The Hon. Member and her Party do not agree with such policies, but that is the policy of this Government.

REQUEST THAT DECISION BE POSTPONED

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, I would have thought that the Prime Minister and

the Minister of National Defence would have some respect for the very highly respected and expert Centre for Arms Control and Disarmament, and I am shocked at the Minister's reply.

I go back to the Prime Minister—

An Hon. Member: Order.

Ms. Jewett: Well, he smirks. He always smirks.

Mr. Speaker: The Hon. Member will put her question.

Ms. Jewett: I go back to the Prime Minister, Mr. Speaker. Given the grave implications of the submarine proposal, both for Canada's sovereignty and our solvency, and our credibility in the non-nuclear proliferation world, will the Prime Minister at least give his assurance that no decision will be made on this matter until the Canadian people have judged it in the forthcoming election?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have respect for bodies that hold differing views.

Ms. Jewett: The Minister does not.

Mr. Speaker: I wonder if Hon. Members could allow the Prime Minister to respond; it makes it a lot easier and a lot quicker if there are not comments floating back and forth. The Right Hon. Prime Minister.

Mr. Mulroney: The Minister is most respectful of dissenting opinion. After all, he is a member of the Conservative Party, and we understand that from time to time.

Some Hon. Members: Oh, oh!

Mr. Mulroney: But I should tell my hon. friend that we disagree with the statement that was put out.

• (1450)

We believe that this initiative is very much consistent with our obligation to protect the national interest and to assert the sovereignty of Canada.

The Hon. Member, having served long and well in this Chamber, will agree, I am sure, that one of the great moments of sadness for all parliamentarians was the realization that, after 20 years, the Government of Canada and the people of Canada were incapable of physically asserting sovereignty in our North.

This is an important part of the assertion of sovereignty that came about as a result of the White Paper, which I know will ultimately please a great number of the Hon. Members opposite.

CANADA PENSION PLAN

HOMEMAKERS' PENSION PROPOSAL

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is to the Right Hon. Prime Minister. When he was Leader of the Official Opposition he said, and I quote:

> It is a great injustice that the work of the homemaker is so undervalued in this society . . .
>
> But I assure you tonight of my personal conviction that a pension for this country's homemakers is both just and equitable.

That was March 3, 1984. His Minister of Health and Welfare said today that there will be no homemakers' pension under the Canada Pension Plan in this Session of Parliament.

I would ask the Prime Minister to explain to the House, and to Canadians, why it is he is refusing to honour his commitment of 1984 to the people of Canada? Or is this just another broken Tory promise?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member knows exactly what the Prime Minister, what this Party, and what this Government said in respect of a pension for homemakers. I quote directly from the policy book: "We encourage the provinces to agree to the introduction of a homemaker's pension in the Canada Pension Plan, along the lines proposed by the Parliamentary Task Force on Pension Reform."

The position of this Government on a homemakers' pension is very clear. We want one. We also know that, under the Canada Pension Plan, we need the agreement of the provinces.

Additionally, the Hon. Member should know that we brought in changes on RRIFs, on retirement pension plans, on the Canada Pension Plan allowing for credit splitting, and a spousal allowance for widows and widowers.

Every one of those changes could have been brought in by previous Liberal Governments, and they did not do so, and in most cases the Opposition oppose these changes even now.

PRIME MINISTER'S STATEMENT

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is also for the Minister of National Health and Welfare.

This Minister, and this Government, had almost four years to put in place a pension for homemakers, and all we hear is excuse after excuse.

An Hon. Member: What did Monique Bégin do for the homemaker?

Mr. Dingwall: Does the Minister not recall the words of his own Prime Minister, on March 23, 1984, and I quote:

> And I will personally urge our Party and the provinces to give their consent to a program resulting in a homemaker's pension.

When is the Progressive Conservative Party going to stand for a homemakers' pension and put it into place? When?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, this Party stood for a homemakers' pension in the 1984 election campaign, and continues to do so. I have just read again how the Canada Pension Plan can be used to accommodate a homemakers' pension.

That is where the Prime Minister stands; that is where this Government stands; that is where we all stand. And where do you stand? You had 20 years in which to do something, and nothing was done.

* * *

PENITENTIARIES

CONDITIONS IN KINGSTON PRISON FOR WOMEN

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Solicitor General and concerns the very tense conditions at the federal prison for women in Kingston.

In recent days there have been many knife-slashings, attempted suicides, macings, a dog on the range, all resulting in some 20 women being currently in segregation and the head of the inmate committee, Gayle Horii, resigning in despair.

Will the Minister personally look into this very serious situation at the prison for women in Kingston, and will he take immediate steps to ease the tensions at that prison where, to quote from a letter written to me by Gayle Horii, "hatred in the air can be sparked off with anything now".

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member for Burnaby that indeed I am aware of the conditions at the women's prison in Kingston. I have had discussions with officials from the Correctional Service of Canada with respect to that situation. I am also aware of the need for additional facilities for women across Canada.

Indeed, while in British Columbia last week I had discussions with the Attorney General of that province regarding the possibility of building additional facilities in that province, to alleviate the overcrowding and its consequent problems at the federal prison for women in Kingston.

Mr. Robinson: Mr. Speaker, I would hope that the Minister will in fact look into the very tense situation at the prison for women in Kingston, immediately.

PROPOSED POST OF AUDITOR GENERAL FOR PRISONS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I have a supplementary question for the Solicitor General. A group of very respected Canadians, including Professor Israel Halperin, Pierre Berton, Yvon Beaulne, and Clarke MacDonald, have called upon the Government to establish the post of Auditor General for Prisons, which office would report directly to Parliament on prison conditions at places such as the federal prison for women in Kingston.

Why has the Minister refused to implement this very important and helpful suggestion, a suggestion that would open up the prison system to greater public scrutiny?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, we now that the Office of the Inspector General for Prisons, and we feel that have office is adequately equipped to look after the needs of the inmates in federal penitentiaries.

Indeed, I am now looking at establishing, in legislation, this particular office, setting out the rights and obligations of the office. In my view, that would adequately take care of the situation.

* * *

INCOME TAX

NON PAYMENT OF TAXES BY WEALTHY

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, my question is for the Minister of Finance. I would ask the Minister of Finance to explain to the House how it comes to pass that some 40 Canadians earning over $250,000 annually were able to escape the paying of income tax last year.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have had the opportunity to review some of the figures that the opposition Parties made reference to yesterday.

From 1985 to 1986 there was a reduction in the number of those earning $250,000 or more and not paying tax, a reduction from 254 to 40, or 77 per cent. So, certainly we are making progress in dealing with this problem.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): In respect of those earning more than $50,000 a year and not paying any income tax, I can inform the House that, in the last full year under the past Liberal administration, the number of such individuals totalled 8,102, and that number is now down to 5,220, or a drop of approximately 40 per cent.

So, we are making good progress in this respect, and I think that is partly due to the fact that we introduced a minimum tax. It is also indicative of the fact that we have removed a number of tax shelters, such as the financing of yachts, the carve-outs that were used extensively by oil and gas companies, the scientific research tax credit, limited partnerships, MURBS, and so forth.

[*Translation*]

SOCIAL JUSTICE

EQUITY IN INCOME TAX—PRIME MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is for the Right Hon. the Prime Minister.

After seniors were misled, we now know that 3 million Canadian women will not have a pension plan. I would like to remind the Prime Minister that he said on television that it was unacceptable and unfair that anyone in Canada pays no income tax.

Yesterday, Revenue Canada informed us that more than 5,000 people with annual incomes over $50,000 and even $100,000 did not pay a cent of income tax in 1986.

Could the Prime Minister explain to the old couples in my riding, for example the Doirons, whose Canadian Pacific pension income is $17,142 a year and who had to pay nearly $700 in income tax in 1986, how come the Prime Minister's protégés who earn $100,000 or more manage to pay no tax at all? Where is the fairness and why has the Prime Minister once again misled these people?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, obviously it is the Hon. Member who is once again misleading the House.

Indeed, when he was a Member of the former Liberal Government and sat in the House of Commons, there were 8,102 people in Canada who earned more than $50,000 in 1983 and paid no income tax. Last year, this number was reduced to 5,220, a drop of nearly 40 per cent, thanks to the tax reform presented by the Conservative Government and the present Minister of Finance.

We thus see that it is progress in the right direction. Together we are plugging the loopholes that did so much harm to the couples mentioned by the Hon. Member for Montreal Sainte-Marie. With the number of people who pay no income tax reduced from almost 9,000 to roughly 5,000, we see already that we have more money to help the disadvantaged. And that is what we are doing.

• (1500)

EQUITY IN INCOME TAX

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, nothing but words, words, words! The elderly and our families don't believe them anymore.

I have another example involving income tax, and this one is not from Statistics Canada. Mrs. Perreault, who lives alone and is under 60 years of age, has an income of $5,591 under the Quebec Pension Plan and gets $3,497 in welfare payments. I am not talking about the wealthy, the Prime Minister's friends! She also has to pay income tax.

Could the Prime Minister explain to the House why someone whose income is below the poverty line for individuals who live alone, has to pay federal income tax, while someone with an income of $100,000, ten times the poverty line figure, manages to pay not a single penny?

Why does the Prime Minister tolerate this kind of thing? Why doesn't he ask the Minister of Finance, as he did in the case of the elderly, to impose a minimum tax on all Canadians, irrespective of their income?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member is asking for an answer on behalf of a Mrs. Perreault in Montreal. I would be glad to oblige.

His question is about the poverty line. From 1982 to 1984, 317,000 Canadians fell below the poverty line, while between 1984 and 1986, 525,000 Canadians became better off and managed to get out of this frustrating situation.

This accurately reflects the second part—he asked me an important question and I am trying to give him the answer. The answer to the second question is that when he was a Member under the Liberal Government, in 1983, 178 people in Canada with incomes in excess of $250,000 did not pay income tax, and that number has dropped this year to 40, a reduction of 77.6 per cent. Social justice is spreading in this country!

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DEPARTMENT OF SECRETARY OF STATE

OPENING OF OFFICE IN ALMA—BY-ELECTION IN LAC-SAINT-JEAN

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I also have a question for the Prime Minister of Canada. Could the Prime Minister confirm to the House that on May 2, the Department of the Secretary of State opened a temporary office in Alma, Quebec, in the riding of Lac-Saint-Jean, and that this office is paid for by the taxpayers of this country?

Could he also confirm, Mr. Speaker, that the lease signed with Mr. Raymond Malenfant will expire on June 21, the day after the by-election in which the Secretary of State is running as the Conservative candidate in the riding of Lac-Saint-Jean?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, there are two points I would like to make. The New Democrats will have to get used to the fact that in Quebec we operate the same as anywhere else.

Mr. Speaker, the candidate... The Department of the Secretary of State now maintains it happens very often and this is not a precedent an extension of the office or the Department of the Secretary of State outside the National Capital area, for the purpose of dealing directly with matters that concern the Department.

Mr. Speaker, Canadians have a right to receive services, and wherever those services are provided . . .

Obviously, the Liberal Party has no candidate. It can't find one in this riding. As for the New Democrats . . .

ELECTION EXPENSES IN LAC-SAINT-JEAN—MINISTER'S POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, the Minister may have noticed that the lease covers the period from May 2 to June 21, which coincides with the by-election in the riding of Lac-Saint-Jean. Could the Minister inform the House whether the rent and operating costs for this office will be declared as election expenses, since the Conservative candidate happens to be the Secretary of State? Will these expenses be declared as election expenses?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, there are very strict rules on election expenses, and they will be observed. However, the Secretary of State has the right to maintain services for Canadian citizens, and he will continue to do so. The people of Lac-Saint-Jean hope you will find some worthwhile subjects to discuss during this campaign, but I think the New Democratic Party will have to change its tactics to convince Quebecers of its credibility. So far it has failed to do so, Mr. Speaker.

[*English*]

Mr. Speaker: The time for Question Period has expired.

* * *

BUSINESS OF THE HOUSE

Mr. Lewis: Mr. Speaker, I wish to advise the House that Thursday, May 12, and Friday, May 13, will be allotted days.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 10 petitions numbered as follows: 332-4244, 332-4245, 332-4299 to 332-4301 inclusive, 332-4315 to 332-4318 inclusive and 332-4320.

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

PUBLIC SERVICE COMMISSION OF CANADA

TABLING OF ANNUAL REPORT

Mr. Vincent Della Noce (Parliamentary Secretary to Secretary of State and Minister Responsible for Multiculturalism): Mr. Speaker, on behalf of the Secretary of State of Canada and pursuant to Standing Order 67(2), I wish to table in both official languages the annual report of the Public Service Commission of Canada for 1987, together with a braille summary of the report.

* * *

[*English*]

PRIVATE MEMBERS' BUSINESS

PRESENTATION OF FOURTEENTH REPORT OF STANDING COMMITTEE

Mr. Bill Kempling (Burlington): Mr. Speaker, I have the honour to present the fourteenth report of the Standing Committee on Private Members' Business, in both official languages. The fourteenth report deals with the selection of votable items pertaining to the twelfth draw which took place May 3, 1988.

May I note that pursuant to Standing Order 36(1)(b), this fourteenth report is deemed adopted when laid upon the Table.

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

* * *

PETITIONS

OPPOSITION TO CANADA-U.S.S.R. AGREEMENT—EVIDENCE ON ALLEGED WAR CRIMINALS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, it is my privilege to present to the House today a petition on behalf of Canadian citizens who oppose the Memorandum of Agreement signed between Canada and the U.S.S.R. dealing with gathering evidence on alleged war criminals on the basis that the agreement pertains only to Nazi war criminals and not all war criminals, contrary to the government commitment in its response to the report of the Deshênes Commission of Inquiry.

The petitioners call upon the Government to renegotiate the agreement to reflect the prosecution of all war criminals.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, pursuant to Standing Order 106 it is my duty and privilege to present to the House of Commons one of a number of petitions signed by residents of the federal constituency of Moncton regarding abortion.

The petitioners are protesting the recent decision of the Supreme Court of Canada. They urge the Government of Canada to introduce the necessary legislation to place limits upon abortion, thus protecting the rights of the unborn child.

Mr. Brian White (Dauphin—Swan River): Mr. Speaker, I am honoured today to present two petitions from over 300 citizens of the City of Portage la Prairie, Manitoba. The petitioners state that a majority of Canadians are appalled at the number of unborn Canadians killed by abortion each year. They therefore request legislation to protect the unborn from conception on, that a free vote be afforded each Member of Parliament and that no medicare funding be provided for abortion.

• (1510)

[*Translation*]

INCOME TAX DEDUCTION FOR ISOLATED COMMUNITIES

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I am pleased to present a petition on behalf of New Brunswickers who say that the federal Government discriminates against residents of New Brunswick communities by not allowing them the tax deductions granted to isolated communities.

The signers of this petition come from Shippagan, Caraquet, Sainte-Marie-sur-Mer, Lamèque, Le Goulet, Cap-Bateau, Evangeline, Inkerman, Savoie Landing, Petit Shippagan, Pointe-Alexandre, Pointe-Canot, Tracadie, Bertrand, Pokemouche, Saint-Pons, Sainte-Rose, Pont-Lafrance, Pont-Landry, Allardville, Saint-Sauveur, Sheila, as well as from Sainte-Cécile, Chiasson Office, Saint-Raphaël, Bas-Caraquet, Centre-Saint-Simon, Saint-Isidore, Grande-Anse, Maltempec, Pointe Brûlé, and also, Mr. Speaker, from Six Roads, Val-Comeau, Leech, Saint-Irénée, Four Roads, Losier Settlement, Saint-Quentin, Edmundston, Gautreau, Bathurst, and I continue, Mr. Speaker, from North Tetagouche, Paquetville, Clifton, Atholville, Balmoral, Pointe-Verte, Petit-Rocher, and furthermore, Mr. Speaker, from Robertville, Pokeshedie, Haut-Saint-Simon, Anse-Bleue, Rang Saint-Georges, Pokeshaw, Notre-Dame-des-Érables, Bas-Caraquet, Val-Doucet and from several other communities too, Mr. Speaker.

These people ask the federal Government to be fair with New Brunswickers regarding the tax deduction for isolated communities.

[*English*]

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present a petition on behalf of a number of my constituents. Since the Government had no mandate to conclude a free trade agreement with the United States, and since the Prime Minister (Mr. Mulroney) promised that any trade negotiations would not affect Canadian sovereignty, they demand that the Parliament of Canada dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement through a national general election.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Gordon Taylor (Bow River): Mr. Speaker, I am honoured to present a petition signed by Canadians living in Rockyford and Standard. Your petitioners humbly pray and call upon Parliament to immediately enact legislation notwithstanding the Charter of Rights to define within the Criminal Code of Canada specific penalties for the wilful destruction of the unborn from the moment of conception through to natural death. They ask that guidelines be enacted for the exclusion of medical payments from provincial health plans for the performance of abortions. As in duty bound your petitioners will ever pray.

OPPOSITION TO BILL C-72—OFFICIAL LANGUAGES

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have a second petition signed by Canadians living in Crossfield, Calgary, Cochrane and other areas of Alberta. Your petitioners humbly pray and call upon Parliament to cancel Bill C-72 so that unilingual speaking people have a chance for a position in Government. As in duty bound, your petitioners will every pray.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Simon de Jong (Regina East): Mr. Speaker, I have the honour and duty to present several sets of petitions. Most of them are from constituents of mine in Regina East and some are in the constituency of my colleague from Regina West. All of the petitioners ask the Government of Canada not to proceed with the free trade agreement it has negotiated between Canada and the U.S. They point out that this agreement infringes on Canadian sovereignty. They also point out that the fabric of Canadian political and economic sovereignty will be destroyed by this agreement. They say that Canada has not secured access to American markets and therefore they humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement through a national general election. This is what the petitioners want and demand.

NORTHERN TAX ALLOWANCE

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I have the honour and privilege, in conformity with Standing Order 106, to present on behalf of my constituents their petition to the House of Commons wherein they ask that Parliament provide a remedy to the unjust and inequitable application of the northern residents tax allowance by declaring that all communities within the so-called Tier 3 ridings be designated as eligible to receive that allowance.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 302, and 303.

Mr. Deputy Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

[*Text*]

ARMED FORCES RESERVES

Question No. 302—**Mr. Howie:**

Has the Government established a timetable detailing the projected growth in the (*a*) size of (*b*) spending on the Armed Forces Reserves over the next five years and, if so, how does this forecast compare with changes in the Reserves over the past five years?

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence): Note: When using terms such as "Armed Forces Reserves" and "Reserves", it is important to acknowledge that one normally thinks only of the Primary Reserve. However, it should be noted that our "total force" structure will comprise approximately 25,000 Supplementary Ready Reserves as well as approximately 65,000 Primary Reserves. This response covers both types of Reserves.

1. Timetable. The staff in NDHQ are just finalizing the Canadian Forces Development Plan for the implementation of the 1987 white paper policies. It establishes how the Canadian Forces should grow and change over time to meet the assigned commitments. It proposes a timetable which synchronizes the personnel growth and training with the equipment acquisition program to ensure that the personnel are equipped, and the equipment is manned in the proper sequence and at the right time. It provides the models against which the actual funding allocations can be compared and decisions taken if the funding is different from that of the model.

(a) Projected Personnel Growth for Reserves. The Supplementary Ready Reserve is a new category within the over-all Supplementary Reserve. It is intended to create this element of 25,000 by recruiting approximately 13,000 qualified personnel by the end of 1989 and the remaining approximately 12,000 by the end of 1992. Over the next five years, the Primary Reserve is planned to grow at approximately 2000 personnel in each of the first three years and approximately 3,500 personnel in each of the remaining two years, for a five-year total of approximately 13,000 personnel. The actual personnel growth rates (Regular and Reserve) will be determined annually by the Department, based on financial and capability constraints. The figures presented here represent target growth rates and totals. Primary Reserve growth in the last five years has been approximately 230 personnel.

(b) Spending on Reserve Equipment. The Canadian Forces Development Plan has determined that spending over the next five years on the Reserve portion of the total force should be in the order of approximately $1.9 billion. Actual funding may cause a different result. Suffice to say that all forces which share the same task, whether they are Regular or Reserve, will share the same equipment in the appropriate proportions. In the past, equipment was bought specifically for the Primary Reserve. A staff check reveals that approximately $200 million was spent for this purpose over the last five years.

AIDS ADVERTISEMENT

Question No. 303—**Mr. Nickerson:**

Did the Department of National Health and Welfare sponsor an advertisement in the February 10, 1988, edition of *The Hub* of Hay River, Northwest Territories, the text of which read "Drunk, horny—and a perfect candidate for AIDS. Always use latex condoms with spermicide" and, if so, does it plan to continue to place such ads in family publications read by children?

Hon. Jake Epp (Minister of National Health and Welfare): The Department has provided some of the funding for the AIDS Control Program for the Northwest Territories. However, the control of the content of the advertisements rests with the Department of Health of the Government of the Northwest Territories. In the future, if the Government of the Northwest Territories wishes to use the Health and Welfare logo, the content of the publication or advertisement will be approved by my Department in advance.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Question No. 283 could be made an Order for Return, the return would be tabled immediately.

Mr. Deputy Speaker: Is it the pleasure of the House that Question No. 283 be deemed to have been made an Order for Return?

Some Hon. Members: Agreed.

[*Text*]

DSS—CONTRACTS IN CONSTITUENCY OF EDMONTON WEST

Question No. 283—**Mr. Dorin:**

Since September 4, 1984, has the Department of Supply and Services awarded contracts, grants or loans to individuals, corporations or non-governmental organizations located in the constituency of Edmonton West and, if so, to which ones and, in each case, in what amount and for what purpose?

Return tabled.

[*English*]

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

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

Some Hon. Members: Agreed.

Motions

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I would ask that you call Motion No. P-9 in the name of the Hon. Member for Skeena (Mr. Fulton).

Mr. Deputy Speaker: The Hon. Member for Skeena (Mr. Fulton) is not in the House at the present time, so I am sure the Parliamentary Secretary will move it at a later time.

Mr. Hawkes: I am quite prepared to have it at a later time, however I thought there was to be an agent on hand for the Member. I understood there had been discussions and that had been arranged, but if that is not the case then I guess we have no choice but to wait until he is here or has named an agent.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—POLICIES AND PROGRAMS FOR ABORIGINAL PEOPLES

Mr. Keith Penner (Cochrane—Superior) moved:

That recognizing that "on average" - social and economic indicators for natives are among the worst for any social group in Canada, this House calls upon the government to revise its policies and programs for aboriginal peoples by:

(a) taking concerted action now to reduce the huge back-log in housing needs in Indian communities;

(b) ensuring quality education programs and facilities for Indian children with genuine Indian control;

(c) cancelling its "capping" of the post-secondary education assistance programs since it is preventing many hundreds of Indian young people from realizing their goals in life;

(d) facilitating Indian child care and family service programs with adequate resources to Indian agencies;

(e) eliminating the obstacles to settlements in current claims policies, including treaty land entitlements;

(f) repudiating its policy of restricting the creation of new bands and reserves;

(g) reinstating constitutional funding to aboriginal organizations and making a constitutional amendment on self-government a priority;

(h) instituting a self-government policy that recognizes self-government as an inherent right;

(i) providing greater assistance for the development of the necessary economic bases for self-government; and

(j) fulfilling its promise with respect to Bill C-31 that no band would be "worse off" and correcting the serious implementation problems with respect to the reinstatement of Indian people as a result of the legislation.

He said: Mr. Speaker, the debate today on this motion is essentially a debate about justice. We are talking in the House about justice, fairness, and equity for Canada's first citizens, our aboriginal peoples; Indian, Inuit, and Métis.

• (1520)

Chief Justice James McRuer, who some time ago headed up the Ontario Commission on Civil Rights, said: "Justice is beyond definition, but the humblest citizen travelling the highways of life has a fairly clear idea of what injustice is in any particular circumstance".

I submit to you, Mr. Speaker, that there is no debate in Canada today about the conditions under which most of our aboriginal peoples live. They are, it is widely agreed, and in the main, deplorable. The social and economic indicators for native peoples are among the worst for any social group in Canada. Many Indians and other aboriginal peoples in Canada live at the level of Third World peoples, and sometimes even below.

The statistics to which I have referred in general are dramatic, alarming, and depressing in the extreme. Let me not throw numbers at the House today, but let me request that all Members acquaint themselves with the facts, which facts are easily acquired, related to the number of Indian children who are taken into protective care; the levels of education attained by our aboriginal peoples; housing, both the lack of and the conditions of the existing housing stock in Indian communities; income levels and the number of aboriginal people who depend entirely on social assistance; rates of unemployment; the percentage of our prison population who are natives; health standards and the death rate; causes of death related to accidents, poisoning, violence, and suicides; infant mortality; life expectancy, and hospital admissions.

In this great, humane, tolerant, wealthy, and rights-oriented Canada, we have a small minority of our people, less than 6 per cent of our population, the aboriginal people of Canada, who live daily lives of despair, destitution, rejection, and domination by a non-native majority and by powerful provincial and federal governments.

This serves as the background for some departmental discussion by senior officials from the Department of Indian Affairs and Northern Development which took place at Mont Ste. Marie at the beginning of 1988. These officials, meeting in a behind-the-doors conclave, agreed, according to the departmental papers which, by the way, were marked "secret", that "the relatively poor quality of living conditions on Indian reserves has been well documented, therefore, any policy to restrict Indian access to necessary services and facilities would appear callous".

Let us call these officials bureaucrats in order that we can distinguish them from public servants. All Hon. Members will know the difference between a bureaucrat and a public servant. A bureaucrat is one who will give you at least 100 reasons why something cannot and should not be done. A public servant, on the other hand, will energetically and enthusiastically endeavour to help to solve a problem. The difference is between an obstacle, on the one hand, and a facilitator, on the other hand. We are definitely talking about bureaucrats and not public servants.

Having admitted the seriousness of the problem, they go on to change gears in a way which baffles any mind with even an elementary knowledge of logic. They go on to say: "We should therefore carefully avoid expanding the scope of our responsibilities for aboriginal people". This, they say, applies not only to native proposals, that is ideas that come forth from the leadership of the aboriginal peoples themselves, but also to what might be called native implications of general programs. They go on to give an example. They say, "for example, on-reserve child care needs".

I am sure the House did not fail to note that when the Government's child care policy came down, it was next to silent on the need for child care in Indian communities in Canada.

These bureaucrats go on to develop a strategy. This was a strategy meeting. What strategy did they devise? It was in essence to fashion a facade of fairness behind which lurks a cynical policy of containment and curtailment of programs and expenditures for Indian people. The mood and the spirit of this strategy is very much in keeping with another document which is familiar to Members who acquaint themselves with Indian Affairs policy. This strategy smacks of the Nielsen task force report on Indian programs. Incidentally, before that report became public it was leaked and had the code name "Buffalo Jump of the 80s". When that was revealed the Prime Minister (Mr. Mulroney) was quick to repudiate it, or so we were led to believe.

The Nielsen task force report called for, among other things, the capping of expenditures. That is happening. For example, there has been a capping of the expenditure program for financial assistance to Indian students who are seeking post-secondary education. When that cap was applied, I and those who work in my office made a concerted effort to find out how many individual young people were denied access to post-secondary institutions because of the capping.

We did what I thought was logical, we wrote to each regional director across the country and simply asked for the figures. That was too much of a hot potato for the regional directors, so they sent those letters back to Ottawa. After six months the Minister finally got around to replying.

By his estimates, taking only three provinces into account, because he denied that he could get the figures for the other provinces, there were well over 600 denied access to post-secondary institutions. Our own extensive research reveals that the figure is at least 1,000. Since last September 1,000 Indian young people have been denied access to post-secondary institutions.

The Hon. Parliamentary Secretary is interjecting. I am quite prepared to share with him the research which led to the conclusion that at least 1,000 have been denied access to post-secondary institutions. A thousand young people with a thousand sets of dreams and hopes shattered. A thousand young people who could serve Indian First Nations in one capacity or another, tossed to one side.

• (1530)

I want the House and the country to know that the Liberal Party of Canada is on record as saying that a new Liberal Government would immediately remove that cap and open the opportunities for post-secondary education to any Indian young person who is qualified to enter one or another of those institutions.

The Nielsen Task Force Report also called for restricting the client group. I do not know who talks that way, but it means limiting as much as possible the number of people for whom you have to do anything at all.

To give these officials at least some credit, they did recognize, as the departmental papers reveal, that their proposed strategy which I just briefly sketched for the House was: " . . . unlikely to silence Indian and media critics who are seeking major funding increases to meet growing needs and backlogs in housing, elementary and secondary education, and economic development". In that one respect, these officials were certainly correct.

I want to ask the House: Where does our Minister of Indian Affairs and Northern Development (Mr. McKnight) stand in all of this? He is the man who, under the Constitution of Canada, has a very special kind of responsibility. It is called a trust responsibility, which means a great deal more than the way in which we ordinarily use that word "trust". It means much more than having a kind of vague confidence. Trust in this case can be very explicitly defined and, in fact, has been defined by the courts. I will leave that definition to another day, but it is precise and it is demanding.

Where does the Minister stand in view of this strategy that has been revealed in these departmental papers? The Minister's first response in the House is to deny that this is Government policy. That will come as a surprise to many Chiefs and Councils and First Nations across the country who are daily feeling the effects of this policy.

The Minister argued yesterday that departmental officials do not make policy, they only discuss. The Minister certainly has a right to defend himself, but I ask his Parliamentary Secretary to tell him that in making his defence please do not take Members on the Opposition side of the House to be entirely naive. After all, it is the Minister who sets the tone for his Department. It is the Minister who establishes the guidelines. They may have discussions of all kinds, but the tone, the mood and the guidelines are there. It is under that umbrella that they have these discussions.

Cabinet documents are prepared by officials as a result of these discussions. The theory of separation of bureaucracy and government, of officials and the Minister is, in practice, simply a way of dodging responsibility.

Second, the Minister defended himself in the House by saying that since 1984 expenditures in his Department increased by a whopping 40 per cent. Last evening, on the CBC national news, that figure was simply reported, blandly

and blindly, without question or comment. I say to the Canadian Broadcasting Corporation: So much for investigative journalism.

The Minister knows that the 40 per cent simply will not stand up to scrutiny nor to examination. The Indian people of Canada know it even better than I do because they feel it where it hurts the most, in the communities where they live and in the lives of their children. I challenge the Minister on this 40 per cent on three grounds. First, he fails to distinguish between nominal and real increases. The inflation factor must be considered.

Second, he fails to tell us that much of that increase is due to spending demanded and imposed upon him by the passage of Bill C-31, a Bill that allows for reinstatement of Indian persons who lost their status because of laws passed by this House. When this Bill was in committee, the Government promised that no band would be worse off because of these amendments to the Indian Act. Even that commitment has not been met.

Third, the Minister failed to mention that in the Indian community across Canada there is a baby boom and Indian leaders are facing the challenge of coping with a growing population. This growth creates major demands on education, on employment, on housing and for other services. If we account for inflation and the obligation imposed on the Minister by the House when it passed Bill C-31, we note that that 40 per cent increase since 1984 shrinks to less than 10 per cent. If we further take into account the increase in the number of Indian people, the increase in the population well above the national average, we note that the budget since 1984 has in fact remained flat. That is what Indian leaders across the country have been saying all along.

Those are the background circumstances under which senior Ministers today in Ottawa are meeting with aboriginal leaders to discuss yet once again the issue of constitutional recognition of their rights. Those talks are taking place against the fact that funding for aboriginal organizations for this constitutional work has been cancelled.

The Government continues to insist that recognition of the right of aboriginal self-government must be contingent upon negotiated agreements. It is strange that the Province of Québec can attain recognition as a distinct society without any definition whatsoever, yet that same recognition is denied to aboriginal peoples. The Liberal Party of Canada takes the position that the right to aboriginal self-government is an inherent right and, in making that assertion, we recognize that there is a sovereignty involved that has to be accommodated within our federal system in order to complete the circle of confederation.

We believe that this can be done by way of negotiation, by way of reasonable exchange. But the Constitution of Canada must serve as the imperative for the kind of action that we want to see taking place. The aboriginal people in Canada do represent only a small proportion of the Canadian population. Mr. Speaker, if the House would grant me another minute-and-a-half, I could conclude.

The Acting Speaker (Mr. Scott (Victoria—Haliburton)): The Hon. Member's time has expired, but is there unanimous consent for him to conclude his remarks?

Some Hon. Members: Agreed.

• (1540)

Mr. Penner: I thank the House for that courtesy, and I will be very concise. The aboriginal peoples of Canada represent only a very small proportion of the Canadian population. That we know. The officials in their meeting argued among themselves that their treatment is a highly visible test of federal-social policy both at home and abroad. One can only infer from a statement like that, that the compelling force for action of this Government in the field of native affairs is simply that of public relations, make it look as good as we possibly can, do only what has to be done in order to appear fair and reasonable. I say to you, Sir, that this is a cynical view of Government and it is having some undesirable effects across the country. It is creating suspicion, resentment, anger and hostility among the aboriginal people of Canada.

I say to you, Mr. Speaker, that we need to turn the situation around and act instead on the basis of what is right and fair. That is why the motion before the House today calls upon the Government to revise its thinking. We are not today condemning the Government. We are just asking the Government to rethink its position and strategy. Later today we will vote upon the motion and I think that ought to be a compelling reason for all Members to vote in the positive.

We need to turn the situation around and that is the commitment of the Liberal Party of Canada to the aboriginal peoples of this country. It was Justinian in the 5th century, writing in his *Institutes* who noted that: "Justice is the constant and perpetual wish to render to every person their rightful due". Can we ask for anything less for the first citizens of Canada?

The Acting Speaker (Mr. Scott (Victoria—Haliburton)): Questions or comments? Debate.

Mr. Stan Schellenberger (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to join in the debate on the motion put forward by the Hon. Member for Cochrane-Superior (Mr. Penner) who delivered a good speech, as he usually does. He has a good reputation for doing so. I would like as well to respond to the Member by giving him the apologies of the Minister of Indian Affairs and Northern Development (Mr. McKnight) because he is not able to be here today to respond directly. I am sure the Hon. Member understands that there is a very important meeting in progress at this time regarding a constitutional conference and funding. Perhaps an additional conference may be held. Indian leaders are in the capital today meeting with the Minister to discuss this very important

subject which is a priority of Indian leaders across this country. A conference on self-government is a priority of the Government and this meeting, I hope, will bring forward progress. That is the reason the Minister is not in the House today.

The Hon. Member put forward a good suggestion, one that is constantly on the minds of Members interested in this subject and Ministers who have responsibility for it. That is to continually rethink the way in which the Government of Canada responds to its trust responsibility and to the demands placed upon it by the aboriginal people. I have worked with the Standing Committee on Aboriginal Affairs and Northern Development for many years and I know it has been very consistent in offering that advice. As well, particularly in recent times, Indian leaders across this country are very vocal as to what their priorities are and what demands they place on the Government.

We all recognize that in our provinces and our territories examples can be given to the House where there is an inadequate response to the demands placed upon the Government with respect to the conditions of Indian people. I am going to have the same problem as the Hon. Member in going through the list he indicated today. We simply do not have sufficient time in 20 minutes to deal with it adequately. Hopefully, when the Minister is before the committee, the Hon. Member would put forward the list and ask for the Minister's response in detail. I can tell the Member right now it will not be wholly adequate because there is only so much a parliament can do in a brief period of time. However, if he looks at the last 10 years, I think he would agree that we have gone a tremendous way from the 1960s with respect to the conditions existing at that time.

Before I get into some of the detail, I want to point out that it is difficult when Members quote selectively. I know I can be guilty of that as well. However, I am concerned about quoting from the so-called leaked documents. When they are leaked, we all tend to have copies of them. The quote that was used by the Hon. Member was only part of a paragraph. Even though it is only a discussion paper from meetings held by public servants constantly in the Department, from time to time these discussion papers are marked secret, but I see a lot of documents on my desk marked confidential and I am surprised that so many people have them. I will not repeat what the Member quoted, but if one reads the whole paragraph, one will find it is not as ominous as the Hon. Member would like us to think. It goes on to say:

> In fact, however, I would argue that the majority of any incremental funding of this type should go into meeting preventive child welfare costs for bands which have little or no access to such services, rather than into day care when unemployment is so high on most reserves. Or the choice could be left to individual bands and tribal councils.

We all know that the Indian people have made child welfare their priority. They are coming to the Government with this priority and asking that we put in place policies to allow them to take over child welfare. They have made it their priority over day care. They have come and asked for it. In fact, we have concluded six such child welfare documents in Canada in recent months and are working on further cases which have been put before us. I am familiar with Alberta where they are beginning to get started, with some success. As we become more comfortable with the documents that have been signed, that success will be excellent, and they will accommodate the faith that has been put in them by the Government and their people to take over the responsibilities of self-government.

• (1550)

The other important point over which it is easy to become emotional, that is stating that 1,000 people cannot be educated because the Government has capped a fund, leaves the impression that they will never be allowed to go to university. That is not the case. I question the number of 1,000, but I am certainly open to the research. The number that was denied last time was more in the range of under 500. The policy is such that next year those people will be given priority to receive funding. The reason it is difficult to attach a definite number, and this applies across society, is that as people drop out of university or technical school, those funds become available for others to register. Therefore, the numbers are constantly going up and down. It is not only aboriginal people who sometimes have to put off post-secondary education for a year or two, there are many young people in Canada who first have to go out and find the funds before they can go to college, and they are usually successful in doing so. In this case, everyone will be funded. In some cases it will mean that they will have to wait for one year.

The other point made that requires an answer is with regard to the budget. The budget of the Department of Indian and Northern Affairs has risen by some 40 per cent over the last four years. The Member stated that there were no increases. We know that the population of the aboriginal people is increasing, and that has a draw on the budget of the Department. It is also a fact that the increase in the budget has gone from $2 billion in 1984-85 to $3 billion in 1988-89. Those figures apply to the Department of Indian Affairs.

Budgets of other Departments that are used by aboriginal people in Canada have also increased. The total increase has been some $900 million in those four years. Approximately $70 million of that is for Bill C-31. That may well be inadequate, and I know the committee is sitting on that very subject. It may bring to Parliament recommendations regarding the adequacy of that budget. To say that that is the entirety of the increase is not properly putting forward the debate on whether the Department is actively seeking funds beyond any other Department in government to assist people who have needs. That increase is for services. There are no cut-backs. If there are any cut-backs, they are in the institution itself.

When the Government came into power the Department had some 6,000 person-years. In the upcoming fiscal year the figure will drop to 4,600 person-years. The projection is that the Department will decrease its numbers beyond that in 1990

to 1991 to some 3,900 person years. That means that the number of public servants is decreasing in the Department of Indian Affairs. Why is that? The reason is that more and more aboriginal people are taking over the responsibilities that the public servants once put forth. If one looks at the overhead as a percentage of the money expended, one finds that it has decreased substantially. I believe that the overhead as a percentage of the total budget has decreased to 4.8 per cent. The per capita expenditure for on-reserve Indians is now some $9,000 per person. When we rethink, as we have been asked to do, and that is a very important part of what a Government should do at any time, the question is, how can we use this money more effectively? I know that the complaint is that so little of this money is reaching the people who have the need. There is a constant desire and need to rethink the manner in which the budget of the Department of Indian and Northern Affairs is spent.

For example, if one looks at education and post-secondary education, there are now some 14,000 Indian people who are post-secondary students. That is a tremendous increase over some 10 years ago. The Government is now providing a budget of approximately $130 million to support those students. That averages approximately $8,000 per student. Under the present rules any student can receive funds, whether they are rich or poor, or whether or not they live with their parents. Perhaps because some students are presently not receiving the support that they desire, if we look at the budget perhaps there are better ways that it can be spent. Perhaps there are ways that we can cut back on some to provide more assistance to others. That is a reasoned approach and it should constantly be discussed how programs can be improved.

Very soon the national organization will present a report on education across Canada. I expect within that report there will be some excellent points as to how the money can be more prudently spent and that more Indian people will achieve graduation from high school or university. That is a very important part of fostering self-government and continuing advancement across the country.

I appreciate the opportunity to discuss the situation in Canada regarding aboriginal people. There was a similar motion a month ago when we had the opportunity to discuss Indian conditions in Canada. We have been given the opportunity again today, and that is important because we seldom have the opportunity in the House of Commons to bring forward this type of debate.

• (1600)

Yesterday we had released the report of the Hall inquiry on the Westbank Indian band. That inquiry illustrated that, more and more, Indian leaders in this country are taking hold of the advantages, the opportunities afforded them. In the case of the Hall inquiry, we had an Indian chief who was eager to accomplish something. Perhaps, in his eagerness, he made a few mistakes; and perhaps the Department made a few mistakes. But, things did go forward. It is an example of people taking charge of their own affairs.

It is important that we put this into perspective. Notwithstanding this list of concerns, there has been progress. We all know that there is an inability to have a quick fix—and that is probably not the way to go, in any event. There are no magic solutions. But, with determination, with openness, with good faith and through consultation, the solutions are within our grasp.

Looking at the trends, one can see improvement, and that improvement is coming about because of a combination of native initiative and determination, together with increased federal funding and support. It is encouraging to see some of the advances that have taken place.

By way of example, we can look at the statistics on housing. While band membership has been increasing dramatically, so, too, has the number of houses. Twenty years ago, fewer than half of on-reserve houses had electricity; only one in six had a safe water supply. Sewage systems were virtually non-existent. Today, two-thirds of the on-reserve homes have running water and piped sewage, and electricity is available in every community.

While there is still a long way to go, the situation has certainly changed over the past 20 years. This year, with the help of federal direct subsidies totalling $94 million and $66 million in loan guarantees, Indian bands will build some 3,000 new homes, and renovate an additional 3,000. Approximately 30 per cent of the current housing stock on reserves today has been built in the last five years.

Certainly progress is being made in the area of housing. The same is true of education. Today, there are some 243 band managed schools, serving 28 per cent of the on-reserve population. Only 20 years ago, most of the native people attended off reserve schools, most of which were church-run. There are now some 82,000 students of Indian descent enrolled in elementary and secondary schools, and 14,000 attending post-secondary institutions. I was recently in Alberta and had occasion to attend a function at which the Alberta Indian Investment Corporation was allotted some $8.3 million by the NEDP and the Department, which was expected to create 500 new jobs and 250 new businesses. A few months prior to that, we were working on the oil and gas regulations and the establishment of Indian companies that could take over control of that area. I have witnessed on the reserve in my constituency advances made in the taking over of the oil and gas regulations and the receipt for the Indian band of some of the benefits of the oil and gas resources.

I had occasion to participate in an Indian art expedition held in Los Angeles, California, and witnessed the great demand for Canadian Indian art. Unfortunately, there is not sufficient time to deal with all of the advances that have been made. I can only say, in conclusion, that the commitment to sustain these positive trends on the part of the Minister and this Government is clear. I believe this Government can be judged

by its actions. We are increasing the Indian Affairs budget steadily; we are acting to promote Indian self-government. I am pleased to be able to confirm to the House today that we will see that policy continue, with hopefully even greater successes in the future.

Mr. Deputy Speaker: The Hon. Member for Regina East (Mr. de Jong), on questions and comments.

Mr. de Jong: Mr. Speaker, of great concern to various bands in Saskatchewan has been the decision, or the apparent decision, by this Government to bypass an agreement that had been worked out in 1976 between the Government of Saskatchewan and the Government of Canada, known as the Saskatchewan '76 Agreement, whereby the 1976 population figures would be used as the basis to negotiate land entitlement rights.

The bands have been attempting to get a definitive word from the Government as to whether it will honour that agreement, or whether it will insist that the population figures that existed at the time of the signing of the treaties will be the figures used in determining land entitlement rights.

I would ask the Hon. Member, who is the spokesperson for the Government today, to rise in his place and make clear the intention of this Government in this regard. Will it honour the 1976 Saskatchewan Agreement, or is it looking at another basis for determining land entitlement?

The native people of Saskatchewan are deeply concerned with this matter. They are concerned that the Government might renege on the agreement that had been entered into between the Government of Saskatchewan and the Government of Canada, thus leading to yet another broken promise. The Indian people in Saskatchewan, and Indian people across this country, have seen too many broken promises. They are asking themselves today whether this is to be yet another broken promise.

Mr. Schellenberger: Mr. Speaker, the 1976 "Saskatchewan Formula" is under discussion by the federal Government. The federal approach is to achieve the treaty land entitlement settlements, to the extent possible, under the established authorities, and to make headway wherever it can. That formula sets out some high goals, with some 300 per cent more land transfers than was actually the case under the treaty, and the authorities are attempting to meet that goal wherever it was established.

I know that the bands are considering court action in order to advance this matter, and I would hope that they would see that this may be premature at this time. The Cabinet is reviewing the issues on implementation, and is holding discussions with the provinces and the bands, and hopefully progress will be made on this very important issue.

Mr. de Jong: Unfortunately, that answer is not good enough. It leaves the Indian people in exactly the same position as they are now, that being the position of not knowing what the true intention of the Government is. The Indian people have been waiting for a long time for land entitlement settlements, and this Government is now saying that the data of first survey is the data that should be used, wiping out the agreement that had been reached in 1976 between the Government of Saskatchewan and the federal Government of the day.

With that agreement and that understanding, the Indian people had achieved some victory. To have that all wiped out again will set them back another 50 years. Surely the Hon. Member will agree that it would be grievous to do that to the Indian population of Saskatchewan. They are suspicious that the Government will not give them a straight answer until some time after the election. They feel that another agreement is being broken and they do not have the resources to go to the courts. What funding existed for land entitlement studies has been reduced by the Government, so the Indian people are caught in a catch-22 situation. In essence the Government is forcing the Indian people to go to court. Responses by the Minister in the House to questions by my colleague, the Hon. Member for Skeena (Mr. Fulton), seemed to suggest that if the Indian people want the Saskatchewan agreement to remain in effect, they will have to get the courts to force the Government to do so. If the Government forces the Indian people to go to court to keep the 1976 agreement in place while cutting the funds enabling them to make a court challenge, then the Government is dealing very unfairly with the native people of Saskatchewan.

• (1610)

Mr. Schellenberger: Mr. Speaker, the Hon. Member is trying to put the worst case scenario on his question. I do not think I indicated that that was the case. If I did, I apologize. The Minister is approaching Cabinet on the 1976 Saskatchewan formula. Authority to implement the formula was never established. That is what is under discussion. Existing authorities enable reserve additions and creations under certain circumstances. I am sure the Minister will be happy to share these circumstances with the Hon. Member. He is in active discussion with the provincial government and the bands regarding the very important question of entitlement. If we proceed case by case, that entitlement is under treaty, without prejudice to a band's position for more. Discussions are proceeding very well in this area. We hope it does not proceed so slowly that bands in Saskatchewan may feel they have to move to the courts for a solution because a negotiated settlement is far preferable.

Mr. Penner: Mr. Speaker, the Parliamentary Secretary will be aware that yesterday in the House the Minister and myself had a vigorous exchange relating to departmental strategy. In the course of the Minister's response I thought he threw in rather inexplicably and irrelevantly to the question the matter relating to Bill C-31, now an Act of Parliament, a particular section known as the death rule. It sounds ghoulish to speak about the death rule. The Parliamentary Secretary will know,

because we served together on the committee, it was never intended that Indian persons seeking reinstatement whose parents died prior to 1985 would be ineligible.

Apparently idle hands in Justice must have got tired of working on crossword puzzles or playing cribbage, picked up Bill C-31 and decided to cause some problems. We now have this death rule and the Minister says we are stuck with it. We in the Opposition, the New Democratic Party critic and myself, have agreed to co-operate with the Minister in amending the statute.

The Minister left the impression yesterday that somehow there was a problem on this side of the House. Can the Parliamentary Secretary tell us whether there is a draft amendment prepared. Is the Government prepared to take the opposition critics into its confidence so that we can take a look at the amendment? If we find it is workable and that it will solve the problem, I can assure the Government that we are prepared to deal with the matter expeditiously. We think this is an impediment in the Bill that was never intended and it ought to be corrected with haste. If the Parliamentary Secretary can help us on that issue, it would be appreciated.

Mr. Schellenberger: Mr. Speaker, I appreciate the manner in which the question was asked. This matter is being given very careful consideration. I agree with the Hon. Member. When we were in committee, as he knows, we worked overtime with witnesses to attempt to make sure that we did not miss anything. For some unknown reason, this slipped through our careful scrutiny. Because of that, careful consideration is now being given to the issue and the options that can be put in place. I take the Member's assurance that if we take the critics into our confidence, perhaps we can deal with this expeditiously in the House. With that, I will go to the Minister and see if we can do that quickly.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Yukon (Ms. McLaughlin).

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, I am pleased to rise today to speak on this motion. I concur with the main intent of it, but we have to rethink what has been done. One can assume that the motion has at least in part been precipitated by the so-called leaked document which seems to indicate that we are not seeing a new vision and a change in the way things will be done. Despite the rather glowing report card which the Parliamentary Secretary gave, we have to consider why this matter generates so much discussion. If things have advanced as quickly as the Parliamentary Secretary has indicated to us they have, if things are as good as he has indicated to us they are, then why is it that none of us really has the time to explore the issues in the depth that we know need to be explored? There are so many problems and so many complications.

One thing about the document as my colleague, the Hon. Member for Cochrane—Superior (Mr. Penner), said, there does not seem to be a thrust for substantive change in policy but rather a sort of cosmetic better communications policy. In one section it says that the old ways have not worked. We know that. In another section it says that we are not seeking dramatic change. Why not, Mr. Speaker? The time is now for dramatic change if we have the political will to change the way we have treated aboriginal people in this country. I do not think we have yet seen a government that has the political will.

With all due respect to my colleague from Cochrane, whom I respect very much for the work he has done on aboriginal issues, his Liberal Government created much of this legacy. The 1969 White Paper of Jean Chrétien proposed that the vision would be for assimilation. These are not new problems. I suppose in that sense I can be somewhat sympathetic to the current Government that it is having to deal with a situation which has gone on for a very long time and which neither the previous Government nor this one have taken in hand to address appropriately. It is sort of like the acid rain question. Lots of consultation. Let us consult some more. At the same time the problem keeps eroding our country. It keeps eating away at the respect that we have for one another, for the honour we have for all of our citizens.

I notice that the Prime Minister (Mr. Mulroney) today spoke about nuclear submarines and why we need submarines for our sovereignty. I beg to differ. Our sovereignty will not be defined by hardware in such things as nuclear submarines. It will be defined by our strength as a people. Nowhere in Canada does the way that we have dealt with aboriginal issues and rights exemplify our weakness as a people. If we look at other examples of sovereignty, we see in Vietnam that there was a lot of hardware and many troops but it was the will of the people who established sovereignty and won the war.

• (1620)

I want to give an example which I think exemplifies what we are really talking about. There are a lot of statistics, and they have been talked about today, but we are really talking about fairness and justice and correcting historical wrongs. One of my constituents is a man named Elijah Smith, a respected elder in the Yukon. He fought in World War II for his country, Canada. He returned home to the Yukon to establish the first native organization there because he realized that only by working together would any advancement be made. The native people could not wait for the rest of Canada to give it to them.

Fortunately, Mr. Smith did not have to give up his life for his country, but he did have to give up his Indian status, his definition as a person, in order to fight for this country. When the war was over he did not receive the same benefits, such as land, as many non-native members of the Armed Forces. When he returned from the battles he still did not have the right to vote in the country for which he had just fought. That is really what this is all about.

Today Elijah Smith and many like him still fight for their children and grandchildren, the Indian people. He is in the

forefront of such issues as land claims. Having fought in World War II for Canada, we really have to ask why Elijah Smith has to fight today for the rights of his people.

I suggest that if previous Governments and the current Government had the political will, we would not be seeing yet another document that talks about consultation. We would be seeing a document that talks about implementation, about what we are really going to do. Nowhere is this better exemplified than in the question of land claims and the issue of aboriginal title.

As most people will know, the aboriginal people were not conquered. There were a number of treaties signed, but there were a number of areas where they were not signed, and that is the basis of the land claims negotiations. They were not a conquered people and therefore some compensation for lands assumed must be made. However, land claims is not just about land, it is also about how Canada's first people can regain the culture they have had taken away and destroyed. Let me give an example of that.

If you are a parent and your child is six years old and you are told it must go away, sometimes many miles away, to a strange place where they do not speak your language, where brothers and sisters will be separated and not allowed to talk to each other, you would be quite surprised. When you expressed some objection you would be told that you are doing something good for your child, something that will ensure your child's future, and that you have no choice. If you are the child and you are put on a bus and you said goodbye to your parents and went to a strange place where you are not allowed to speak your language and are told that two months of the year you will be allowed to go home, then you would see what we are dealing with today. We are dealing first with an attempt to destroy a culture. That did not work so then came an attempt to assimilate. That has not worked so now we are trying to find ways to settle it just a little bit better, but we are still not very serious about it.

This did not happen hundreds of years ago, as most people will know, but 20 years ago. If you wished to fight for your children, or study for a profession, or married a non-native person, you had to give up your Indian status, your definition as a person. Today of course that is quite inconceivable, but I want to mention some areas where this kind of philosophy continues in many of the policies we see today.

While there are other areas of the country where the same issues exist, I want to speak about my own area where I can do so most authoritatively concerning land claims. In the Yukon and the Northwest Territories the majority of the land, some 96 per cent in the Yukon, is controlled by the federal Government. Until land claims are settled no economic development can take place for native people or non-native people in a comprehensive way. It follows that no constitutional development can take place. The Minister of Indian Affairs and Northern Development (Mr. McKnight) has said until the Territories can become economically self-sufficient, provincehood will not be a possibility. We are in a catch-22 situation. I believe very strongly that if there is a will to settle the land claims issue in a fair and just way, it will be done. I will give an example.

There is an excellent process taking place in the Yukon now where the three parties, the Indians, the Yukon Government and the federal Government, are negotiating. They travel from community to community so that people will understand what is taking place. After a lot of difficulty because the process is tough, they will come to a point where all three parties can agree. That agreement is then sent back to Ottawa to the bureaucrats, as my friend from Cochrane—Superior defined them, who know nothing about the experience or the history of this part of the country. They then start to assess and analyse the agreement and very often they assess it and analyse it right out of existence.

We have seen many examples of the negotiating process where there is certainly a non-political role. There is another role that very clearly is political. Clearly in this instance the Minister, in all of the land claims settlements, must say directly to his officials that he wants these land claims to be settled, that he wants the negotiation process to conclude in a fair and just way for everyone concerned. Yet we have this situation of agreements being made and then coming back to Ottawa where they are torn apart. This is not a helpful process. In fact, it is a very destructive process for aboriginal people as well as others.

The Lubicon land claim hardly needs to be repeated in the House. It is a legacy of 50 years where the claim still has not been settled, and there has been a refusal to appoint a mediator requested by the people. Why is there this kind of resistance? This is exactly the basis for the motion we are debating. It is the philosophy and the will to make a dramatic change and yet we have this leaked document which says no, we are not going to make a dramatic change. Dramatic changes are certainly needed. I would like to say a few words about the idea of self-government. The Hon. Parliamentary Secretary stated that talks are going on right now about the issue of self-government and further constitutional talks.

Yet the document which the Hon. Member referred to today talks about how the Department has received some 60 proposals representing 228 bands to initiate negotiations on self-government. The response in that document is to talk about the lack of resources to handle the growing number of community requests posing a serious threat to a strategy of demonstrating that practical arrangements can be worked out at the local level without constitutional changes. This is not the first time where the consultation process has been undertaken and the outcome defined in another forum. Therefore, I think we can quite readily understand the concern, indeed the suspicion, of many aboriginal groups and those of us who are not aboriginal people that if these matters are not settled we will all suffer, not just the aboriginal people. The United Nations has already found that we have not honoured some of

our treaties and have shown discrimination. This is a shame to all of us.

• (1630)

I would like to touch on a few topics about which the Minister spoke as showing great improvement. Housing is one area in which he said some interesting improvements had been made. Figures in a report by the Canada Mortgage and Housing Corporation of May, 1987, differ from those presented by the Minister who said that 20 years ago less than half of native housing had electricity. He said that two-thirds of the homes now have electricity available and that one-sixth did not have water supply.

However, according to this report, 36 per cent of on-reserve units are crowded as opposed to 2.3 per cent in the general population. We see that 43 per cent of the housing units are in need of major repairs as opposed to 13 per cent throughout Canada. Forty per cent do not have access to running water, indoor toilets, or bathing facilities, as opposed to 1 per cent across Canada.

Therefore, if we are to accept the Parliamentary Secretary's contention that housing has improved, it has certainly improved darn little. I am not sure that many aboriginal people would be able to accept that glowing report.

There are some rather ill-planned programs which exemplify the lack of a new political will and dramatic action. There has been an attempt, for a number of years now, to have joint funding for housing between the Department of Indian Affairs and Northern Development and Canada Mortgage and Housing. In my area people have received notices in the mail recently that their rents will go up by some 30 per cent to 100 per cent. If this happened in Toronto there would be riots. The people of one community have decided that, with summer coming, they will live in their tents because they cannot afford this housing, this great program which was to solve this problem for Indian people.

In another community three people have had to move out of the housing. The band has to keep up payments for the housing and is trying to rent the housing to a non-member of the band in order that they will not lose it. This is an absolutely ludicrous situation.

With Bill C-31 and the reinstatement of people who lost their status—another bureaucratic decision taken without any reference to the culture or the way in which the community operated—we see an increased need for housing and an increased problem without a direct focus on an answer to this problem.

The whole question of who is an Indian and who is not an Indian relates very much to this motion. The Government, which is willing to spend $7 billion, $8 billion, or $16 billion on nuclear submarines, is not willing to spend the money to address this problem. We therefore try to redefine who is an Indian. Aboriginal people know who the aboriginal people are, but the bureaucracy and Government decide to fool around with that and decide who is and who is not.

I referred to the loss of status for a variety of reasons. However, even when bands are attempting to constitute their membership, there are so many rules and hurdles about who is an Indian and who is not that it is ridiculous. It is the stuff of a good satire, but it is a tragedy for the bands which are attempting to build their communities and address the kinds of problems outlined in this motion. For example, band members are not allowed to transfer to another band. As the motion indicates, no new band can be created.

In my own constituency a band was amalgamated with another band in the 1950s by an Indian agent who thought that since they were all Indian people he could put them all together and it would not matter. Of course, that was totally ignorant of the culture and the way in which the band functioned. It has not worked, and the Government is not now prepared to separate those bands and redress that wrong.

Language defines a culture. The Tungavik of Nunavut, for example, want very much to have language included as part of their land claim. That may be a strange concept to some people. However, if one understands the culture one will understand the way in which we have attempted to destroy the language of a people that is absolutely key to their development. On that particular issue the Government has said no. However, the Inuit are very clear about the importance of their language, not just because it is all very interesting to have Inuktitut spoken, but because it is an essential part of their life.

As another example, the Secretary of State has said that we will have a national aboriginal language centre. Languages are regional, and it is very difficult for various areas to get funding for language development. The Six Nations Reserve, for example, which has one of the largest language programs in Canada, has been seeking five-year funding to get a really serious language program going. They cannot wait for 5 or 10 years. These languages are disappearing. Surely Canada must preserve the sacred trust of language.

There are many other issues including the need for band administration funding. Cut-backs, rumoured and real, continue and make it very difficult for the self-government and sound administration which we expect of the bands.

I am happy to support this motion on behalf of my Party. Tinkering with a few programs and making changes here and there is not the solution. The solution is a new vision and a political will to make sure, once and for all, that we institute the fairness and justice which aboriginal people deserve.

Mr. Langdon: Mr. Speaker, would my colleague from the Yukon give us a sense of the major priorities which she feels a New Democratic Party Government would wish to put into place with respect to Indian communities after an election?

Ms. McLaughlin: Mr. Speaker, certainly the most crucial aspect is to have control over one's life. We see many instances in which people make decisions for other people and decide how they should live by them. Whoever defines the problem defines the solution. For many years non-aboriginal people have talked about "the Indian problem". Aboriginal people, on the other hand, have talked about "the white problem". There is something to be said in the definition of the problem.

The only answer for all people is to have a degree and element of control over their own life and their own decision making, whatever form that should take. That form should be decided jointly by the aboriginal communities, the territorial and provincial Governments, and the federal Government.

The very fact that, as this document says, the Department has received 60 proposals representing 228 bands asking to initiate negotiations on self-government indicates the priority for people, which is just plain common sense. Imagine that, as I said in my speech, people who fought for their country and wanted to become a doctor or marry a non-native had to become enfranchised or say "I am not a native person". That is ludicrous.

• (1640)

The priority for a New Democratic Government or any Government must be to facilitate the self-determination of aboriginal people on appropriate cultural terms, in band administration and development, in economic development, and in constitutional development.

If one does not have some control over one's life, one is left with what this document defines as the old ways. The old ways are our defining for others what they should do to make their life better, generally in a culture that we do not even understand.

A New Democratic Government will change that. Indeed, any Government must change that in order for there to be any justice at all.

Mr. Penner: Mr. Speaker, I thank the Hon. Member for her support for the motion, and I commend her for an excellent speech. The Hon. Member for Yukon (Ms. McLaughlin) will be familiar with the very important claim that is being negotiated in the North, in her constituency. It is the claim being negotiated between the Government of Canada and the Council for Yukon Indians.

The motion makes reference to aboriginal claims. We all know that the much heralded new claims policy fell well short of the recommendations contained in the Coolican report. Nevertheless, it is a new claims policy.

Does she believe this has facilitated to any degree at all the settlement of that claim? Can she tell the House, from her own knowledge, what exactly are the obstacles at the moment? So far only one claim has been settled in the North, with the Inuvialuit who occupy the delta of the Mackenzie River. It is the so-called Committee for Peoples' Entitlement Claim.

We have long expected a settlement in the Yukon but there seems to be delay upon delay. What are the obstacles that she has been able to detect?

Ms. McLaughlin: Mr. Speaker, the claims policy to which the Hon. Member refers certainly ran into a lot of deep water. It took two years to develop, which I find incomprehensible, given that the Yukon land claim has gone on for over 15 years. I think the issues were fairly clear.

My colleague referred to the impediment to the land claims settlement. I must reiterate what I said in my speech. There is a fairly open process now, with a lot of consultation with the communities. There is agreement on some major issues and there is still some outstanding disagreement, but of course I am not party to the ongoing negotiations.

The point I want to stress is that the Minister must convey to his Department the message that this land claim must be settled. There is the political will at the local level and there has been agreement on substantive issues. The problem arises when the strings are pulled from Ottawa, where there is no experience with what will work in the Yukon.

It is time we stopped working from the book and began thinking about what is practical, reasonable, and culturally appropriate for native people and non-native people in these land claims. Rather than formulate a bureaucratic, technically perfect document, let us look at what will work. We know well what has not worked, so there is a good basis upon which to settle the claims, if the Minister will make a strong statement to his Department that this must be settled now.

Ms. Mitchell: Mr. Speaker, I congratulate the Hon. Member on her speech. What are her views on the whole question of native child welfare? I believe I heard the Parliamentary Secretary suggest that native people are not interested in day care but want to give native child welfare a higher priority.

I believe I heard the Minister's representative suggest that money was going into this function. On the other hand, we have had complaints from aboriginal groups in Alberta and Manitoba that there is no funding going toward support services for families to help them strengthen families, provide their own foster homes, and care for their own children.

Ms. McLaughlin: Mr. Speaker, the whole issue of child welfare, like the cultural and language issues, is very important. One way to destroy a culture is to make sure the children are estranged from it, so that they lose the language and are detached from the family unit.

Child welfare involves the same issue of control over one's life and destiny.

During my speech I referred to the leaked document and some of its aspects which are rather cosmetic and do not address basic issues. The Parliamentary Secretary will be glad to hear me refer to something that is positive and for which I will hold the Government accountable. It states that child

welfare is already identified as a first priority, and that the Government will be prepared to seek authority to lift the moratorium on new agreements and begin consultations in 1988. I hope that is true because the issue of child welfare is extremely important in aboriginal communities, as I am sure the Parliamentary Secretary is very well aware.

The sad fact is that generations of children were separated from their families and did not grow up in a family unit where they had role models. It has been a tragic legacy for aboriginal people and a shame for this country.

After quoting some aspects of this document which are less hopeful, I believe this is a positive one that I look forward to seeing implemented.

Mr. Robert Wenman (Fraser Valley West): Mr. Speaker, due to a meeting of the Standing Committee on Aboriginal Affairs and Northern Development, I regret that I have not been here to listen to all the debate. I would like to have heard the Hon. Member for Cochrane—Superior (Mr. Penner) who moved the motion, because as a member of the same committee I certainly know that he has dedicated much of his interest and concern to this subject.

I heard the beginning of his remarks, which he began appropriately by talking in terms of justice and injustice. Certainly this Parliament must address injustice toward native people generally, not only in this debate but in a constant attempt to find equal opportunity to build upon the full potential of the native people of Canada. When speaking of justice or injustice in terms of dollars, no matter how we argue the percentages we see that this Government has made a particularly important financial contribution.

• (1650)

In fact it is a substantial greater contribution than was made by the previous Government in the four years from 1980 to 1984. I suppose there is a bit of irony that the Member who proposed the motion was part of the Government which did not see justice in terms of dollars because its commitment was a lesser commitment than that of the current Government. Justice, of course, is not found in terms of dollars. If in fact one is a victim of injustice, as so many native people seem to be, any form of natural justice seems painfully slow as native people find their potential in Canada.

If one is part of that 30 per cent of the native population which can be found in the Canadian penitentiary system, if one is part of that penitentiary population, there in part because of cultural differences or because of lost or missed opportunity, one finds that justice is indeed slow. Those living on the streets of Vancouver, Toronto, or Montreal, broken down by drugs, alcohol or prostitution, cut off from their natural friends and relatives, are indeed victims of the system. We must address those very real, human concerns.

Those who are trying to find their way through the maze of Bill C-31 in order to find their status and dignity in that sense indeed will find that to be a difficult procedure as well. Certainly we can look at it negatively, as the Opposition must, but we must also try to look at the record which shows that the Government has made an increasing commitment of funds and effort to try to bring about change.

It is very easy just to deal with the *status quo*. Any long-term bureaucracy, establishment, or business unit always resists change. The Government has tried to bring about change and correct injustice with Bill C-31. As a result, over 40,000 Canadians have found their status. Another 40,000 Canadians have gained medical, dental, and educational benefits as well. There is a very positive story with respect to Bill C-31 for those people who now have health benefits and improvements in educational opportunities.

I would like to put some of our programs on record so that we can see the positive side. The Department of Indian Affairs and Northern Development deals with programs and services which cover the entire range of services any modern community has come to expect and demand. In the current year the budget for Indian services, capital, economic development, local government support, education, and welfare totals $2.1 billion. That is $2.1 billion of the funds of Canadian taxpayers. It is a 9.8 per cent increase over the previous year. I would have to say that it is a pretty good increase during a period of financial restraint and attempts to bring the deficit under control.

Those of us who serve on the Standing Committee of Aboriginal Affairs and Northern Development and are particularly concerned about the Indian people would want to say that it is not enough. I am sure, when we come down to our report on Bill C-31, we will be advocating more to be done in many areas for the Indian people. I suppose when it does come down to the question of talking in terms of dollars—how much is enough—the answer is always "more".

Over the past 10 years there has been significant and continuing improvement in the ability of Indian Governments to provide the basic amenities and services to their people. I will give a bit of credit to the previous administration, because even it tried to improve the budget. In 1988-89 we are looking at a capital budget that totals $341 million. This is $341 million which will provide roads, sewers, water treatment plants, electrification, community buildings, and housing.

For example, one area about which I hear constant concern from native people is the area of housing. Sometimes one would think that nothing is ever done because we hear the complaints so often. However, in 1988-89, some $118 million will be used to assist Indian communities in meeting the household needs of their communities. It should be understood this is not an outright grant but a subsidy, the level of which depends upon the geographical location of the community. A contribution is made to an Indian band to assist in defraying the costs of construction of a house. Since 1979 there has been a requirement that these houses be built to the standards of the National Building Code. In addition, the band secures

additional financing above the subsidy level to complete the unit.

In the last five years, 14,000 new homes and over 17,000 renovations have been completed on Indian reserves. It is never enough, but that is 14,000 new families located in homes in which they can take a sense of pride and where their children can bring friends, homes where enduring family traditions can be built.

Let us look more closely at the situation of housing in Indian communities. The quality of Indian housing has improved and will continue to improve. The overcrowding problem has been reduced considerably. In 1977 there was an average of 5.9 inhabitants per reserve house. Today we are looking at a number below 5.0 inhabitants per house, in spite of an increase in the birth rate. Over the past 10 years there has also been a significant improvement in the number of Indian communities that have access to the normal electrical services most people take for granted. By 1986-87, 87 per cent of on-reserve houses had full electrical service. Today the majority of Indian communities are serviced by provincial electric grids rather than by diesel generated systems. That integration of systems has indeed helped.

However, one would still wonder what kind of a backward nation we are when 1 per cent, 2 per cent, 10 per cent, or 12 per cent of houses are not electrified in Canada today. I find it incredible when I travel internationally and see homes without electricity. Surely electricity is a basic requirement in the Canadian lifestyle.

There is also an important side benefit to the housing program in terms of its impact on the Indian community. Virtually 100 per cent of home construction and renovation is managed by Indian bands themselves using Indian labour and, where possible, Indian supplied materials. This provides needed jobs in the Indian community and helps to reduce dependence on welfare. It also provides an opportunity to develop skills such as those of electricians and carpenters, skills that are essential to the long-term health and vitality of the community.

• (1700)

During the 1980s there has also been a significant improvement in the number and quality of houses constructed on Indian reserves. Adherence to the National Building Code has meant that quality housing is being built that will last well beyond what was once considered the norm in Indian communities. In raw statistical terms, the current budget foresees in this year that some 2,700 houses will be built, and a further 2,300 units will be renovated. This is not every house and does not go anywhere near the demand, but it is not an insignificant contribution by the people of Canada to the native community of Canada to assist in approving the housing situation.

Whenever one visits an Indian community one is undoubtedly aware of how vital and important education is for the future. Healthy communities that are capable of directing their own destinies require the skills and knowledge of modern education. This modern education system is evolving throughout Canada among native people. The Department currently supports more than 82,000 Indian students enrolled in elementary and secondary schools. Approximately 50 per cent of those students attend provincial schools, 28 per cent are in band operated schools, and the remainder are in federal schools.

Over 14 years ago the federal Government began transferring control of Indian education to bands. I noticed that even today when members of the Mohawk tribe appeared before the committee they stated that one of their major priorities was to gain full control of their own post-secondary and elementary education system. At the present time this process is being accelerated. In the past fiscal year a further 18 schools representing 2,300 students have been transferred. This year it is planned that a further 27 schools will be transferred. By 1991 it is anticipated that most Indian students will attend band or provincial schools. That is a pretty large sociological change over a brief period of time, and a tribute both to the previous Government and this Government that we should be accelerating that pace and measure of control.

The past decade has also seen an impressive school construction program. A significant portion of the capital budget has been allocated to this objective, resulting in a full 143 school facilities being built or renovated over the past 10 years. In 1986-87, there were 243 band operated schools compared with 135 in 1980-81. That is a 100 per cent improvement. The five-year, long-term capital plan foresees expenditures of approximately $290 million, comprising 1,800 school projects.

Perhaps the most dramatic evidence came last September in Manitoba. For years northern Manitoban Indian children have had to leave their communities and travel south, if they wished to carry on their education beyond grade school. It is often a traumatic experience, and we found that very few made it through to graduation. Last fall six new schools were opened in northern Manitoba. For example, the school at Cross Lake was a $16.7 million project, the largest capital project ever undertaken by a band and the Department in an Indian community.

New and modern educational facilities are a necessary part of any education system. However, quality represents a partnership between teachers, students, and the community. That is why the Government believes that local control and parental involvement are so important. Indeed, one can see the impact of those factors on the performance of Indian children in the schools today. More Indian children are staying in school longer, more children are graduating from high school, and more young adults are going on to post-secondary education.

In addition to those statistics, there are many other government programs such as the one I attended on Friday in my community. This was a manpower program that I assisted in starting, and here I found 12 native people aged from 19 or 20 to 40. The highest level that had been attained by those people

was grade 10, and anywhere from grade 6 to grade 10 they had dropped out of the system. They are now back, and in five months most of them will complete their post-secondary education qualification. They are now developing plans to move on to other post-secondary institutions.

There are many programs to talk about, Mr. Speaker. For example, the programs conducted in jails where 150 out of 18,000 people received their literacy this year. In one year we graduated 750 heading up to 1,800. There are also great opportunities in this area.

Clearly, there are many things that need to be done. I could go on listing the quality of the programs that we have established in education and those that are being developed. Suffice it to say, there are now more than 14,000 full and part-time Indian students benefiting from the education program. Currently more than 2,000 students are enrolled in special post-secondary programs including management studies, teaching, child care, health care, agriculture, and a whole range of studies that can be found at any university and in any school. We are very pleased about these accomplishments.

If time allowed, I could go on to talk about child welfare opportunities and the child care services that are being delivered. This is another new area being approached by the Government of Canada, and we will be focusing on those types of programs as we develop into the future.

In summary, it is clear that there is much to do in Indian and native affairs. It is clear that enough is always "more". Those of us who were on the committee will be pressing the House of Commons to identify not only the need of the native people of Canada but the potential of the native people of Canada and, as we identify that potential, to provide maximum opportunities in order that these people might find their rightful place in our society, as so many already have. Educated and confident native people appeared before the committee, and they gave great guidance to the committee. I look forward to working with the results of the final report. I thank the Hon. Member for bringing this issue to the House of Commons. It is important that it is debated, discussed, focused upon, and that the Government and the nation recognize the great potential of the native people of Canada.

Mr. Penner: First, I wish to thank the Hon. Member for Fraser Valley West (Mr. Wenman) for participating in the debate today. We are colleagues working together in the Standing Committee on Aboriginal Affairs and Northern Development. I consider the Hon. Member for Fraser Valley West to be the fourth ranking member from the government side on aboriginal affairs and northern development, following the Minister of Indian Affairs and Northern Development (Mr. McKnight), the Minister of State, the Parliamentary Secretary, and the Hon. Member for Fraser Valley West who is the government spokesman on the committee.

Today the committee had a difficult time because this debate was being held in the House, and many Members who ordinarily would have been active in that committee were engaged in this debate. However, the Hon. Member for Fraser Valley West was present, and I believe he listened to the testimony of the Blackfoot tribe of Treaty 7 in the southern part of the Province of Alberta.

He will therefore know that this tribe has a particular problem at the present time with the Government of Canada concerning a cattle claim settlement. A long time ago the treaty allowed for those people to receive a certain number of cattle. That obligation was never met. It is the history of Canada that, in the main, these treaties were ignored. But, in the life of the last administration, finally an agreement was reached. Instead of cattle there was to be a cash compensation. That money was delivered to the tribe and distributed among its members. To their utter amazement when they received their regular social assistance they discovered that the amount of money received by each individual was subtracted from the social assistance payment. This seemed to them to be a violation, and I share this feeling. It was a violation of a treaty obligation. It was taking from one pocket of government and putting it back into the other pocket. It is a Peter and Paul situation.

The Hon. Member heard the grievance expressed this afternoon. He probably is familiar with the problem. Therefore, I wish to ask him whether he proposes to take to the Government the request that this be dealt with in a just fashion. What exact steps does he intend to take or suggest that the committee take regarding the grievance of the Blackfoot tribe on its treaty rights?

• (1710)

Mr. Wenman: Mr. Speaker, the committee is in fact studying Bill C-31 and its impact and effect. Like many pieces of information that come before the committee, this shows the scope of the problem with which we have to deal. While it does not deal directly with Bill C-31, it is indicative of an outstanding problem, and one that needs to be resolved.

I understand that meetings have been held with the Hon. Minister of State for Indian Affairs and Northern Development (Mr. Valcourt) and with the Minister of Indian Affairs and Northern Development (Mr. McKnight), and that a resolution is hoped to be found. Certainly any representation that is made to the committee will be acted upon.

The Indian people have been waiting for 107 years to have these matters resolved, and they should be resolved as quickly as possible. If the negotiation route fails to come up with a resolution, resort may have to be had to the courts. At any rate, the committee has been made aware of this problem, and it is something that was done in a positive manner. People come before the committee, not with aggressive demands, but with statements of fact. I will be taking those statements of fact up with the Parliamentary Secretary and the Minister, in an effort to bring about an early resolution.

Mr. Deputy Speaker: The Hon. Member for Yukon (Ms. McLaughlin) on questions and comments.

Ms. McLaughlin: Mr. Speaker, the Hon. Member has said that our responsibility is to define the potential of the aboriginal people. I should like to suggest that our task is to ensure that the Indian people have the resources to utilize their demonstrated skills, and not some vague "potential" that we are going to define. The Indian people should have control over the establishment of their own needs.

While there are many issues that have been discussed today, I should like to focus on two which relate to the manner of funding Indian bands and the extent of such funding.

The late receipt of funds by Indian bands leads to tremendous administrative problems. Payments are inevitably late, with the result that band staff cannot be paid. Often, the band has to draw upon a bank overdraft, or borrow funds in some other manner in order to discharge its obligations. Because bank charges cannot be included in band budgets, funds for such charges have to come out of yet another budget, thus putting tremendous administrative stresses on the bands.

In addition to addressing the matter of late payments, I would ask the Hon. Member to address the level of band funding in respect of administrative functions. In terms of the programs that have been discussed during the course of this debate, and the implementation thereof, Indian bands are carrying a tremendous load. They cannot afford to pay band staff salaries that are comparable to those available on the open market, with the result that staff is lost to employment that offers higher salaries and greater security.

Band administration is something that is very difficult, and I would be interested in having the Hon. Member's views on that.

Mr. Wenman: The Government has embarked upon a program of education for band administrators. This is something that is done through native education centres and our universities.

In order to bring about greater efficiency, those handling the business transactions of the native communities need to be better educated. Toward that end, new educational programs are being developed, and existing ones expanded. That is something that is happening on a daily basis.

On the matter of the transfer of funds, hopefully that will improve as we move to more self-government, self-administration. The policy of this Government is to move toward self-government, and self-government will mean an ever increasing portion of a band's budget being controlled and administered by the band itself.

As we proceed with the devolution of authority and power from the Department to the bands, moving more and more to self-government, the transferring of the dollars from the Department to the band will become a smoother process.

Mr. Deputy Speaker: The Hon. Member for Hamilton—Wentworth (Mr. Scott) on questions and comments.

Mr. Scott (Hamilton—Wentworth): Mr. Speaker, while in the vicinity of my riding there is the Six Nations reserve, I am unaware of having any Indian band member being resident in my riding. That notwithstanding, I was fascinated by the remarks of the Hon. Member for Cochrane—Superior (Mr. Penner), as well as those of the Hon. Member for Yukon (Ms. McLaughlin) and those of the Hon. Member for Fraser Valley West (Mr. Wenman).

Canadians have always wondered about the legal and historical bases in respect of Indian land claims. They have also become very sympathetic in respect of such claims.

The Hon. Member for Fraser Valley West has demonstrated in the past his sensitivity to those claims, and with that in mind I would ask him what advice he would personally give to the House—and through the House, to the Minister of Indian Affairs and Northern Development (Mr. McKnight)—on the question of settling aboriginal land claims, on the question of the right of the native peoples of this country to land entitlement.

How soon does he think self-government will come about? That is something that is a matter of importance for all Canadians.

Mr. Wenman: Mr. Speaker, self-government is moving forward at an accelerated pace, with the Indian bands gaining more and more control over their affairs with each passing day, and the policy of this Government is to continue that accelerated pace toward Indian self-government.

The Hon. Member made the point that there is no Indian reserve within his riding. That would be true for most Members of the House, and particularly those representing urban ridings. However, there are many individual Indians living in the core areas of our cities.

If I were to give the Minister any advice at all, it would be in respect of status Indians who, for one reason or another, choose to live off the reserve. There can be any number of reasons for their choosing to live off the reserve, including a lack of land, an inability to meet the band code, or perhaps simply a lack of employment on the reserve. Because these Indians are living in the cores of our cities, there is no means by which to deliver services to them.

As the functions and powers of the Department of Indian Affairs and Northern Development are decreased, with more and more power being transferred to the bands themselves, these people get caught in the middle.

We need to provide, for such individuals, programs on drug abuse, as well as educational programs of one kind or another. We need these in the downtown Vancouver core.

• (1720)

Ms. Mitchell: You are cutting funds.

Mr. Wenman: I hope the Hon. Member will ask a question. I would like to comment on the fact that these people really have no one to represent them. The bands are on the reserves. They keep contact as best they can. We have the United Native Nations and others trying to build access. Access comes through the Department, but the urban status Indian is a very particular problem. Let me give Hon. Members an example.

I have nine young people enrolled in a native education program. Of the nine paid people, eight were recommended for funding by the bands. The ninth person, a status Indian but not registered with his band, had to work to raise his own money. He ran out of funds at Christmastime and had to drop out. He had a limited route to gain his right to education support which the others had gained through their band.

Who will look after that urban status Indian? Who will reach those who are on the streets and need to be helped off the streets and into treatment programs, not the traditional treatment programs but treatment programs that are devised by the native people themselves? We found the success rate of natives working with natives is so much higher than the success rate of natives being pushed into the mould of contemporary systems. Certainly, if I had some concern to direct, it would be to the urban status native most of us do not recognize in our own ridings throughout Canada who is not on a reserve but struggling to find a place in our communities. Members could help by getting to know the people, providing access for them, and helping them find their status. It certainly would be something that every Member could do to assist.

Mr. Deputy Speaker: Would the House give unanimous consent to allow for two short questions from the Hon. Member for Vancouver East (Ms. Mitchell) and the Hon. Member for The Battlefords—Meadow Lake (Mr. Gormley)?

Some Hon. Members: Agreed.

Ms. Mitchell: Mr. Speaker, I am told by the native people that I have the largest reserve in British Columbia in Vancouver East. I agree completely with the Hon. Member for Fraser Valley West (Mr. Wenman). There are many, many people on the streets and off the streets in Vancouver. There are excellent Outreach programs. The native education centre in my riding has a wonderful reputation with about 25 or 30 years of experience. It is doing terrific training in administration, modern skills, and child care for people who come off the streets.

Would the Hon. Member visit that centre, if he has not already done so, because it is an inspiration to anyone? Would the Member personally intervene with the Minister because the federal Department is cutting funding completely from that centre?

The very programs the Hon. Member has mentioned which are so important in achieving self-government, as well as in achieving more education and development for urban native people, are being destroyed by cuts in funding. It seems very sad that devolution means taking from programs like that. It is quite unrealistic to expect that bands will pay for the full cost of operating that program.

Mr. Wenman: Mr. Speaker, I have been to the native education centre in the Hon. Member's riding. It is an excellent institution, and it is oriented toward programs that native people themselves want to develop. The institution is teaching the kinds of programs which it thinks are important. Certainly I approve of that kind of facility very highly.

As we decentralize there are some basic questions to be answered. Can we turn control totally back to bands? Could we reach the absolute situation? No, we cannot. That is why there will always have to be a Department of Indian Affairs to find the balance and protection required for those who need it in settings like this. There will have to be concerted efforts by bands, as well, to find and identify their members and recognize that there will have to be services provided on and off reserves. As money is provided by the taxpayers of Canada to the bands, the bands, in turn, will have to recognize that there are people, to some degree, living off reserves as well. It is not an option.

The Mohawk Indians were before us in committee this afternoon. They told us they had 167 new people registered to their tribe as a result of Bill C-31. I asked them how many of the 167 had applied to register to come back to the reserve. They told us about six. The rest are living in off-reserve settings yet they have a right, a desire, and a need for basic services. They indicated that the new 167 members had probably received their medical benefits, their dental plan, and their educational opportunities, but that their contact was limited. They did not know how many would come back or would want to come back. We identify in the process of devolution a very important problem, namely, the urban status native whom I covered in my earlier response.

Mr. Gormley: Mr. Speaker, I wanted to touch briefly on the whole subject of constitutional reform and self-government. As one who represents a constituency with 19 Indian reserves, and after the next election 24 Indian reserves, clearly the issue arises on a regular basis about what has happened to the constitutional reform process with respect to self-government.

I think it has been suggested by certain native leaders—I do not think it is helpful to name them—that there is an opportunity in the Meech Lake constitutional process to start the movement to negotiate a constitutional self-government right for Indian people. I am not sure that that is entirely fair to the process.

Four First Ministers' Conferences have been held between 1983 and 1987. In 1985 we were within a whisker of reaching an agreement through the personal intervention of the Prime Minister (Mr. Mulroney). There has been a series of ongoing discussions. I noticed just this week a group of native leaders has been meeting with the Ministers of Justice, Indian Affairs,

and Federal-Provincial Relations to forward a joint proposal for work on a constitutional amendment.

While this is all rather preliminary, I want to make both a statement and pose a question to my colleague about where he sees the constitutional reform process presently moving toward. I think it is important that the Member reinforce, on behalf of the Government, that the door has not swung closed on constitutional amendment, that it has not closed forever. I wanted to sound the Hon. Member out on that particular point.

Mr. Wenman: Mr. Speaker, one of the great things about the Minister we now have is his unending patience and his willingness to try again. The Prime Minister (Mr. Mulroney) set up a complicated system of dialogue, discussion and reform which seems to have broken down. I know that right now, in fact, the Minister is very concerned and says that the door is not closed. He is working very hard with the Prime Minister and others to try to find ways to open the doors again to that negotiation and dialogue.

I thank the Hon. Member for the question. The door is certainly open, and a new process must be found and initiated as soon as all Parties can find agreement on that process.

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, constitutional reform would be a good place to start, but first let me thank my colleague, the Hon. Member for Cochrane—Superior (Mr. Penner) for bringing forward this motion today. I think it is a very timely and important motion. Let me thank him also for the work that he has done for native people over the years, particularly in this Parliament, and for the work that he has done for our Party.

Recently he was instrumental in organizing a forum on aboriginal and First Nations issues which brought together native people from all across the country to focus for several days on important policy issues. For us as a Party it is important to revisit the fundamental problems that native people face, and the Member is also to be congratulated for that.

This motion today covers a number of important issues with regard to the native community in Canada. As I said, let me start with constitutional reform. We have just heard the suggestion that the door has not swung completely shut and that the Prime Minister (Mr. Mulroney) is trying to open it again. However, I think we have to admit as politicians on both sides of the House that we have not been very effective in advancing the cause of constitutional reform on behalf of native people.

• (1730)

It seems to me that if Meech Lake is approved as is, with no change at all, then it will be more difficult in future for native people to obtain constitutional change. Surely that is where power rests in the country. Where do native people get power? They get it from having enough money, from having enough local control over their own lives. They get it out of the Constitution of Canada and from political will. Yet if Meech Lake goes through unamended it will be more difficult, rather than less, for native people to bring about change in the future.

Reference was just made to a conference that came within "a hair's breadth". We all know what the "hair's breadth" was. We know there were certain parts of the country, certain people, certain politicians, who refused consent to a resolution which had widespread support. Yet those same people and politicians and areas are going to have more power in future, not less, to stop any kind of constitutional change like that.

It is not enough to say we are trying to get the door open again and get the consultation process going specifically if Meech Lake goes ahead with no change, because I do not see and native people do not see where there will be an effective constitutional opportunity for them to advance their cause in future. We have to recognize that and recognize it now because Meech Lake is coming up again and we will focus on that. That is one of the serious issues we have to deal with, and we have to demand some changes in order that that might come about because those changes are very important.

Where do many native people live? They live in the Northwest Territories and the Yukon. Some of them live in my riding. I have two Indian bands there. The Labrador Inuit Association has several thousand members and the Labrador Métis Association has about six to eight hundred members. I think I understand what they want. However, the great majority of native people live in the Northwest Territories or the Yukon. Apart from the effect on native people living there, those areas will themselves find it more difficult in future to achieve self-government. That is where they are going to get political power. That is an advancement of political power. Therefore, these issues are important to us when we come to discuss Meech Lake.

The other items listed in the motion are important. First, quality education and facilities for Indian children with genuine Indian control. That is so important. Look at language alone. If we do not take steps dealing with not only funding but curriculum to preserve the language, the culture will die. When the culture dies, the community is quite a different community; it is not the same at all. French Canadians have gone through that battle for many years. It is a battle over language. Why is language so important? It is because bound up in language is the essence of culture. The same thing is true of native people. If we do not put in place the proper funds and proper curriculum for native schools, if we do not emphasize native language and native culture, that will be a weakness in the process of self-determination and advancing their cause.

In my own province it is a little more difficult because we do not have any status Indians. In 1949, when we joined this country, it was agreed that funds for native people would be transferred to the province on a per capita basis. The same amount would be transferred as would normally be given to

native people in other parts of the country on a per capita basis. That is what happened and a block of funds is transferred to the province. Native people in my province want some control over how that money is spent, but they do not have that either. They do not have easy access to those funds. Decisions are still made by the two levels of government without enough control by native people in the province. It is more difficult for them to get a handle on money for education.

The whole question of education is very important. Why? It is because in any country, not just this country, it is well known that the kind of job one has, and therefore the kind of salary one makes, is directly related to one's amount of education. There is a direct correlation between the two. That is the reason we have to emphasize education for native people. I am talking about secondary education, but let me go on to another important point.

I think one of the most tragic things the Government has done is to cap the amount of money available for post-secondary education. That is exactly what has been done. I want to read a letter from the Labrador Inuit Association which says:

> I understand through various media reports that you were very concerned that at the radar construction sites at Saglek, Labrador, only one position out of a possible 150 jobs was filled by a local resident.
>
> Enclosed please find a copy of a letter from the regional Department of Indian and Northern Affairs. This letter is informing the Labrador Inuit that funds are no longer available for any vocational training programs in Labrador. Without financial assistance for occupational training the employment situation in Northern Labrador cannot be expected to improve.

Let me put that in context. I remember going to the Northwest Territories with the Standing Committee on National Defence where we heard representations concerning the North Warning System. That system was a good idea, and it needs to be done. Native people have no problems with putting it in place. They say: If you are going to come up from the south and do that, fine, but are we part of it? What are we going to get out of it? What is it in for us"?

It is in that context that I want to read that letter. It says only one position out of a possible 150 jobs was filled by local residents. Do you know why, Mr. Speaker? It is because local residents do not have a lot of training. That gets us back to the issue that I raised concerning the amount of money available for post-secondary education for native people. That amount has been capped. The Government is building the North Warning System and putting 150 jobs in the community, but it is saying to local and native people, "that is fine, but we are capping the amount of money available to you for post-secondary education. We know it is the only way you are going to get those jobs, but we are capping those funds".

I know that in government the right hand does not know what the left hand is doing. I know there is no central planning agency. Yet all the native people are asking for is reasonable opportunity. I do not think that is too much to ask for. I do not think it is too much to ask that they be able to get training so that they can get jobs in this, one of the greatest countries in the worlds with unlimited resources. In 1988 that is not too much to ask. I really believe that if the Government has any sympathy at all, any compassion, any understanding of what needs to be done, it will reinstitute the program of post-secondary education with full funding.

• (1740)

Eliminating the obstacles to settlements in current claims policies, including treaty land entitlements, is another case in point. Let me start from the North Warning System again. In my area not only is the North Warning System going in, but we have low level flying in the same areas that people are hunting and fishing. I think these things can be carried on together with some safeguards, but all these activities should happen within the context of land claims.

The important thing is that native people want to deal with the North Warning System, low level flying, and industrial development in the context of land claims. The important thing for them is land claims because, unless they have some way of controlling their own lives and their own futures, they cannot deal with these issues.

Yet there is a continuous hold up of land claims. I do not think the land claims are unreasonable. I have not heard any native group say that they want complete, absolute, and utter control over what goes on in this area. They are not saying that. The Labrador Inuit Association is saying that it wants some say in the over-all future of a certain area and municipal control where people live which has to be fairly absolute. They want some input into policy at the provincial and federal levels, and they want some compensation. They want some natural resource rights.

That is not unreasonable. It is not separating a block of territory from Canada. We are not talking about an absolute Government but a reasonable approach to a reasonable degree of self-government. Unless that happens we cannot deal with the changes that are going on.

I have another letter from the Labrador Inuit Association telling me that the Memorandum of Understanding that had been agreed to by the Province of Newfoundland and the Government of Canada has now been washed down the drain. The Cabinet of Canada has rejected the Memorandum of Understanding which has been signed for a year. The Government of Newfoundland signed it a year ago, the federal Cabinet has just thrown it out, and we have to start again from square one to negotiate land claims in Labrador. The Labrador Inuit are completely frustrated and do not know where to turn.

That is a fundamental issue. Unless we are prepared to exercise the political will that is necessary to start those claims—not to settle them, just to start them, which will be a fairly long process—we are not giving the native people the power they need to determine their own future. Therefore I completely agree with the clause of the motion with regard to

eliminating the obstacles to settlement in current claims policies, including treaty land entitlements.

I dealt at the beginning of my speech with reinstating constitutional funding to aboriginal organizations and making a constitutional amendment on self-government a priority. It is essential that we do that.

I see that you are indicating that my time is running out, Mr. Speaker. As I said in the beginning, I am pleased that we had the opportunity to debate this today. I congratulate my colleague from Cochrane—Superior. I hope that the Government will see the wisdom of reinstituting these programs now in the context of the forthcoming debate on Meech Lake.

Mr. Riis: Mr. Speaker, I rise on a point of order. Today has been a very important day in the House of Commons. We have heard a number of excellent speeches on the challenges and concerns facing native people. Unfortunately, we only had a chance to hear five speakers. I know that Standing Order 9(4)(a) would normally enable us to continue sitting beyond the ordinary hour of adjournment. I know that you are also aware that the Standing Orders require this debate to conclude at the ordinary time.

Therefore, I wonder if I could seek the unanimous consent of the House to allow the debate to continue until ten o'clock tonight, with the vote deferred until tomorrow, to allow those Members who have indicated an interest to speak on this important issue that opportunity.

Mr. Towers: Mr. Speaker, perhaps the Hon. Member is not aware that this is one of the most important nights in the life of the Canadian Parliament. It is what we call the Baltic Evening. Many of us are committed to represent our constituency to the Baltic community. I do not think it would be fair of us to allow the House to continue to sit.

Mr. Gauthier: Mr. Speaker, I take the remarks of the Member seriously. I would not want him to think that we are trying to prevent him from going to the Baltic Evening. However, I could give the undertaking that we will not call quorum and, on behalf of those of us who would like to participate, perhaps the House would see fit to accept the motion of the Hon. Member. Indeed, I would second that motion if possible.

Mr. Riis: Mr. Speaker, I appreciate the point raised by the Hon. Member in terms of the importance of Baltic night. However, the issue which we are discussing today in the House of Commons applies directly to hundreds of thousands of Canadians of native origin. If we agree not to call for a quorum count, only three or four members of the government Party would be required to stay in the House of Commons to speak in the debate. That would allow 207 Members to attend the Baltic night on behalf of the Government.

I am simply seeking unanimous consent to allow this important debate to continue for another few hours.

Mr. Caldwell: Mr. Speaker, parliamentarians are very busy. This is also a very important evening for the young people of Canada. Many of us have to attend Adventures in Citizenship tonight. Young people from many of our ridings have come a long distance to meet with their Members of Parliament, and I am looking forward to meeting the young people of my constituency.

Mr. Deputy Speaker: Is there unanimous consent for the Hon. Member's proposal?

Some Hon. Members: No.

[*Translation*]

Mr. Deputy Speaker: It being 5.45 p.m., it is my duty to interrupt proceedings and to put forthwith every question necessary to dispose of the supply proceedings now before the House under the provisions of Standing Order 82(9).

[*English*]

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mr. Penner), which was negatived on the following division:

• (1750)

(*Division No. 360*)

YEAS

Members

Althouse	Gray (Windsor West)	Malépart
Angus	Grondin	Manly
Berger	Guilbault (Saint-Jacques)	Marchi
Boudria	Heap	McLaughlin
Caccia	Henderson	Mitchell
Copps	Hopkins	Nystrom
Dingwall	Hovdebo	Orlikow
Epp (Thunder Bay—Nipigon)	Isabelle	Ouellet
Finestone	Jewett	Parry
Foster	Killens	Penner
Gagliano	Langdon	Prud'homme
Gauthier		Riis
		Robichaud

Rodriguez
Rompkey
Skelly
Suluk
Tardif
(Richmond—Wolfe)
Young—42

NAYS

Members

Beatty
Binns
Blenkarn
Blouin
Boyer
Bradley
Brightwell
Browes
Caldwell
Cardiff
Champagne
(Champlain)
Clifford
Cochrane
Comeau
Corbett
Crosby
(Halifax West)
Crouse
Dantzer
Daubney
Della Noce
Desjardins
Duguay
Duplessis
Ellis
Epp
(Provencher)
Fennell
Ferland
Fraleigh
Fretz
Gagnon
Gass
Girard
Gormley
Gottselig
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Grisé
Gustafson
Halliday
Hamelin
Hardey
Hawkes
Hicks
Howie
Hudon
Jelinek
Jepson
Johnson
(Bonavista—Trinity—Conception)
Joncas
Jourdenais
Kempling
King
Lawrence
Lesick
Lewis
Malone
Martin
Mayer
Mazankowski
McCain
McCrossan
McCuish
McKenzie
McKinnon
Minaker
Mitges
Nickerson
Nowlan
Oberle
Pennock
Porter
Price
Ravis
Reid
Reimer
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Shields
Sparrow
Speyer
Stackhouse
Stevens
Stewart
Tardif
(Charlesbourg)
Taylor
Thacker
Towers
Tupper
Turner
(Ottawa—Carleton)
Van De Walle
Vankoughnet
Vincent
Wenman
White
Wilson
(Swift Current—Maple Creek)
Winegard
Wise
Witer—98

• (1810)

Mr. Deputy Speaker: I declare the motion lost.

It being 6.17 p.m., this House stands adjourned until tomorrow morning at eleven o'clock, pursuant to Standing Order 3(1).

The House adjourned at 6.17 p.m.

HOUSE OF COMMONS

Thursday, May 12, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

DEPARTMENT OF INDUSTRY, SCIENCE AND TECHNOLOGY ACT

MEASURE TO ENACT

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board) (for Mr. Mulroney)) moved for leave to introduce Bill C-128, an Act to establish the Department of Industry, Science and Technology, to repeal the Department of Regional Industrial Expansion Act, and to make consequential amendments to other Acts.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

PETITIONS

RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. John Reimer (Kitchener): Mr. Speaker, I have the honour to present a petition on behalf of 253 residents of the Kitchener—Waterloo area in respect of the disorder schizophrenia. The petitioners consider schizophrenia to be a major illness in Canada, affecting about one per cent of the population, and they call upon the Parliament of Canada to put into place research efforts which are commensurate with the fact of schizophrenia being a major illness in Canada.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is my honour to present a petition organized by the Pentecostal Church of Fort Smith, Northwest Territories. The prayer of the petition calls upon Parliament to pass into law legislation that will protect the life of the unborn child from conception and through all stages of development, with the exception of the extremely rare situation in which an abortion is performed in order to save the life of the mother.

CANADIAN OWNERSHIP OF UTILITIES, DAMS AND WATER LICENCES

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I have the honour to present a petition from several residents of the southern Okanagan Valley of British Columbia. The petition asks Parliament to pass a law requiring majority ownership by Canadians of electrical utilities, dams and water licences so that Canadian citizens will be afforded sovereignty protection equal to that enjoyed by citizens of the United States in respect of electrical utilities in that country.

[*Translation*]

OPPOSITION TO CLOSURE OF POST OFFICE AT ROBICHAUD

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, it is my duty to present to the House a petition from more than 500 constituents in Westmorland, and more particularly, in the community of Robichaud.

These individuals humbly state that closing the post office in Robichaud in the constituency of Westmorland, New Brunswick, will deprive the citizens of this community of a unique federal presence and will reduce vital postal service in this rural community. For these reasons, the petitioners humbly ask Parliament to reject the Canada Post Corporation plan.

• (1110)

[*English*]

PROHIBITION WITH RESPECT TO KNIVES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I am very honoured to present a petition from petitioners who live in Winnipeg, Manitoba, Vancouver, North Burnaby and Victoria, B.C. It is on a subject which I have raised many times in this House, that of the high incidence of crime associated with knives.

We have recently had more incidents in Vancouver. There have been very serious crimes of sexual assault involving knives.

The petitioners call on the federal Government to amend the Criminal Code to prohibit the carrying of knives by citizens in public places. The only exception to this ban would be for those whose knife is integral to legitimate work or where a knife is carried for religious purposes.

Order Paper Questions

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, it is my honour and duty to present a petition on behalf of citizens in my constituency. They believe that, since the Conservative Government had no mandate from the Canadian people to conclude a free trade deal and because the free trade deal does affect the sovereignty of the nation of Canada, Parliament should dissolve and allow the people of Canada an opportunity to accept or reject the proposed free trade agreement during a national general election.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—POSTAL SERVICE

Mr. Neil Young (Beaches) moved:

That this House condemn the government for its total and absolute failure to provide fair and equitable postal service to all Canadians by:

(a) instructing Canada Post to cut back postal services to Canadians living in rural areas;

(b) installing "supermailboxes" to take the place of door-to-door mail delivery in new suburban areas; and

(c) making hundreds of thousands of Canadians second-class citizens when it comes to the provision of postal service.

He said: Mr. Speaker, at the outset I move this motion in the absence of the Hon. Member for Winnipeg North Centre (Mr. Keeper) who could not be here today. He is the official spokesperson for my Party on matters concerning the Post Office. As you probably know, the Hon. Member has done a tremendous job over the last several years in ensuring that the words of concern of those who have been denied postal service have been brought forward in the House of Commons. These concerns have been heard.

Post Office bashing in this country has become a national pastime primarily because of the actions of the Government. The Post Office has been involved recently in slashing services and by doing so it has made an already bad situation worse. It has come to my attention as well that sometime later today, probably at three o'clock, the Minister of Consumer and Corporate Affairs (Mr. Andre) will be tabling in the House Canada Post's corporate plan, which will be followed by a press conference at 3.30 p.m., I believe, in which the Minister will attempt to convince Canadians that the policies and the actions of the Government respecting Canada Post have been the best thing since sliced bread.

As I understand it from what I hear through the rumour mill, the Minister will try to tell Canadians that for the first time in some years Canada Post will be breaking even. Yet, several months ago, the same Minister was trying to tell Canadians that Canada Post in this year alone would be making a profit of some $20 million. He will also tell us that Canada Post will continue with its supermailbox plan. He will go on to say, of course, after all that bad news—from his point of view good news—that Canadians will be faced with another increase in postal rates. I want to tell you, Mr. Speaker, that that will do absolutely nothing to improve the image of Canada Post across Canada.

I want to talk for a brief moment about what Canada Post has been doing in my own constituency and, indeed, in constituencies right across the land. About 18 months ago trucks appeared suddenly on the main drags in my own area and started picking up the corner mailboxes. They are being picked up in Vancouver, Winnipeg, Toronto and St. John's, Newfoundland, in fact, right across the country. Canada Post claimed that corner mailboxes were not being used to their fullest extent possible. But there was absolutely no consultation with Members of Parliament representing the areas or with the communities involved.

It was a totally arbitrary action taken by Canada Post. An owner of a corner store in my community, when he saw the truck picking up the mail box, went out to those doing it and asked them why. The guy said, "This mail box is not being used as much as it was in recent years. Therefore, we are removing it". The corner store owner asked them to open up the mail box to let him see what was in it. The box was practically full, but there it went on the back of a truck and it was gone. I got in touch with the public relations people at Canada Post in Toronto and asked them why they were picking up boxes. They repeated the same story, that mailboxes were not being used. Even when they heard that the particular mail box to which I was referring was being used they said, "The facts of life these days are that people no longer use corner mailboxes. Most people in Toronto work downtown and they take their mail downtown with them to their places of work and mail the letters there".

I have one of the largest senior citizen populations of any constituency in the country. These people do not work downtown. In fact, they do not work. They are retired. Canada Post's removal of these corner mailboxes is causing all kinds of problems for seniors in my community, especially if they happen to have a mobility problem. It is bad enough in the summer months when seniors have to walk several blocks to mail a letter, but in the winter when the sidewalks are icy or

snow-covered it places a severe hardship upon them. It is bad enough in a place like Toronto, but when you go into some of the more remote areas of Canada where Canada Post is cutting service and where the winter is longer, communities lack sidewalks and that kind of thing, it is worse. Canada Post has made life extremely difficult for people with mobility problems, whether as a result of old age or disability.

• (1120)

In addition to that, there is a franchising or privatization of postal service which has resulted in the closing of a whole slew of sub-post stations in rural Canada. It is resulting in the closing of postal stations in areas like Toronto where people used to pick up parcels at corner stores that were fairly close to the places where they resided. Canada Post has closed those places up. In my own community, some people have to go about a mile out of their way now in order to pick up a parcel that they would have picked up within several blocks of their residences or sometimes a little further. That is what Canada Post has been doing.

In addition to that, as if Canada Post was not happy enough with that, it discontinued door-to-door delivery service in new subdivisions. They have supermailboxes now to which people have to go to pick up their mail rather than door-to-door delivery. In my own community, there is a new subdivision that faces onto a well established neighbourhood. The people on one block receive door-to-door delivery services and yet those a block away have to go to the supermailbox in order to pick up their mail.

The Government has made a whole number of Canadians feel like second-class citizens. They do feel as though they were second-class citizens. My colleague, the Hon. Member for Prince Albert (Mr. Hovdebo), will be speaking at some length about the problems faced by Canadian citizens who happen to live in rural communities and about the difficulties Canada Post has created for those Canadians.

For those who live in rural Canada, the closure of rural post offices is not just an economic move by Canada Post. For those people, the post offices are very often the centres of the communities.

Ms. Mitchell: And they are killing communities.

Mr. Young: When Canada Post arbitrarily closes down post offices, it is taking away a way of life that Canadians in this vast, diverse land have become used to. Not only have they become used to it but they have viewed the post office as the centre of life in their communities.

A resident of one of these communities has described in a very eloquent way what those post offices mean to life in those communities. This lady, who happens to live in Little Fort, British Columbia, wrote to her Member of Parliament. She said:

> The post office is where we learn about births and deaths, the happy events and sad, the everyday happenings in our village. Its postmaster is our friend and confidante. She has her finger on the pulse of our village. Postal rates may be high, but there is no charge for her cheerful "Good Morning". To some of the older folk who live alone, she is their connection with reality.

That rural resident has a certain view of the role that the rural post office plays in that particular community. When Canada Post, under the instructions of this Government, arbitrarily closed that post office it was, as the Hon. Member for Vancouver East (Ms. Mitchell) said a second ago, literally killing that community. It was killing a whole way of life, and it is being condemned by a growing number of Canadians.

If this Government thinks that this is an issue that will go away with the passage of time, it is wrong. The people will not forget come election day. The Government is making a bad, serious mistake. This issue will not go away. It is with us. Canadians know the value of postal services in Canada, and this Government will pay dearly in the next election for its treatment of Canadians, not only in rural Canada but in urban Canada as well.

One of the reasons given by the Government for the reduction in service was given by the Minister of Consumer and Corporate Affairs. The only way he can see it is as an improvement in service. Only the Minister of Consumer and Corporate Affairs could make that kind of statement and expect people to believe him.

We watched this Minister do a number of things in his capacity as Minister of Consumer and Corporate Affairs. I think his job description is all wrong. He does not protect consumers. The only thing he protects is corporate interests. We saw that with the amendments to the Patent Act. He told us that that Bill was in the best interests of Canadians. I recall question after question being put to him on that particular piece of legislation, and his continued response was to say that drug prices will not rise as a result of his actions. That was about two years ago, and he has continued that argument in the months since then. In Ontario, the cost of a whole classification of drugs for elderly people, disabled people and single-income families has doubled and tripled over the last several months as a result of the actions of this particular Minister. The title "Minister of Consumer and Corporate Affairs" is a misnomer, to say the least.

What is the Minister's argument in this case? He wants to improve services and cut costs, and in the process he will lay off something like 14 per cent of the workforce at Canada Post. If one says it quickly, it does not sound too bad: fourteen per cent of the workers. I want to tell Hon. Members what that means in real terms. We are talking about thousands of Canadian postal workers who will end up on the streets, at a time when many areas of Canada are facing totally unacceptable high rates of unemployment.

We are not talking only about postal workers and the impact on them and the reduction in services as a result of these lay-offs but about their families, their friends and their neighbours. Many of these letter carriers have got to know the people they deliver mail to by name. What happens when we

lay these people off? The Government says that it is a cost-cutting move. Is it a cost-cutting move to throw someone out of a job and in the process slash services, necessary, essential services to Canadians?

There was a study done in the United States in the middle 1970s by the late Senator Humphrey. To my knowledge, there has not been a comparable study done in Canada. Senator Humphrey's study found that an increase in unemployment is associated with increases in other social problems like psychological problems, mental illnesses, wife battering and anti-social behaviour. The long-term effects of unemployment will not go away overnight when we restore full employment to the country, if that ever happens.

What about that postmaster in rural Canada who is laid off? In central Canada, and particularly in central and southern Ontario, we are not doing too badly right now. We are not doing as well as the Government would like us to believe we are doing, but we are not doing too badly. However, what happens in rural Canada? If a postmaster or postmistress is thrown out of work, he or she cannot walk across the street to find another job.

What happens to the person in Newfoundland, a letter carrier or an inside postal worker? In Newfoundland, there is an unemployment rate in the middle 20s. They simply cannot walk around and find other jobs. The same is true of those in the interior of B.C. and the Yukon. You cannot just walk across the street and find another job. There are thousands of people out of work in those communities. When the Government talks about improving the services and cutting costs, it has to consider the social implications of those actions. If it does not, it is being totally irresponsible. However, from what I have seen, that does not seem to matter.

• (1130)

Rather than cutting back on postal services, the Government should be expanding postal services. Why should Canada Post not only not run a deficit, why should it not make a profit? A sub-postmaster in Quebec asked why Canada Post does not do what other countries have done with their post offices. He says the new generation of postmasters might have an expanded role beyond providing traditional postal services. They could act as information agents for the federal Government on Manpower job-creation programs and serve as economic development agents as well. Rural post offices could easily generate more revenue by selling hunting and fishing licences, greeting cards and parcel wrapping materials in addition to accepting payment of utility bills. Over 2,000 small communities with post offices do not have banks, and banking is another service that could be provided following traditions in other jurisdictions.

I see my time is practically up so I just want to say that what we are seeing here in these actions taken by the Government has nothing to do with cost cutting and absolutely nothing to do with providing service to Canadians. We are seeing an ideological approach to governing Canadians. The Government does not believe in providing service to average Canadians. As I said a minute ago, this issue will not disappear. People in rural Canada and in urban communities, people such as Residents Against Mailboxes and Rural Dignity, will not allow the Government to get away with what it is trying to do. I want to tell you that we in this Party are right behind them. We believe in fairness, equity, and that there are no second-class citizens in this country. Members opposite are going to pay for this in the next election.

[*Translation*]

Mrs. Tardif (Charlesbourg): Mr. Speaker, I would like to ask my colleague how come in the past, when people wanted to settle somewhere, they would first look to see what services were available and then choose where to live, in view of the services they considered essential.

Today, people have the idea that they want to go to live somewhere and then they are surprised afterwards that all the services are not the same.

Could the Hon. Member explain to me how he sees this phenomenon in Canada?

[*English*]

Mr. Young: Mr. Speaker, first, I think those Canadians who pay their fair share of taxes are entitled to exactly the same service as other Canadians who pay the same taxes. What the Hon. Member seems to be saying is something similar to what an official with Canada Post said to a spokesperson for Residents Against Mailboxes. That spokesperson said super-mailboxes are creating tremendous problems for the disabled, particularly those confined to a wheelchair. You know what the Canada Post official said in response? Disabled people do not buy houses in these communities. Talk about stereotyping and discrimination against the disabled! Disabled people can buy houses just the same as other Canadians.

I do not buy that kind of argument at all. It is the same as what the Minister said to a question I asked in the House several weeks ago. I said to him that if he thinks these supermailboxes are the greatest thing since sliced bread, why not plunk one of these down on his own front lawn. "Be an example to the Canadians you are trying to convince", I said. He responded that his front lawn was a mess. He not only had a mailbox, he had a hydro pole, a fire hydrant and all kinds of things. In my mind that conjured up a visual mass of pollution in front of his house. In fact, I felt sorry for him. Then he said everybody should expect that in today's modern world, that you are not going to be able to live the way you did a 100 years ago.

I called a friend of mine who happens to live in Calgary and asked him to nip down to Harvie Andre's house and take a look at his front lawn. Maybe you can get a petition among the neighbours and force the city to clean it up for the poor guy. They went down and took a little peek at this guy's house. He

did not have a supermailbox there. He did not even have a mailbox. He did not even have a fire hydrant.

The Minister tends to exaggerate a little bit in trying to convince Canadians that we should accept the things the Government dictates. Canadians are not prepared to accept that, and I think every Canadian is entitled to equal service regardless of how the Government views it.

Mr. Orlikow: Mr. Speaker, in my constituency I have an area of old houses, very moderately priced. People who live there get door-to-door mail delivery. I also have areas with newer houses, much more expensive, running anywhere from $90,000 to $150,000. They pay higher income taxes than people in the older areas. They pay higher local taxes. They asked me why they cannot get the same door-to-door mail delivery as people in the older areas. They said to me that they did not accept as fact what the Government was imposing on them, that there are two classes of citizens. One class who get door-to-door delivery and another who does not.

I am wondering if the Hon. Member has heard the same complaint from people in his or other constituencies and whether he has an answer that is different from the one given by the Conservative Government and by the Liberals when they were the Government, that is, that we cannot afford it. Does he have an answer other than that which I could give to my constituents who are so angry despite the claims of the Post Office and the Minister that everyone is happy with the so-called supermailboxes?

Mr. Young: Mr. Speaker, I have absolutely no idea why people cannot get equality of service, because it is something Canadians expect. I do not think any reasonable person in the country would argue that Canada Post should operate at a deficit. I certainly would not make that argument. However, I have also pointed out some programs and policies which Canada Post could enter into that could make it pay for itself. I sincerely believe that.

I heard the Minister arguing at one point that if we were to continue to provide that service it would mean an increase in postage rates equivalent to a 60-cent first-class stamp. I looked into that and found that, first, the Minister is talking about a set of circumstances that no one has been arguing. He would argue, and he is probably right in his estimate, that if door-to-door delivery were to be provided to every Canadian it would cost 60 cents for a first-class stamp. No one has ever argued for door-to-door delivery in areas where it never existed, such as in rural Canada.

• (1140)

When we break down his 60 cent figure according to our argument, the additional cost to extend services to those residents who are now serviced by supermailboxes and those who will be serviced by supermailboxes would be a maximum of some 2.3 cents, raising first class postage to about 41 cents or 42 cents. Therefore, I think there is a slight exaggeration.

Another concern among many elderly Canadians is that the increased implementation of supermailboxes is essentially destroying a program which has been very beneficial to senior citizens and other shut-ins. It is the letter carriers' Alert Program where letter carriers keep an eye on elderly people. If they do not see someone during a certain period they would alert the necessary authorities that this elderly person may be in some difficulty.

I asked Canada Post officials what would happen to the letter carriers' Alert Program as a result of these supermailboxes being installed in these communities. They admitted that it would probably go by the way. That is extremely unfortunate.

People often criticize our postal workers for actions that are actually a policy of Canada Post. Yet, when workers themselves have instituted this program on a voluntary basis, I think it is a crying shame that the program, which has been of benefit to many seniors, will no longer be available. That is another side effect of this policy.

Mr. Beatty: Mr. Speaker, it had not been my intention to intervene, but I was intrigued by the question asked by the Member from Winnipeg and the response. It is perhaps the dialogue between the two socialist Members of Parliament that was most interesting this morning.

What particularly intrigued me was the suggestion by our colleague from Winnipeg who, in referring complaints of his constituents to the Hon. Member, said that they were affronted by the fact that people who were living in smaller and less valuable houses than theirs were getting better service, that they were paying more taxes and lived in better houses yet were receiving poorer service. This is an extraordinary thing to hear, particularly from a socialist.

Is it the position of the New Democratic Party that the quality of mail service a Canadian receives should be affected in any way by the wealth of the individual who is applying for the service? Surely the issue should not be one that is based on income or on the size or wealth of the house in which a person lives. I hope my friend from the NDP would go out of his way to make it clear that a policy where people living in better houses and receiving better incomes would have a right to insist on a better level of service than people with less income and poorer houses is unacceptable.

Mr. Young: Mr. Speaker, if the Hon. Member is sincerely concerned about such things as cost, as I believe he is, he only has to cancel that wacky idea of buying nuclear submarines—

Mr. Beatty: Give the money to Jean Claude Parrot instead.

Mr. Young: He has asked a question, I think he should have the decency to be quiet so I can answer him. His question was pretty snarky in the way he phrased it, but I will not respond in kind.

Mr. Beatty: Let's have the answer.

Mr. Young: Pardon?

Mr. Beatty: Let's have the answer.

Mr. Young: I will give you the answer.

Mr. Beatty: Thank you.

Mr. Young: You are very welcome, Sir.

The argument being made by the Hon. Member is exactly the same argument that I make. Canadians should be entitled to equality in postal service, regardless of income. That is the argument I make, and it is exactly the argument the Minister seems to be making in his own kind of slimy way, as only he can make it.

A Canadian should be entitled to equality of service, whether it be postal service, health care service, retirement income or anything else that Canadians hold dear.

[*Translation*]

Mr. Deputy Speaker: Resuming debate. The Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Tardif).

Mrs. Monique Tardif (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I was very interested to hear the remarks of the Minister of National Defence (Mr. Beatty) and the Hon. Member for Beaches (Mr. Young), and it is my firm opinion that the comments of his colleague from Winnipeg discriminate against Winnipeg customers.

Mr. Speaker, I think all Hon. Members, and especially the Hon. Member for Beaches, can rest assured that Canada Post did not shut down certain routes in this country just to deprive rural communities of postal services.

Perhaps I may recall the Corporation's objective, which is to work with communities to find other ways of increasing the number of outlets, to facilitate customer access to postal services, and to extend business hours by making use of the resources of local businesses and thus maintain and improve services.

Mr. Speaker, perhaps I may draw a comparison. When a bank closes down, the service it provides disappears along with it. When the Canada Post Corporation changed its postal services, it started offering a broader range of services. I would like to refer more specifically to a situation experienced by my mother, who gets her mail through the rural delivery service of Saint-Augustin. One day, Canada Post decided to ask people to drive nearly 10 kilometers to pick up their registered mail or items that were too big to fit in the little green box. Do you know what the people did, Mr. Speaker? They signed a petition and asked Canada Post to give them a service outlet at the local convenience store. Why? Because the convenience store was open from seven in the morning till midnight, provided good service and would obviate the need for driving 10 kilometers.

I think the lesson we can learn here, Mr. Speaker, is that when changes are made, the wishes of the community must be considered. In many cases, for instance in new developments, people have become used to going to the convenience store instead of doing their shopping on a larger scale. Habits have changed, and I think that is also reflected in the service offered by Canada Post.

Unlike what was said by the Hon. Member, and I was struck by this aspect as well, some municipalities in Quebec have adopted resolutions in which they ask super boxes because they feel this is an improvement. Every time I hear the Hon. Member talking about super mail boxes, it sounds like he is talking about a major disaster! You must not forget that some people, and some of them live in my riding, are very pleased and want the super mail boxes instead of the green boxes which are always falling down, aren't very clean and are not installed as a permanent fixture. Some people want the super mail boxes.

So I think that people who claim that super mail boxes represent a drop in service should remember that many people who are directly concerned see the boxes as an improvement.

Mr. Speaker, I would like to name the municipalities whose resolutions I have here: Saint-Luc, Sainte-Anne-de-Bellevue and Verdun. In each case, the municipality has advised Canada Post that this is an improvement in service and that people want the super mail boxes installed as soon as possible.

To recapitulate, Mr. Speaker, in some cases the super boxes mean an improvement in services, and it is also very important that Canada Post make these decisions with the community.

The same principle applies to everyone, and Canada Post must use its resources and skills to sell postal items and postal services. If we look at the present situation in Canada, we see that home delivery represents 54 per cent of postal services; centralized delivery, 13 per cent; super mail boxes and community mail boxes, 7 per cent; rural routes, 7 per cent; post office boxes, 15 per cent; and general delivery, 4 per cent.

When the population and the number of households increase, delivery networks must be expanded. If we look at what is happening in other countries, we see that many postal administrations, including the United States, Australia, France and Sweden, have concluded that universal home delivery is neither profitable nor affordable.

Here in Canada, home delivery would mean additional operating costs totalling $1.3 billion over five years and would oblige Canada Post to increase the basic letter rate by 17 cents, over and above any regular increases. That is why Canada Post is maintaining home delivery where it already exists and provides the super box service in new developments.

In rural areas, mail delivery has traditionally been carried out by local entrepreneurs. This delivery service is efficient and as profitable for Canada Post as it was previously for the Post Office. Local entrepreneurs are given a chance to participate

in postal service operations, while they remain free to conduct other business or to be otherwise employed.

Canada Post's objective, Mr. Speaker, consists in creating an efficient, modern and fully streamlined network of retail outlets that would improve access for customers, enhance Canada Post's image, provide a broader range of better quality and more regular services, and do so while making a profit.

Canada Post is trying to make its presence felt as an advanced enterprise in this country. A full range of postal products and services will be offered in the new network of postal outlets, which means that Canada Post will substantially increase the number of locations where retail services are offered, as well as upgrade the quality of those services.

Mr. Speaker, Canada Post expects to improve customer access by installing additional public mailboxes and super boxes where customers can both pick up and mail their letters. Another improvement will be to provide retail outlets in more convenient locations.

As far as mail delivery is concerned, Mr. Speaker, Canada Post has promised to maintain and improve the level of service provided to nearly 10 million addresses existing today. Home delivery will be continued in locations where it now exists, while present routes will be expanded to include both sides of the street, up to the present cutoff point.

Mr. Speaker, Canada Post wants to give Canadians the assurance that new urban developments will continue to be served—and not later than 90 days after meeting all the usual criteria—by community mailboxes or super boxes.

Postal services to customers who now receive mail in community mailboxes or through general delivery will be improved through the installation of super boxes on an on-going basis. In all, Mr. Speaker, some 340,000 rural and urban delivery points will be added to the superbox system over the next two years, and about 500,000 in three years, which should improve the present levels of service and accessibility.

Customers in cities where the population growth exceeds the capacity of the post office boxes at the local point of sale will have service at a super mailbox or community mail box.

In the year after Canada Post Corporation breaks even, it will adopt a policy of providing post office boxes free of charge for individuals whose only alternative is general delivery.

Rural route delivery service by private contractor will also be maintained.

In conclusion, Mr. Speaker, I must mention that Canada Post Corporation, which had a $600-million deficit in 1981, expects modest profits as of the 1988-89 fiscal year. It is also the first year that the Corporation will not ask for government subsidies to cover its expenses.

And, to use a well-known expression, Mr. Speaker, for once Canada Post will no longer be "in the red" starting this year.

• (1150)

[*English*]

Mr. Langdon: Mr. Speaker, I have two questions I would like to pose to the Parliamentary Secretary. First, I would like to ask her to explain the discrepancy, as I understood her speech, between the 17 cents she talks about and the 60 cents the Minister has talked about in his wild and woolly way with respect to the differences in costs of basic service, first-class service, which would be required because of movement away from serving people with supermailboxes.

Second, and more important, I would like to challenge directly what the Member has suggested, that Canada Post is somehow committed to maintaining service door-to-door in every place it has existed. I can tell the Member that this is simply not the case and I can point specifically to sections of my constituency in which door-to-door delivery took place previously and which has now been cut out by Canada Post. If the Parliamentary Secretary wants the specific area, I can tell her it is along Highway 18, north of Amherstburg, an area which now has a condition in which half the area receives direct delivery and the other half, which is completely similar to the previous half, does not receive direct delivery. We had a situation prior to this Government taking office, and a situation prior to the changes which have taken place, in which everyone along that route received direct mail.

My last point is to say that there are small towns, urban areas, in effect, in my constituency which have every condition similar to that of the suburbs of the City of Windsor itself. Yet in the one set of conditions, they have door-to-door delivery, and in the other set of conditions, they do not have door-to-door delivery. There is an inequity here that is absolutely unacceptable to Canadians.

Does the Parliamentary Secretary not think that with the Charter of Rights setting forth the basic equalities which Canadians should have, it is quite likely there will be challenges by people who are faced with these inequalities, that they will directly challenge the policy that Canada Post, under the direction of this Government, has put into effect?

• (1200)

[*Translation*]

Mrs. Tardif (Charlesbourg): Mr. Speaker, to begin with, in answer to my colleague's first question about the extra 17 cents, I did say 17 cents over and above the costs and normal increases.

While the Minister mentioned 60 cents to mail a letter, I talked about 17 cents more. In both cases, we figured that with $1.3 billion more, there would be an increase that we would have to justify somehow. That is the explanation for the 17 cents. In one case, we are just talking about an increase and in the other, about the total cost of a stamp in Canada.

Regarding the maintenance of door-to-door services, with the example my colleague gave us from his own riding, I think

that I did say existing door-to-door service would continue. Service would be extended only if it were on the same street or for something that was already done, for example. For new developments, we will have to think of other ways to meet the public's demands.

Mr. Speaker, I would like to add that what is important for me is that in all the changes to be made by Canada Post, the public always be considered, that there be close communication and cooperation with municipal councils and that the Corporation meet the people. For me, that is a requirement.

I do not think that we can talk about an overall solution. I think that this must all be considered and discussed with the people directly concerned.

[*English*]

Mr. Langdon: Mr. Speaker, I would like to clarify that this area which had its direct delivery cut was an area which was previously receiving such direct delivery. If the Hon. Member is suggesting that there is a new area, then that is simply not the case.

I would ask her, and I would ask Canada Post through her, to justify, as it has not been able to justify to the residents of this area, the fact that this direct delivery was cut. It has nothing to do with extensions to new areas. It has everything to do with cut-backs of existing services which did provide direct delivery to these residents.

[*Translation*]

Mrs. Tardif (Charlesbourg): Mr. Speaker, I think the Hon. Member is referring to a particular case of which I am not aware. The problems I experienced with this kind of case had to do with the extension of services within the same development but which began, for example, behind already serviced developments. I suggest he may have to do as I did and get in touch with Canada Post to find out how they can explain that change—he is talking about a change with which I am not familiar—and how that can fly in the face of what Canada Post has been promising all along, which is to maintain home delivery service for those who already have it.

Mr. Tardif (Richmond—Wolfe): Here is my question, Mr. Speaker. To some extent the remarks of my colleague would appear to justify or explain the course steered by Canada Post which had to cope with rather heavy operational deficits. Such are the facts, and they will simply have to slash the deficits or even balance their budget.

But what I think is significant in these circumstances is that there are two ways to go about it: either you cut expenses or you boost revenues. So my question to the Hon. Member is this: How can she explain that Canada Post management seem hellbent on systematically reducing services at a time when a small army of new companies is happily delivering mail?

Now I would think that if competition is that stiff or if so many companies are in the business it must be quite profitable. Instead of cutting services as it has been doing, why did Canada Post not consider expanding mail delivery which would have generated the additional corporate income needed to maintain adequate services for all Canadians without exception?

Mrs. Tardif (Charlesbourg): Mr. Speaker I remember Canada Post's experience several years ago when it tried to get involved in the mail order business seeking new ways to increase its revenues.

What strikes me especially in this instance is the fact that Canada Post, exactly as it did previously when trying to seek other revenues, is again forgetting that its main responsibility is to deliver the mail. The problems which Post Canada has encountered have made it possible for some private corporations to move into an almost unoccupied area and to make deliveries to the satisfaction of their customers.

I too believe that if Canada Post wanted to increase its revenues, it could for a fee provide a special service to a certain type of customers who are willing to pay anyway.

Mr. Deputy Speaker: Resuming debate. The Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano).

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I wish to take part in this most important debate concerning the impact of Canada Post's decision to cut back on this vital and essential service to all Canadians.

We should realize nowadays that wherever we may go in this country, one of the main issues Canadians are concerned and wondering about is the postal service. I am sure that this is an issue which is certain to be raised during the forthcoming election.

This is so clear, Mr. Speaker, that as soon as Canada Post with its so-called responsible Minister learned this morning, or rather late last night, that we would deal today with an Opposition motion about postal services, it called a press conference to announce its action plan or annual report—we do not know which yet, but we will find out, I suppose, this afternoon—in an attempt to lead away from the real situation which we, as elected Members, will describe to Canadians during this allotted day.

First of all, I should like to start by saying that although on the one hand I was surprised to hear the Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Tardif) (Charlesbourg) compare postal services to banking services, on the other hand it was not because, by comparing postal services to banking services, she provided us with the vary basic philosophy of the Tory party.

This is unbelievable, Mr. Speaker, in a country so large, so vast, and with such remote areas, as Canada! In a multicultural country! How vital must that postal service be! Some might say: hear now, when a bank decides to move a branch, nobody says anything, but when Canada Post Corporation decides to shut a post office down or move it, it becomes a problem.

This is exactly the point, Mr. Speaker. I believe this Conservative Government did not realize the importance of that service to Canadian communities, whether urban or rural. That service is a prime communications link, a highly important one, that we as a Government should be providing to Canadians.

When our Confederation was launched, Mr. Speaker, there were two major mandates: protecting and defending the country, and delivering the mail. But today we are wondering whether this Tory Government intends to continue. What we find is that with free trade, it intends to sell Canada out to the United States, and the experience with the postal service is clear evidence of that in my view.

Mr. Speaker, I should emphasize at this point that such is indeed Tory philosophy, and this is the reason why, in Canada Post's corporate plan tabled two years ago, it was clear that the Corporation was to shut rural post offices down, franchise urban offices and deliver mail to superboxes so that it could have it moved by contractors. In other words, Mr. Speaker, the Government's major goal was to privatize the postal service, and this is what it is trying to do by bits and pieces. But Canadians have caught on to that and it is my feeling that come the next election, we will hear about it, because it will be a highly debated issue and this Tory Government will get its answer.

Mr. Speaker, the other matter delved upon by the Parliamentary Secretary to the Minister of National Health and Welfare (Mrs. Tardif) is that some municipalities passed resolutions requesting that Canada Post Corporation install superboxes because installing them would improve service.

Mr. Speaker, what the Parliamentary Secretary did not say is that indeed there were cases where citizens said: We would rather have a mailbox than have to pick up our mail after work in a main post office, because closing hours often are a problem.

Clearly, when people have nothing, no mail at all, no mail delivery whatsoever, they will say: After all, if we have a box, it will be close to home. But that is not necessarily the kind of service they want, Mr. Speaker. If all Hon. Members would take the trouble to listen to their constituents, they would realize that whether they happen to be in urban or rural areas, people want the same postal services. Every day, town councils are adopting resolutions. You know what is happening? Spring is usually the time to start work on construction projects, and so Canada Post is getting into high gear with its supermailboxes. However, town councils have passed resolutions saying they don't want Canada Post to instal the boxes. Today, the Corporation is starting to play hardball: If you don't want supermailboxes in your municipality, we won't deliver the mail!

There will be no deliveries at all, and the people in your community will have to pick up the mail at a post office pretty far from where they live. That is the kind of pressure they are starting to put on local authorities who realize there are Canadians who pay 37 cents to mail a letter, who pay the same municipal, provincial and federal taxes and that these people are entitled to the same services as everybody else. And that is the crux of the matter: the Government refuses to understand that delivering the mail to superboxes on a permanent basis, as announced, is discriminatory. Canadians will not accept it, and groups are getting organized across this country.

Not long ago, Mr. Speaker, I was in a Toronto suburb on a Sunday, at a meeting of some of these groups, including Residents Against Mailboxes, also known as RAM. Do you know what their slogan was?

• (1210)

[*English*]

"RAM the Mulroney box". That was their slogan. That is the kind of sentiment that is being generated these days. People are fed up with these supermailboxes. What they want is an efficient and fair mail service.

In rural areas, the Government intends to use collective mailboxes at major intersections. To my mind, this shows a lack of vision, a lack of understanding of the community fabric of Canada on the part of this Government. Everyone knows that the post office continues to be a gathering place in our villages and our small towns. It becomes an information centre for all citizens. It is where people go in search of information on the availability of social services; where they go to get taxation forms, scholarship forms, and job application forms. Often, the postmaster becomes a resource person.

Through the post office, the federal Government maintains a presence in our small towns and villages. Through the post office, the federal Government takes on human dimensions. It creates a link within the community, and it is a unifying force, a force which results in a feeling of belonging for members of the community.

To better express what I have been saying, let me quote from a letter which the Mayor of Trinity Bay, a small town, wrote to the President of the Canada Post Corporation. I quote:

> If the few businesses which we have and on which we rely for our survival stay here, it is because we have services such as the post office. Centralization for economy's sake must not be pushed to such an extent that it jeopardizes the existence of small communities . . . We urge you to find means to keep our post office, even if doing so would mean sharing with others certain of the most costly aspects of the postal service. For us here, sharing is a matter of survival, and we know something about it. For God's sake, do not help to destroy us!

• (1220)

[*Translation*]

Mr. Speaker, complaints are coming in from all over the country. Rural Dignity appeared before the Parliamentary Committee to describe the problem and explain how important it was to keep small post offices open in rural communities. We had citizens' groups like RAM appearing before the Committee to testify that supermailboxes are discriminatory. We even had test cases prove that homeowners living directly opposite

newly installed super boxes saw the value of their homes go down, and as a result, municipalities gave them a tax rebate.

Of course, we also had the whole issue of closing down some post offices and privatizing others. In my riding, for instance, I still get calls from people who live across from the post office and who received a card saying that from now on they would have to pick up their registered mail at the pharmacy on the other side of town. They now have to travel two miles by bus or on foot, depending on their budget, to pick up a parcel or a registered letter. That is what Canada Post and the Minister mean when they say they have improved services! In Saint-Léonard—Anjou, we now have five more locations where we can pick up the mail. Mr. Speaker, although this does mean that some people can pick up their mail at the pharmacy or the convenience store, what about the person who happened to buy a home near the post office and who could depend on that service, and now the service no longer exists?

Why do the Government and Canada Post not allow these people who are right near the post office to continue to pick up their mail and registered letters there? The reason is simple, Mr. Speaker: It is because Canada Post has decided, in its secret plan to privatize the Corporation, to gradually eliminate employees because there would be less volume and then to say four or five years later that there was not enough volume in those post offices and to shut them down. That is what is behind all that, Mr. Speaker, and I repeat, it is the plan to privatize Canada Post, to gradually shut down rural and urban post offices and to deliver the mail in supermailboxes in urban areas.

Of course, the Hon. Member for Valleyfield, I think, would like me to shut my mouth! But I have the feeling that as soon as the Prime Minister (Mr. Mulroney) has the courage to call an election, the citizens will really shut down the boxes and super mailboxes that the Conservative Government has set up, and as the RAM slogan goes, they will "ram the Mulroney mailboxes."

I think that this debate may be amusing for some Conservative Members, but it is important because some citizens across the country are concerned; they are disgusted and feel like second-class citizens. The Government is doing all this on the pretext of reducing the deficit. Well, Mr. Speaker, when Canada Post Corporation was created in 1981, with all three parties unanimously supporting the Bill, the new corporation had three objectives: namely, to improve service, reduce the deficit and improve labour relations. Today, the Conservative Government, after taking power, undid any improvement in labour relations that might have occurred from the time that Canada Post was created in 1981 until the Conservatives took power in 1984.

As for service, we know what that means: There are two classes of citizens, those who have home delivery and those who must get their mail from supermailboxes. The problem with this is that often you can see the mailman pass behind your house, through the yard, deliver mail to the neighbour, and on the other side of the street, or one street over, you must get your mail from a supermailbox. If that is not discriminatory, I would like to know from the Conservative Government what is, and I hope that this afternoon, the Minister can tell us exactly in the House if it is not discriminatory, just what it is.

Definitely, Mr. Speaker, we must reduce the deficit. We agree on that. But we cannot reduce the deficit as fast as they want. In the United States, a country with 10 times our population and larger than ours, they took 14 years to balance the books. Here in Canada, they want to do it in seven years. And this has completely unbalanced the plans accepted in 1981, instead of letting things continue to reach our objective. In 1986, the Minister of Finance really burned his bridges and let us say that this is what has created the whole postal mess we find ourselves in today.

Of course there are ways to reduce the deficit, but not only by cutting expenses. We can also look for revenue. And how many times in this House and also in meetings outside have I suggested to the Minister and the Corporation how they could increase revenue!

On a parliamentary trip in Switzerland, I learned that they sell advertising space in their post offices, they sell public services such as public transit, for example, but they have advertising. Why would it not be possible for Canada Post Corporation, which owns some 4,000 trucks, to sell advertising space on its trucks, as buslines do? This would bring in revenues without entailing expenditures. Why could it not sell advertising space in post offices especially, of which there are a number downtown where people are ready to pay very good rates for advertising. The Corporation's answer to that is that such advertising would be detrimental to its image. Good gosh! What kind of an image is there when Canadians are mad and blowing their tops at the Corporation? I therefore feel that if we had a policy of using its buildings, trucks, and equipment to increase revenues instead of cutting down on service to people, this would be a boon.

There is also the whole matter of direct mail. There are very clear studies to show that we are eight years behind, that we could move forward in this area and get . . . Indeed, according to one study, if we did a per capita update on direct mail as they have done in the United States, we could get $300 million in extra income each year. This would be enough to wipe out the deficit, have home delivery in urban areas and keep our post offices in rural areas.

This is a matter let us say of good will, but as suggested by the Parliamentary Secretary to the Minister of National Health and Welfare, this Government has decided to compare Canada Post Corporation, the postal service, to a banking service.

This means that a bank, as any other business, plans its operations and must gererate a profit at years's end. If the operation is not profitable, they either shut the branch down or move it elsewhere.

But such is not the case. The postal service is a basic communication service for Canadians. And in a country as large, as vast and diversified as Canada we must have the same postal service for all. We are going to fight to make the postal issue a priority during the next elections, Mr. Speaker, and Canadians will judge this Tory Government accordingly.

Mrs. Tardif (Charlesbourg): Mr. Speaker, I should like to return to my hon. friend's last statement to the effect that I compared Canada Post services to banking services. That is not quite what I said, Mr. Speaker. I said that after a bank closes, banking services are no longer provided. On the other hand, when Canada Post decides for instance to close a post office somewhere, it makes sure that somebody else will provide the service. This is altogether different, Mr. Speaker.

I should like to return also to another statement made by my hon. friend. He referred earlier to the objectives the former Liberal government was attempting to reach when postal services became the responsibility of Canada Post Corporation and no longer of a government department.

As far as I can remember, the previous Government decided to make the Post Office department into a so-called "independent" Crown Corporation so that postal services provided to Canadians would be free of political interference.

If that was the purpose then as well as to make sure that Canada Post was free to provide Canadians with services which could be financed by raising funds through the sales of stamps and services, I wonder what my hon. friend would say for instance in the case of collective bargaining when one must appear before a mediator to express his or her views or those of a group of unionized workers. When a Member of Parliament speaks out in favour of unionized workers before a mediator should this be considered as political interference? Does this mean that, depending on the situation, the Liberals with their global view of things could argue: "Our objective is to avoid political interference; just the same, when dealing with day by day issues, interference is sometimes necessary".

Is it more important to make sure that Canadians as a whole get postal services? As I said earlier, we are not trying to reduce postal services, only seeking different ways to provide them.

When you mentioned reduced services, is it because you felt that Canada Post employees are not good employees, that they are not providing Canadians with the services they should? This seems to be the gist of your remarks.

I can tell you, for sure, and I know a number of Canada Post employees, that most of them are good employees anxious to provide their customers with the services they have the right to expect.

• (1230)

Mr. Gagliano: Precisely, Mr. Speaker, the Parliamentary Secretary is telling us that nobody should interfere with the mandate of Canada Post which was created in this House in 1981 by a Liberal Government with the unanimous support of all Members.

As it happened, when the Conservative Government took over it did intervene and did interfere with this clear-cut three-pronged mandate: Better services, improved labour relations, and deficit reduction. Those were the three objectives of Canada Post. It was this Conservative Government—her Government, Mr. Speaker—which chose to interfere and completely alter the course we had plotted for Canada Post. With their new plan to shut down 5,000 rural post offices, install superboxes in urban centres and city outskirts, not to mention franchising and closing post offices in urban areas, that is when the whole debate on Canada Post was re-opened, precisely because the Conservative Government had interfered and got mixed in Canada Post operations to say: No, from here on in this is how you are going to operate.

It was the Government which interfered, not the Opposition.

As to the mediator . . . I was laughing earlier because I see that the Parliamentary Secretary is remotely controlled by Canada Post, and this spirit, the attitude which now prevails in the upper reaches of Canada Post, Mr. Speaker, and indeed any action that might be taken . . . I want my colleague to have a copy of the presentation I made before the mediator. She will see that it is a complete presentation on the way we could have broken the deadlock.

Mr. Speaker, I should like to refer to the conclusion of my presentation. I said to the mediator: Of course, both parties are to blame. So I was not siding with the employees. I even explained how to increase revenues, what labour relations approach to take to settle the whole dispute. Mr. Speaker, we must not forget that in the space of six months . . . There were no strikes between 1981 and 1987. In a six month period in 1987, we had two strikes for which this Tory Government was responsible. The Corporation could erupt like a volcano any 2 minute. This is precisely the attitude which I note in the comment made by the Parliamentary Secretary under the guidance of Canada Post Corporation when she stated that I appeared before the mediator to plead on behalf the union. I did not defend the union, Mr. Speaker. I said to the mediator that definitely all the blame was not to be laid on the same side. There has been abuse everywhere in that organization precisely because labour relations are in such a sorry state.

Therefore I said to the mediator: Sir, I feel that your work is extremely valuable. Your recommendations will have a direct and permanent effect on our postal service. I cannot overly insist on the necessity of maintaining for Canadians a fair and efficient postal service which will take into account the nature of this country as well as budgetary constraints. We should return to our three great principles, which are to harmonize labour relations, to improve service and reduce the deficit. Such were the basic principles when Canada Post Corporation was set up. If there is interference with the business of Canada Post, it is precisely that of the Conservative Government and

its action plan. And we will see if the plan they put forward this afternoon is better or worse.

Mr. Deputy Speaker: The Hon. Member for Richmond—Wolfe (Mr. Tardif) for a question or comment.

Mr. Tardif (Richmond—Wolfe): Mr. Speaker, I would like to make a brief comment and ask a question. As for the comment, somebody mentioned the banks and I think indeed there is an interesting parallel to draw here. As far as I know, in rural areas as in my constituency, there are relatively few banks.

However, there are Caisses populaires everywhere, even in the smallest communities. And, to my knowledge, in spite of the small number of people they serve, the Caisses populaires are very profitable because they were able to adjust, to tailor their services to people's needs.

As for my question, I would like first to congratulate my colleague. The Government seems to consider Canada Post merely as a private enterprise having to act and to face the same obligations as a private company. But, to me, there is a big difference between Canada Post and a private company, given its purpose and its unifying role.

My question to my colleague is this: How does he see Canada Post in relation to private enterprise?

Mr. Gagliano: Of course, Mr. Speaker, if Canada Post is to be considered as a private enterprise, I admit it would be easy to privatize it if the Government were to decide overnight to sell postal services in Toronto, Montreal or Vancouver and in every large city, then of course it could make good use of the money.

But what happens when you have to provide postal services to rural areas, to the North, to our remote areas? As I was saying in my speech it is important that the Government take a good look at Canada Post as everybody was unanimously prepared to do in 1981, and give it specific objectives. It should have been allowed to continue, and perhaps today we would not have a deficit but instead an improved and equitable service for all Canadians.

So, Canada Post cannot be considered as a private enterprise. Even in the Marchment Report, in the section on privatization, they make this comparison. They say that for large cities it would be easy to privatize, but who would pay for services elsewhere? Would the private enterprise be ready to pay the costs of shipping a letter to remote areas? That is what the universality of the system is all about. We pay 37 cents to send a letter to Ottawa or Toronto but also to Yellowknife. So you can be sure that if Canada Post were a private enterprise, with the deregulation system that is being pushed too far, Canadians living in remote areas, in the North for example, could not get any service.

So that is why we want to balance the books and take the time needed, but also we want to give Canadians the service they are entitled to get.

Mrs. Tardif (Charlesbourg): Mr. Speaker, I would like to ask my hon. colleague why when comparing Canada Post and the private sector, he distinguishes between their customer service? When we talk about 37 cents postage it means whether the letter is sent to the same town or to the Far North, I think everyone agrees with this. This is one of the aims of Canada Post Corporation. It is precisely the reason why it is not a private company. On the other hand, one of its mandates was to operate on a balanced budget. There has never been any question that service to the people should not cost the same everywhere. We know full well that when we talk about new service expansion, Canada Post is of the opinion that in the years to come, the type of new project development will have to change.

Is it not the same for many other services? I am thinking of people who, in the old days, did their shopping at one main grocery store. Today, they stop every evening at the convenience store. Is it not also true that our way of life has changed in such a way that our habits have changed and one of the way Canada Post Corporation can meet the expectations of its customers is also to adapt to the new ways of a new generation.

Mr. Gagliano: Mr. Speaker, of course we all agree on paying 37 cents, no matter where we live in Canada. However, if you pay the same amount, you expect to get the same level of service as other Canadians.

But things work differently. For instance, in my riding, on a street not far from mine, people living on one side of the street get their mail delivered, others do not. Thus the postman delivers mail to citizens like myself living on one side of the street, whereas people who live just accross the street, in the new developments built in the Spring of 1985, must get theirs from a mailbox. Canadians find this unacceptable. Why this double standard on the same street?

As for the comparison between supermarkets and corner stores, I have to say that when we, Liberals, were in power, we opened postal branches and counters in drugstores. We did that to accomodate people, the same way corner stores do, so that people requiring immediately different postal services could get them right away without having to go to the main post office. But the main post office did, however, exist.

What is happening now is that with its new scheme, Canada Post is taking a postal branch that provides complete services in a drugstore or a convenience store, and franchising it. Those are the reasons why the plan does not work. Canadians are not willing to accept it. In that sense, Mr. Speaker, practically everybody living in a rural area is against it today. People are protesting because their small post office is closing down. For their part, city dwellers are critical because they must go to supermailboxes to get their mail. Furthermore, customers who need postal services are not satisfied to go to these franchised post offices. Therefore, a monster has been created which upsets everybody.

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, we in the Opposition are not the only ones to condemn the Government for its total and absolute failure to provide fair and equitable postal service to all Canadians. We are joined by a majority of Canadians who feel they were victims of the cut-backs by Canada Post, or had seen their neighbours or friends or parts of their communities affected by these government-ordered cut-backs. Even organizations such as the Catholic Bishops have stressed the need to provide services in communities where those services are an integral part of the survival of those communities. The United Church of Canada agreed and gave its support to the people trying to maintain the postal service at the level we are used to.

• (1240)

The Minister responsible for Canada Post keeps trying to convince us that there is no reduction in service. The statements he makes are a patent attempt to create a false image. This has made many people angry in the sense they feel that the Minister is being condescending towards them. It has affected the credibility of all the Minister's statements. In fact, it affects the credibility of the Government to a great extent because it knows services have been cut back. The Government knows fewer services are being provided now than in the past. It knows the service being provided in one part of the country or a community is not the same as that provided in a different part or community, even if conditions are exactly the same.

Everyone who lives anywhere near a post office which has been closed during the last three or four years knows that service has been taken away. Everyone who no longer has a rural route delivery knows there has been a reduction in service. When we say, as we do in this resolution, that we condemn the Government for its total and absolute failure to provide fair and equitable postal service to all Canadians, we are just representing people who have felt the reduction in service.

When the Minister says he has not reduced service, he is obviously talking through his hat because 200 rural post offices have been closed. Dozens of rural routes have been eliminated wherever possible. The Minister states that service is not being reduced, so that means he is giving a wrong impression and stretching credibility.

My special concern here today is that of reduction in rural service. We need to think about what rural life really is. What is the reality? Perhaps the Minister who defends Canada Post's actions to such a great extent should be given a course on rural reality. It might be more valuable to him than his Ph.D. In his attempts to defend the postal service he seems not to recognize that there is a special quality to rural life which must be recognized and nurtured to some extent. There is a rural infrastructure which we should build on. It provides the kind of lifestyle which many of our people are considering more and more important to the well-being of the country. A vibrant and viable rural community has built into it a range of services which are necessary to its survival and growth.

Rural communities are not just people who live on the farm. Rural communities include small towns, villages and hamlets. It is a combination of producers and consumers. To survive, a rural community must be self-sufficient within certain parameters. One of those parameters is the requirement for postal services. Certain communities cannot survive without certain services being available, and one of those services is postal service.

A removal of the postal service is almost a death sentence for a particular community. What are the realities of a rural post office? First, it is vital to the economic and social well-being of the community. It is the only federal presence in the community. Quite often a general store, a gas station or a post office are the centre of village life. If you remove the post office, you have removed one-third of the commercial presence of many small villages. You then move towards the elimination of that village entirely. If the people of a particular community are forced to go eight, 10 or 15 miles to another community down the road to get their mail, they very quickly start to do other business in that community and consequently their own village may well disappear.

Seniors in particular are seriously affected by changes in postal service. Many do not have cars to drive to the next nearest post office. They have to choose between increasing dependency on other people or isolation. They also find themselves in a very difficult situation if they are forced to go to supermailboxes which are quite often beside or along busy streets or highways. They do not have the kind of protection they are used to in their small local post office.

Women constitute about 82 per cent of Canada's rural postmasters and their assistants, so that elimination of those post offices eliminates many jobs for women. Closing a post office in many cases removes the only jobs available to rural women in a given area. Yet quite often that reduces the amount of service to the area. Furthermore, a store owner will give priority to someone buying groceries over someone coming to buy a 37 cent stamp.

• (1250)

Privatization of the post office also results in the postmaster and their assistants receiving one-fifth the salary they received previously, which also reduces the economic effect of the post office on that community.

The Minister has tried to convince us that there has been no change in service. Recently I gave him an opportunity to make an honest man of himself by opening up the 200 post offices that have been closed in the last two years, including a number of rural post offices.

My own rural delivery has been closed and I now drive 20 miles, twice a week, to get my mail, when I used to get it across the road from the farm. There are 35 other farm

families in the same situation. That has to be considered a reduction in service.

In the last two years, 37 post offices have been closed in Saskatchewan. That number has probably increased significantly in the last few weeks because there is a meeting today in the small town of Pilger in an attempt to save the post office. Yesterday there was a meeting in the small town of St. Gregor, not far from Humboldt, where the postmaster is retiring and Canada Post is attempting to close the post office. I believe they have reached a compromise in that case.

The town of Clavet, situated close to Saskatoon, is also affected by this change in the post office. These changes are supposed to be improvements, according to the Minister, but in the minds of the people in the communities they represent a withdrawal of service.

The committee which dealt with this issue faced some difficulties. The committee, which was dominated by Conservative Members, refused to hear several witnesses who wanted to indicate their displeasure with the corporate plan that had been established by the post office. In its final report, even Conservative Members said that there should be no closure without meaningful consultation and the consent of the community affected, and that the retirement of a postmaster should not in itself constitute a criterion for closing rural post offices.

Unfortunately, these two recommendations, while accepted by the Post Office, have not been fulfilled.

Recently, there was a much publicized case in Saskatchewan where the sudden death of the postmaster was used as an opportunity by Canada Post to close the post office. It is rather difficult to give 90 days' notice in these circumstances. The post office has been moved to the local grain elevator. One can imagine where the priority will lie if someone comes to buy grain and another person comes to buy a 37 cent stamp.

Since 1986, post offices have been closed in almost every part of the country. The post office in Purple Springs, Alberta, closed on July 31, 1986. Those residents must drive 34 kilometres return to pick up their mail at Taber. The mail truck continues to pass through the small town of Purple Springs on its way to deliver the mail at Taber.

The post office in Ninga, Manitoba, was closed on August 1, 1986, forcing residents to make a 35 kilometre round trip to pick up their mail. Residents in Ravenscrag, Saskatchewan, must travel 80 kilometres return to Eastend to pick up their mail and conduct postal business.

The corporate plan that was presented by the Government in 1986 stated: "We have 5,221 rural post offices in Canada. Over the next 10 years, 1,700 smaller post offices are to be closed and replaced by supermailboxes". It goes on to say that 3,500 post offices are to be privatized. The post office would be closed, and retail services would be provided in a local grocery store, drug store and so on.

In response to this plan it was stated that employees would not be properly trained by experienced, sworn-in postmasters but by poorly paid store clerks with a high turnover rate.

This action by the Government constitutes a major change for people in these communities. We must recognize the need for the continuity of rural Canada which the removal of postal services does not provide. In many cases, the survival of the community is dependent upon the existence of the service.

When the Government moved against rural post offices in Canada, it moved against residents of rural Canada. The vision of Rural Dignity, an organization that was established to protect as many of these rural post offices as possible, represents a vision of a proud people who believe they are contributing to Canada. Recognition of that contribution can be made by allowing these people the best possible service, including postal service.

The downgrading of rural Canada is a contribution to the depopulation of rural Canada. In Saskatchewan, post offices have been closed in the communities of Aylesbury, Esk, Krydor, Elstow, Readlyn, Forgan, Tweedsmuir, and Crutwell. All of these communities feel they have been attacked by the Government. They want to fight back by requesting the continuity of their rural post offices.

Mr. Deputy Speaker: The period for questions and comments will commence after Question Period.

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

At 1.02 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

NATIONAL CAPITAL COMMISSION

WESTERN PARKWAY—NEW RULES FOR SUNDAY MORNING USAGE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, during the 1980 election campaign the Rhinoceros Party promised Canadians that if elected they would make us drive on the left hand side of the road instead of the right hand side, and that this new system would be phased in starting with buses in the first year, followed by trucks in the second year, and cars later.

Well, the NCC has now updated this plan on the Western Parkway in Ottawa which has been used by cyclists and runners on Sunday mornings for the past 10 years. Motorists will now be driving in two different directions on one side of

the road on the Ottawa River Parkway, while cyclists and runners will be using the other side.

An RCMP spokesman said about this new policy: "We're kind of crossing our fingers", obviously meaning that hopefully the regular users of the Parkway on Sunday morning will not be featured in Monday morning's obituaries. I have supported many initiatives of the NCC, but this clearly is not one of them.

I ask the Minister responsible for the NCC to put an immediate stop to this ridiculous new policy before it is too late, and to remind him that the National Capital Region also belongs to the people who live within the National Capital area.

* * *

YOUTH

WINONA HIGH SCHOOL STUDENTS—TELETHON CHARITY DRIVES

Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the youth of Canada are our hope and inspiration for the future. They often demonstrate their beliefs and concerns for our nation by becoming involved in a project that will benefit their community. The students of Winona High School in Lincoln riding are an excellent example of Canadian youth working together for the benefit of their community.

May 14 will be Winona High's thirteenth telethon since 1974. In previous years the school has raised over $150,000 for charitable organizations such as the Multiple Sclerosis Society, Participation House, the Winona Senior Citizens Centre, and the Spinal Cord Society.

This concern for and commitment to the community demonstrated by hundreds of Winona students have earned for them the affectionate title of "The Small School with the Big Heart". Although this is Winona High School's farewell telethon, the spirit of Winona High will live on in the hearts of the students, the teachers, and the hundreds of citizens whom the youth of Winona High have helped through their telethons.

* * *

INTERNATIONAL NURSES DAY

TRIBUTE TO WORK OF NURSES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, today being International Nurses Day and the birthday of Florence Nightingale who pioneered nursing, I ask Members to join with me in paying tribute to Canada's dedicated and caring nurses.

Nurses play a vital role within the health care system. Not only do they care for those of us who are sick but they provide pre-natal and post-natal clinics for new mothers, preventive health care in schools and in communities, and important support services which allow elderly and disabled people to remain independent in their communities.

I would also like to give special recognition to Jeanne Mance who was Canada's first nurse and hospital administrator. She established the first hospital in New France. Her belief in preventive health care showed remarkable foresight. She recognized that the maintenance of health and prevention of illness should be the most important goal of our health care system.

In Ottawa this evening the Canadian Nurses Association will hold a media awards dinner to recognize journalists from across Canada for their excellence in health reporting. The National Federation of Nurses' Unions has organized fund raisers. We are indeed fortunate that nurses care.

* * *

[*Translation*]

ABITIBI-TÉMISCAMINGUE BUSINESS WOMEN'S GALA

TRIBUTE TO 1988 PRIZEWINNERS

Mr. Gabriel Desjardins (Témiscamingue) Mr. Speaker, on Thursday May 5, the 4th Abitibi-Témiscamingue Business Women's Gala was held at La Sarre, in my riding.

The objective of this prestigious event was to emphasize the entrepreneurship and brilliant performance of business women. I wish in particular to congratulate Pierrette Ouellet-Dumont of Rouyn—Noranda, Pauline Gagné of La Sarre, Carmelle Nantel of Belleterre, Adrienne Larouche-Goyette of Amos, and Susanne Bernard-Turgeon and Diane Pelletier-Turgeon, both of Val d'Or, who were selected as the prizewinners for 1988 in Abitibi-Témiscamingue.

Through these women, I wish to pay tribute to all our local business women who, in increasing numbers, contribute with determination and aggressivity to the economic prosperity of our region.

I also want to congratulate the La Sarre Chamber of Commerce and its president Gilbert Rivard for holding a very successful, truly unforgettable evening.

S. O. 21

YOUTH

YES CANADA—OUI CANADA

Mr. Gilles Grondin (Saint-Maurice): There are many organizations in Canada which give assistance to the 434,000 young unemployed across the country. YES Canada is one of them.

This dynamic organization helps young dropouts complete their basic training and provides them with the tools they need in order to meet the numerous challenges they face.

YES Canada will complete its pilot project in December 1988. The results to date speak for themselves: 78 per cent of young people who took part in the program have found a steady job or have gone back to school.

The Government should not only support this humanitarian project, but also allocate the necessary funding so that the program can be offered in French and gain national status. A bilingual program would be accessible to all young Canadians who urgently need support.

Will the Conservative Government take action to show that it is concerned with the situation of all young people in Canada by allocating funds so that young French Canadians can take advantage of a commendable project like YES Canada?

The Conservative Government tends to forget that all begins with youth and that young people are our most reliable resource.

* * *

• (1405)

[*English*]

AGRICULTURE

FOCUS ON INPUTS ASSOCIATION'S WORK

Mr. Don Ravis (Saskatoon East): Mr. Speaker, Focus on Inputs is an association representing about 3,500 prairie farmers. This group is dedicated to providing practical economic benefits to farmers through research into generic herbicides.

The present process for registration of farm chemicals is an expensive and complex one. This process effectively produces a barrier to entry into the chemical manufacturing market. Prairie farmers faced with rising input costs and depressed grain prices are seeking ways to help themselves out of the present situation.

By seeking to have pesticide requirements modified to suit the interests of farmers better, Focus on Inputs is attempting to put farmers in a position to create a better future.

Including farm chemicals under Section 41 of the Patent Act would also be beneficial to our farmers. Farm chemicals could be treated in much the same manner as pharmaceutical drugs by the Patent Act through the introduction of compulsory licensing. This would allow the production of generic herbicides 10 years after a product was first registered. In return, the generic manufacturer would pay a 14 per cent royalty on sales until the original company's 17-year patent expires.

As you can see, Mr. Speaker, improvements in this area are necessary in order to reduce input costs for Canadian farmers.

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INDIAN AFFAIRS

FUNDING OF WELFARE SERVICES FOR CHILDREN

Mr. David Orlikow (Winnipeg North): Mr. Speaker, several years ago an agreement was arrived at between the federal Department of Indian Affairs, the Manitoba Department of Community Services, and the Indian Child Welfare Agencies, under which the agencies took over the delivery of child welfare services for native children. It was agreed by Indian Affairs that the level of services provided for native children would be equal to the standard provided by the non-Indian agencies in Manitoba to other children.

However, the Department of Indian Affairs has refused to increase the funding required to provide those services, the cost of which has gone up substantially since the agreement was arrived at. I call on the Department of Indian Affairs to honour its agreement so that Indian children in need can get the same consideration as all other children in need in Manitoba.

* * *

REVENUE CANADA

INVESTIGATIONS OF FARMERS' CLAIMS MADE UNDER TAX CREDIT PROGRAM

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, today is Manitoba Day. Northern Manitobans were delighted to hear that our Minister of Finance (Mr. Wilson) had decided to provide interim relief for areas north of the 55th parallel. Indeed, northerners across Canada are happy that our Government has seen fit to compromise on what was clearly an unfair taxation policy.

It is now time for Revenue Canada to make a similar concession to farmers across Canada. Investigations by Revenue Canada into the taxation records of hundreds of farmers making claims under the business investment tax credit program must stop. Farmers feel that they are being unfairly investigated and believe that they are the victims of arbitrary assessments by a callous taxman.

I agree with the farmers. The Minister of Finance has seen fit to apply taxation rules more fairly for northern Canadians. In the interests of fairness to farmers across Canada I ask that the Minister of Revenue (Mr. MacKay) consider applying taxation rules under the business investment tax credit program more fairly for our farmers as well.

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CANADA PENSION PLAN

HOMEMAKER'S PENSION PROPOSAL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we heard another broken promise yesterday. I remember full well before the last election the Prime Minister (Mr. Mulroney) said that he was going to come in with a pension for housewives to recognize the very hard work that they do inside the home. When he was questioned on that issue yesterday he did not even have the guts to stand up. He passed the question off to the Minister of National Health and Welfare (Mr. Epp) because he realizes that another broken promise is not going to sit very well with the people of Canada.

Why did the Prime Minister promise the women of Canada a housewife's pension if he was not intending to deliver?

• (1410)

And why is it that, at this point in time, the Minister of National Health and Welfare blames the situation on the provinces, when he knows full well that he has not shown the leadership to make this issue a priority?

It is another broken Tory promise.

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[*Translation*]

TOURISM

ABITIBI-TÉMISCAMINGUE

Mr. Guy St-Julien (Abitibi): Mr. Speaker, National Tourism Week will be held May 16 to 22, this year. This is an opportunity to publicize the industry of the future in Canada: Tourism.

In 1987, the Abitibi-Témiscamingue area received 140,000 visitors, that is 10,000 Americans, 15,000 Ontarians and 115,000 Quebecers, who came to enjoy fishing, hunting or sightseeing, or to visit family and friends.

Mr. Speaker, we have the largest tourist area in Quebec, and we are ready to greet tourists with the following attractions: The James Bay hydro-electric project; the Desmarais Centre and its inhabitants; the cathedral and Pikogan village in Amos; the concession 2 school in Authier-Nord; the Normick Perron plant in La Sarre; Aiguebelle Park in Cadillac; Dumulon House in Rouyn-Noranda; the Bourlamaque mining village in Val d'Or; the regional mining museum in Malarctic; the *Maison du colon*, the Fort Témiscamingue Park and the regattas in Ville-Marie. The most popular places for fishing and hunting are around Matagami, Senneterre and Témiscamingue.

Welcome to Abitibi-Témiscamingue and Nouveau-Quebec!

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

CLOSURE OF MUNICIPAL INCINERATOR IN METROPOLITAN TORONTO

Mr. Dan Heap (Spadina): Mr. Speaker, on Tuesday, May 10, the Council of Metropolitan Toronto took strong action for clean air and conservation by voting to close the Commissioners Street municipal incinerator on July 1 next.

Reports of the Environmental Protection Office of the Toronto Board of Health show that unacceptable quantities of dioxins and heavy metals from the incinerator are fouling the air Torontonians breathe.

After a campaign by groups such as Citizens for a Safe Environment, CUPE Local 43, including the garbage collectors, and the New Democratic City Hall Caucus, Toronto Council voted unanimously to close the incinerator, and Metro Council agreed by a majority.

The Citizens for a Safe Environment group now proposes that the 70 incinerator staff be re-employed at reducing waste destined for landfill by, (1) organizing reduction of industrial waste at source; (2) resale of usable waste—for example, wood—to appropriate users; and (3) recycling glass, for example, into new products.

Toronto has given a good lead, and I hope other cities will follow that lead.

* * *

AGRICULTURE

PROJECTED TREND

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the assumption in our tax laws and public policy is that one is either a farmer or one is not. However, testimony given by the Canadian Cattlemen's Association to the Senate Committee on Agriculture suggests that, in future, two different types of agriculture will emerge.

On the one hand there will be the sophisticated, large, capital-intensive agri-business operations; on the other, there will be smaller operations, owned and managed by people with

off-farm employment. In the future, most of the rural population will have a job, either full or part-time, as well as being farmers.

We should recognize this trend and, in our future policies, make due allowance for the fact that, in the coming years, most smaller farmers will be engaged in farming on a part-time basis, deriving much of their income from non-farm activities.

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[*Translation*]

PENSIONS

ESTABLISHMENT OF PENSION PLAN FOR HOMEMAKERS—ELECTION PROMISES OF PROGRESSIVE CONSERVATIVES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, during the last election campaign, this Tory Government made all sorts of promises to Canadian senior citizens. Everybody remembers their promise to fully indexed old age pensions. They broke their word and tried to cut old age security pension payments.

They undertook to expand the New Horizons Program to meet the needs of senior citizens in golden age clubs. But once again, they reneged on their promise and reduced funding.

We were told yesterday that, during the last election campaign, this Government made a commitment to allow the 3 million Canadian homemakers to join the Canada Pension Plan or the Quebec Pension Plan. We were told yesterday for the third time that they went back on their word.

Mr. Speaker, I am sure that none of the Canadian senior citizens listening to us will want to vote for a Tory candidate because that party doesn't keep its promises.

* * *

HEALTH

IMPORTANCE OF NURSES

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, for over 300 years, competent and dedicated nurses have looked after Canadian men and women in Canada. The fact that Canada has over 200 000 active nurses, representing more than 50 per cent of the total number of health care professionals, is a good indication of the importance of that profession within our national health care system.

Mr. Speaker, we are all indebted to the nursing profession. Nurses are present in our homes, in the workplace, in our clinics, in our hospitals, in our shelters and in all our other health care institutions.

On behalf of all Canadian men and women and in recognition of their contribution to the public health and welfare, I remind Members of Parliament and the Canadian people that May 9th is the National Nurses Week in Canada.

* * *

• (1415)

[*English*]

INDIAN AFFAIRS

INCREASE IN RENTS

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, the state of housing for Indian people is a disgrace. Forty per cent of Indian housing units do not have access to running water or bathing facilities, as opposed to 1 per cent of housing units across Canada. The Government's innovative solution seems to be to provide housing that no one can afford.

As of April 1, 1988, a number of band members in my riding received notices that their rents would be increased by anywhere from 50 per cent to 100 per cent. I suggest, Mr. Speaker, that if this happened in Toronto there would be a riot.

In my riding people have moved out of this housing and are planning to live in tents for the summer because they cannot afford the increases. Bands are left with having to make payments on units for which they receive no revenue. The Department of Indian Affairs and Canada Mortgage and Housing Corporation have implemented a program which is not helping those the program was intended to help.

I call on the Government to place an immediate freeze on these totally unacceptable rent increases and to review completely the entire scheme with the bands involved.

* * *

CHALLENGE '88

MOUNT ROYAL RIDING—APPLICATION APPROVAL RATE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the Tory summer Challenge '88 program is a big disappointment for the youth of this country. It is unfortunate that only 42 per cent of applications for Challenge '88 could be approved in Mount Royal riding, and the same is true throughout the country. One hundred and thirty-two applications were submitted; less than half, only 56 students received grants in this riding.

The total amount allotted to Challenge '88 this year in Mount Royal was $193,340, considerably lower than the $272,635 of last year. This is a 38 per cent decrease, yet unemployment among the students is on the increase.

One has only to look around my riding to see students looking for work who should have been better served by the Government if this Government had had a strong commitment to youth and summer jobs, jobs which give students money and the valuable career experience they need.

The Government promised jobs, jobs, jobs. Well, all we have seen are cuts, cuts, cuts. Another broken Tory promise.

ORAL QUESTION PERIOD

[*Translation*]

DEPARTMENT OF SECRETARY OF STATE

CLOSING DATE FOR ALMA OFFICE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I should like to direct my question to the Minister who answers for the Secretary of State.

Mr. Speaker, Lucien Bouchard, the Minister or messiah who was going to rescue the Conservative Party from electoral failure was also supposed to make recommendations to the Prime Minister concerning ethical standards, conflicts of interest, and cleaning up election expenses.

But Mr. Clean, as he was already called, has lost most of his credibility in that field, and his shiny white suit now has a dirty spot.

Yesterday, in an attempt to justify the opening of a new Secretary of State office in Alma, the Minister of Transport said that it was to provide services for citizens. As recorded in *Hansard*, he even said it was to maintain Secretary of State services for citizens.

My question is simple: If the purpose is to maintain services for local citizens, how is it that this new office of the Secretary of State will close its doors the day after the election?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think it is important to distinguish between public business and campaign business in this particular case.

Ms. Copps: It certainly is.

Mr. Mazankowski: Because the Minister does have ongoing departmental responsibilities I doubt very much whether it would be acceptable for people to do departmental business in a political campaign office.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: In order to ensure there is ongoing departmental business conducted in an orderly manner, the Department has taken the decision to open up this office on a temporary basis to ensure that service is maintained.

• (1420)

[*Translation*]

JONQUIÈRE OFFICE—JUSTIFICATION

Mr. Jacques Guilbault (Saint-Jacques): Apparently, Mr. Speaker, the Deputy Prime Minister has not been told that in the next few days the Secretary of State will open a regional office in the neighbouring town of Jonquière just a few miles from Alma. It is rather strange that an additional office should be opening in Alma, in the very riding where the election is to take place! And if the purpose is to maintain services for citizens, why was the office manned by a political assistant instead of a civil servant familiar with departmental programs? Would it not be because the election campaign is on in the riding of Lac-Saint-Jean and they want to make sure that communications remain clear between this new so-called Secretary of State office and the political committee of Mr. Clean, the Conservative candidate?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is aware, I am sure, that all departmental ministerial offices are staffed by what we refer to as exempt staff, and this is the case in this particular circumstance. I should point out that the person involved is totally disconnected from the campaign, and I think that is a very important differentiation. I can say further that it is my understanding that this matter has been cleared with the Chief Electoral Officer. He has been made aware of it.

If the Hon. Member is suggesting that, in order for the Minister to carry on departmental business, people who are interested in doing so would have to come to a political campaign office, I am sure he and his colleagues would be the first ones to complain about that, and it is for that reason that this particular office has been set up.

SERVICES PROVIDED BY ALMA OFFICE

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the explanation does not hold water. There is another office that will be open on June 6 in Jonquière, the neighbouring city, and the work could be done out of there.

With regard to the Deputy Prime Minister saying that this Alma office will be completely disconnected from the campaign, we will return to that in a moment. Meanwhile, let me concentrate on the so-called services that are supposed to be dispensed to the local people.

If this is for the people to be served, why appoint a political hack, Mr. Jocelyn Francoeur, a former political caucus liaison officer with the former Secretary of State, the Hon. Member for Rosedale? Why not admit the truth, that there is an election going on in this riding and that this new Secretary of State office is nothing else but a branch of the Tory campaign headquarters in the riding?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, no one is denying that there is a by-election going on. That is pretty common knowledge. Certainly I am not denying it.

What is important is to distinguish between that which is public business and that which is campaign business. I am sure that the Hon. Member would be the first to chastise the Government and the Minister for wanting people who wanted legitimate access to the Minister on government business to be forced to go to a political campaign office to conduct that business.

RESPONSES TO TELEPHONE CALLS

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Deputy Prime Minister as well, and it also concerns Mr. Clean. The Deputy Prime Minister will know that he said only moments ago in the House that the campaign office and the new office of the Secretary of State in Alma were completely disconnected, to use his words. Can he then explain to the House why, at 1.10 this afternoon, in response to a call from my office, Mr. Francoeur volunteered information on the campaign headquarters, suggesting how we could volunteer services if we wanted to work for the campaign? Five minutes later, during another phone call we made asking how to make a campaign contribution, we were given another number and directed how to make campaign contributions as well. Is that completely disconnected?

Is it not obvious that this is nothing more than a co-ordinating office for the so-called candidate in the riding of Lac-Saint-Jean?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am not aware of the allegations to which the Hon. Member has referred, and before I would want to comment on them I would certainly want to check out the facts, because as has been the case in previous times he has been somewhat inaccurate in the presentation of facts.

[*Translation*]

REQUEST FOR CLOSURE OF OFFICE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary for the Deputy Prime Minister. I would like to put it to him again that in a telephone conversation with Mr. Francoeur, the latter gave us the phone number 668-0704. When asked how one could make a donation, he supplied that phone number. When asked how one could volunteer for work, he also came up with a phone number. Is it not clear that that office is merely an extension of an election campaign office?

An Hon. Member: A patronage centre!

Mr. Boudria: Why is the Deputy Prime Minister not asking now that that office be closed down?

• (1425)

[*English*]

Mr. Speaker: The Chair is usually extremely reluctant to interfere even if a question seems to be very much the same as the one asked before. I would just point out that the phone number may have been different but the question seems very similar. I just draw to the attention of Hon. Members that putting a question in one language and repeating it in another is using up a lot of time.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, without accepting the premise of the question or the allegations, I certainly will undertake to look into the matter to which the Hon. Member refers, and report to the House.

[*Translation*]

JUSTIFICATION FOR CERTAIN BENEFITS

The Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Deputy Prime Minister. The same day a by-election is announced in that constituency, the Office of the Secretary of State announces the opening of an office in that constituency, for the duration of the election campaign only, for the purposes of a by-election. In the Deputy Prime Minister's view, is it honest and fair to hand out some $1,000 of Government money to a Conservative candidate? Is that fair?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think it is common knowledge that the Minister is going to be in that particular area throughout the course of the campaign. As the head of a Department he has responsibilities to carry out. It only seems natural that one would have to have some facility for ensuring continuity and the ongoing discharge of those responsibilities. I think that is exactly what is being done in this particular case.

Mr. Broadbent: The Minister knows a decision has been made to open another office in the same region just a few miles away that would serve the regional purpose, if that was the purpose.

OPENING OF MINISTERIAL OFFICES IN CONSTITUENCIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, will the Minister be very clear on his logic. We think this is a very clever way of getting around the Election Expenses Act.

Some Hon. Members: Oh, oh!

Mr. Hawkes: Like the municipal rebate, Ed?

Mr. Broadbent: People will see that. Since he says it is necessary for this office to be there so the Minister can do his job during the election campaign, is he telling us that when the next election is called every Minister of the Crown will have an

office opened in his constituency so he can do his job during the election? If the logic holds, then he has to apply it to every member of the Cabinet in the coming election campaign, but he knows the people of Canada would totally reject that.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am somewhat surprised at the Hon. Member's observation because he knows very well from previous election campaigns where Ministers have ongoing responsibilities, their staff remains intact. If they have a ministerial office, whether it be in Edmonton, Vegreville, or Calgary, during the course of the election campaign that work goes on. He is really confirming and answering the question for me, and I thank him very much.

Mr. Broadbent: Mr. Speaker, I will give the Minister the benefit of the doubt and say he simply did not answer the question. I am asking about new offices—

Mr. Mazankowski: Oh, yes!

Mr. Broadbent: —not offices that are in existence. Oh, yes! That man was not even elected when you—

Mr. Mazankowski: Come on, Ed. Let Nystrom get in the gutter.

Mr. Speaker: The Hon. Member will put his question.

Mr. Lewis: From his own seat!

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we are talking about an office that was opened only for a campaign, and it has been announced that it will be shut down after the campaign is over. Therefore, is he prepared to say the Government will follow the same logic when the election is called, and each Minister of the Crown who does not now have an office for his ministerial functions in his riding will have one opened only during the course of the campaign? Is that what the Minister is saying, and if so, will he be honest about it?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is trying to establish a double standard. It was all right when the Liberals were in power to have departmental offices in their constituencies, but he is now saying because the Conservatives are in power it would not be appropriate. There have been departmental offices as long as there have been Governments.

• (1430)

Some Hon. Members: Oh, oh!

Mr. Broadbent: Bouchard did not have one.

Mr. Cassidy: This is a sleazy electoral trick.

Mr. Speaker: The Hon. Minister will complete his answer.

Mr. Mazankowski: Mr. Speaker, I think one point must be made very clear. The Hon. Leader of the New Democratic Party is suggesting that taxpayers' money is being used to fight an election.

Mr. Broadbent: Right.

Mr. Mazankowski: Taxpayers' money is being used to provide for a government departmental responsibility. That is very clear. A differentiation should be made, and is made.

* * *

[*Translation*]

PENSIONS

PENSIONS FOR WOMEN HOMEMAKERS—REQUEST THAT MINISTER REVEAL PROVINCES' DISAGREEMENTS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, while the Conservative Government is muddying the reputation of all Members in this House, there are people in need, and my question is directed to the Minister of National Health and Welfare. The Minister admitted yesterday that during the course of this session the Conservative Government could not honour its commitment to introduce the homemakers' pension under the Canada Pension Plan and the Quebec Pension Plan because it could not get provincial agreement. Can the Minister indicate the reasons expressed by dissenting provinces for opposing the homemakers' pension?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member stated in the preamble to his question that we were not going to fulfil our obligations. That is not correct. In fact yesterday in the House I quoted directly from our policy handbook. I do so again: "We encourage the provinces to agree to the introduction of a homemakers pension in the Canada Pension Plan, along the lines proposed by the Parliamentary Task Force on Pension Reform".

Furthermore, in discussions with the provinces on changes to the Canada Pension Plan, in 1985 a proposal to include the homemakers in the Canada Pension Plan along the lines proposed by the Parliamentary Task Force on Pension Reform was put to the provinces.

I also remind the Hon. Member that, following that, a report on the viability of a homemaker's pension in the Canada Pension Plan was commissioned. He should be aware of that report. I understand that it has been completed but I do not yet have it in my hands. Obviously I look forward to seeing its recommendations and how we can go beyond the proposals that we made in the campaign of 1984.

[*Translation*]

QUERY CONCERNING PROVINCES OPPOSED TO PROJECT

Mr. Jean-Claude Malepart (Montréal—Sainte-Marie): Mr. Speaker, the Minister has not shown a very strong and clear will to move forward in the debate on that issue at the provincial level. Since the Minister will not state the underlying reasons for which some provinces would not agree to that project, I would like to know . . .

[*English*]

Could the Minister name the dissident provinces that refused to participate in the pension plan for homemakers?

[*Translation*]

May we know which provincial governments are delaying such an important plan to introduce a homemakers' pension?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think the characterization should be different from what the Hon. Member put in his question.

Ms. Copps: What's wrong?

Mr. Epp (Provencher): The Hon. Member for Hamilton East likes to return at certain points—

Mr. Speaker: The Member for Montréal—Sainte-Marie has put the question. The Minister is trying to respond. I am certain Members would want the Hon. Minister to complete his answer.

Mr. Epp (Provencher): Mr. Speaker, as the Hon. Member will be aware, unlike some of his colleagues, it requires seven provinces with two-thirds of the population for agreement to any changes in the Canada Pension Plan. That was a condition introduced in 1966 by the former Liberal Government.

I state very clearly that, once the report is completed, I hope we will get that kind of agreement and the same kind of co-operation on changes we brought in with Bill C-116. That is co-operation which the former Government never received and perhaps never thought important to seek. That is why it did not bring in the changes we have brought in on CPP.

* * *

DEPARTMENT OF SECRETARY OF STATE

OPENING OF OFFICE IN ALMA

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Deputy Prime Minister. It concerns the opening of this ministerial office/campaign office in Alma in the riding of Lac-Saint-Jean where a by-election is being held on June 20.

Recently Canadians responded to many polls across the country that they consider integrity and ethics as the key elements on which they judge politicians and political leaders. The Prime Minister has promised a new approach to fairness and honesty. Will the Deputy Prime Minister tell us if this is another example of fairness and honesty which Canadians expect of the Prime Minister and the Government?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I know the objective of the New Democratic Party is to make as much political hay out of this as they possibly can. I respect the hon. gentleman. He has been a long-standing Member and I certainly never doubt his integrity.

Let me say to him, however, that the Minister does have ongoing departmental responsibilities which he must conduct. Surely an office in an area where he will be occupied for the next two months is clearly realistic, reasonable, and feasible. Certainly in the discharge of that responsibility Canadians would want to separate political campaign activity from legitimate government departmental business activity. I think that is what is happening in this particular case.

REQUEST THAT OFFICE BE CLOSED IMMEDIATELY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is directed to the same Minister. Since perception in politics is probably most important to Canadians, would the Deputy Prime Minister not agree that in this instance, when this office is being opened for exactly the same time as the election period, the coincidence is far too evident? Canadians know that telephones have existed for some time now. Will the Deputy Prime Minister not accept the fact that the perception is not healthy for the political process and that this office should be closed immediately?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the perception which the Hon. Member describes may very well be an accurate one in the eyes of the New Democratic Party.

Mr. Cassidy: Canadians as a whole.

Mr. Mazankowski: In the eyes of the New Democratic Party. I think Canadians would also recognize and want to be assured that when a Minister is given departmental responsibilities he has a duty and obligation to carry out those responsibilities wherever it may be. That is why Ministers have departmental offices or ministerial offices in their region or their constituency. That is why Members of Parliament have constituency offices, in order to serve Canadians better.

ENVIRONMENTAL AFFAIRS

BRITISH COLUMBIA—ALLEGED VIOLATIONS OF POLLUTION LAWS BY PULP MILLS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Minister of the Environment and of the Minister of Fisheries and Oceans, my question is directed to the Minister of National Health and Welfare.

The West Coast Environmental Law Association reports that 21 of 22 pulp mills in British Columbia consistently violated federal pollution laws last year without being charged. Why did the Government of Canada allow such poor application of the law? What is the Government going to do to enforce existing federal pollution laws to protect the environment?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will take the question as notice. I can only indicate to the Hon. Member that there is an outstanding issue relating to access to information which is due shortly and which I believe will cover that issue even more fully.

• (1440)

Mr. Caccia: We don't need access to information data to find out what is happening every day. The record for 1987 is matched by an even more miserable record in 1985 and 1986. We don't need any reference to the Information Act.

GOVERNMENT ACTIONS

Hon. Chas. L. Caccia (Davenport): My question is fundamental. When will the Government start to practise what it preaches in protecting the environment when it comes to the crunch? Will the Minister tell us when?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think Members know very fully that the Minister of the Environment has been very active dealing with effluents from pulp mills, whether one is dealing with dioxins or fluorines. I think as well the Member, who was a former Minister of the Environment, would want to congratulate the present Minister who was awarded a very prestigious award in the United States by the Sierra Club for his work on the environment. I am sure the Hon. Member would want to congratulate his successor for receiving an award which he himself never received.

I am sure as well that the Hon. Member would want to take cognizance of the fact that the Environmental Protection Act has passed third reading. It is an Act which he was never able to get through the House, but the present Minister has. I hope the Liberal Senate will approve it as well. Those are the kinds of positive actions the Minister of the Environment has taken. Regrettably, some of those actions were not taken earlier by the questioner.

NATURAL RESOURCES

PRAIRIE DROUGHT CONDITIONS—STUDY OF POSSIBLE WATER DIVERSION TO NORTH DAKOTA

Mr. Simon de Jong (Regina East): Mr. Speaker, in the absence of the Minister of the Environment and of the Prime Minister, I would like to address my question to the Deputy Prime Minister. Given the severe drought conditions which have existed and continue to exist in the southern Prairies, and given the fact that the federal water policy of the Department of the Environment is to:

> ... take all possible measures within the limits of its constitutional authority to prohibit the export of Canadian water by interbasin diversions;

Why is the federal Government involved in a $1.6 million study with the Province of Saskatchewan to divert water from the Saskatchewan River basin and the Qu'Appelle River basin into the Souris River in order to supply North Dakota with a secure source of water? Why are you involved in such a study?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, acting on behalf of the Minister of the Environment, I thought when the Hon. Member started off, the main thrust of his question would be the potential drought in western Canada. However, the latter half of the Hon. Member's question indeed dealt with another matter.

The only thing I can do at the moment is take notice of his question on behalf of the Minister of the Environment and request that the Minister seek the information requested by the Hon. Member and make it available to him.

SUSPENSION OF STUDY HEAD

Mr. Simon de Jong (Regina East): Mr. Speaker, Mr. Kendall, who heads the study, has stated that there is not enough water in the Souris River to supply the needs for the Rafferty-Alameda projects, therefore, Lake Diefenbaker will have to be drained. He has been suspended for two weeks on the insistence of the Saskatchewan Minister in charge of the Water Corporation. Since this is a joint federal-provincial study, why did the federal Government go along with this suspension?

Hon. John Wise (Minister of Agriculture): Again, Mr. Speaker, I regret that with no prior indication the question was going to be asked, I am not in a position to provide—

Mr. de Jong: How about hearing from the Saskatoon Minister?

Mr. Wise: —the details in response to the Hon. Member's question. It is a legitimate question and I am certain that the answer to it is available and will be forthcoming from my colleague, the Minister of the Environment.

Oral Questions

ENVIRONMENTAL AFFAIRS

TEMAGAMI WILDERNESS AREA

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, my question is directed to the Deputy Prime Minister. He is aware of the concerns of residents of northeastern Ontario with respect to the proposed Temagami wilderness area. He is also aware of a Toronto newspaper report yesterday indicating that the Minister of the Environment is prepared to become involved in this matter. Can the Deputy Prime Minister tell my many concerned constituents in the riding of Timiskaming what the federal Government involvement will be with this proposed wilderness park?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am aware of the concerns which have been expressed and the concern of the Hon. Member. My understanding is that the comments by the Minister of the Environment have been misinterpreted somewhat and, in order to ensure that clarification takes place, my understanding is that he is prepared to meet with all the parties concerned and, hopefully, with the Hon. Member, to ensure this matter is clearly understood and that the concerns of those individuals which have been expressed will indeed be allayed.

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HEALTH

TOBACCO ADVERTISING—BILL C-51—GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Agriculture. It deals with the Government's failure to introduce legislation restricting advertising of tobacco products. I would like to ask him if the real reason behind the Government's delay of Bill C-51 is not reflected in a speech he gave in Tillsonburg when he said that under free trade American tobacco products will compete on an equal footing with Canadian tobacco products, yet Canada will be unable to tell American publishers what kind of advertisements they can carry, and I quote: "It doesn't make sense to put restrictions on Canadian publications and not have the same powers with respect to American publications"

Is it not really the free trade deal that is causing the stall on Bill C-51?

Hon. Jake Epp (Minister of National Health and Welfare): No, Mr. Speaker, the free trade deal has nothing to do with Bill C-51 as the Deputy Prime Minister and other House officers have indicated. The Bill will come back for report stage and third reading and I look forward to continued support of the Bill. I think what is important for us as Canadians to keep in mind is that according to a report of the World Health Organization on tobacco consumption, of approximately 166 countries Canada was either eighth or ninth highest in the world.

The other point I think we have to make is that, as tobacco consumption is reduced in Canada, we do not simply replace our production or usage with diversion to the Third World. I think those are some of the difficult issues with relation to tobacco which should be addressed. The Minister of Agriculture has been very co-operative with me on this issue.

ATTENDANCE OF TOBACCO COMPANY PRESIDENT AT STATE DINNER

Ms. Sheila Copps (Hamilton East): Mr. Speaker, if there is no relationship between the trade deal and the Government's stall on the tobacco industry, I accept that the Minister of Agriculture is then recanting the statement he made in Tillsonburg. I would also like to ask the Government why the president of the company that produces Export A, Select, and Vantage cigarettes, was invited to the dinner celebrated between the President and the Prime Minister in Washington, the meeting that was supposedly to discuss trade?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I will look into that. Perhaps the Hon. Member is jealous over the fact that she was not invited and I will see that she gets included next time as well.

* * *

PUBLIC SERVICE

POLITICAL RIGHTS OF FEDERAL EMPLOYEES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister. It arises out of the Public Service Commission's decision to broaden the guidelines for political activity by federal government employees which was made public this week. Now that the federal Government's adamantine resistance to granting political rights to its employees has started to crack, will the Government assure the House that it will expedite legislation to provide federal employees with the right to political activity which they should enjoy under the Charter of Rights?

Will the Government do everything in its power, specifically, to expedite Bill C-273 on political rights when it returns to the House in the next few days?

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I agree with my colleague from the Liberal Party that this is a matter which is presently before a parliamentary committee which has heard witnesses. Members of the House sent it to the committee, and surely we should wait and allow the committee to do its work.

REQUEST THAT GOVERNMENT EXPEDITE PASSAGE OF LEGISLATION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, we were told in the legislative committee this morning by three constitutional experts that the law under which the guidelines were made public today will likely fall down because it will be in violation of the Charter of Rights. In other words, there was a need for new legislation and the Government in 1984 promised new legislation as part of its election platform.

Since the Government has not proposed legislation itself, but has left this to a Private Member's Bill, will it undertake that when Bill C-273 comes back to the House it will be expedited? And once the Bill has passed the Commons and the Senate, will the Government assure the House that it will be proclaimed and made law at the earliest opportunity?

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, once again I want to review this for the Hon. Member. A Private Member's Bill was brought forward. It had full and forthright debate. Members of this House sent it to committee for the purposes of hearing witnesses and reviewing the wording of the Bill. In fact the Hon. Member is on that committee.

• (1450)

Surely we should allow the committee to do its work. I am not going to prejudge what this House does at report stage and at third reading.

Mr. Cassidy: What about the Tory promise?

Mr. Lewis: The promise is being fulfilled by the very fact that the legislation is going forward. When it gets back to this House for report stage and third reading, surely that is the time when every Member will make a judgment on the Bill.

* * *

WAR CRIMINALS

WHEREABOUTS OF ALLEGED KILLER OF CANADIAN SOLDIERS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Justice who is aware that Wilhelm Mohnke has been located in Hamburg, West Germany. This individual was on Canada's most wanted war criminal list following World War II, alleged to have killed 52 Canadian soldiers who were prisoners of war after the Normandy invasion. The West German Government has indicated it is not planning to conduct any more investigations, or to prosecute this individual.

In light of the fact that the Canadian Government has collected its own evidence on the subject I want to ask the Minister whether he is prepared to get in touch with West German authorities to urge them to accept our evidence to complete this investigation, and to lay charges.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the Hon. Member will understand as a former Solicitor General that it would be improper for me to comment on investigations that I am making with respect to criminal charges. He can rest assured, in any case, that the Government of Canada stands ready to co-operate with respect to prosecutions or investigations that may be undertaken. I can give the Hon. Member that assurance.

We are prepared to co-operate. Indeed, the Hon. Member has written to me, and I have responded to him, to give him that assurance. If he has any information that would be useful, I wish that he would turn that information over to my Department.

REQUEST THAT MINISTER URGE WEST GERMAN GOVERNMENT TO LAY CHARGES

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Minister has the information. I am not asking him to co-operate. I am asking him to take an initiative. Canada is the aggrieved country. We are talking about Canadian soldiers who were allegedly murdered during World War II.

I want to ask the Minister again at least to undertake to review the material that is there, and to make representations to the West German Government urging it to change its decision, and to lay charges.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I reiterate and give the Hon. Member the commitment with respect to any information that is turned over, or any investigation, that clearly we will co-operate in order that the interests of justice are in fact achieved. I do not think the Hon. Member wants me to comment with respect to information that we might have in our investigation.

The Hon. Member wrote to me. I have, as a result of his letter, communicated with the British Labour Member of Parliament to whom he referred with respect to information. I have asked my Department to be in communication with him to see if there is any additional information that he can bring forward.

I simply say to the Hon. Member that in our system of justice we do not make public details of the extent of our investigations that are taking place, except to say this, that as Attorney General I can assure the Hon. Member that where there is a legitimate case, a serious and credible situation, and there is evidence, we will be co-operating with other countries, or dealing with the matter in our own jurisdiction.

Oral Questions

MUNITIONS

EXPORTS OF GUNPOWDER

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my question is for the Deputy Prime Minister. The Secretary of State for External Affairs has yet to fulfil his commitment to the House of April 22, and I quote: "I will report to the House once I have some result to those investigations" with respect to the EXPRO matter.

Since the Minister of Supply and Services has stated in a letter to me that the last three shipments went to Holland, whereas we have a packing slip that shows that one of them was destined for Portugal, when will the Government admit to the Canadian people that, because of systemic failure or negligence at the administrative level, in fact a Canadian company was a principal supplier to the Iranian artillery?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I will have to take that question as notice. I cannot tell the Hon. Member why the Secretary of State for External Affairs has not gotten back to him. I will certainly draw it to his attention. I apologize for not having that information at the present time.

[*Translation*]

WITHDRAWAL OF FINANCIAL SUPPORT TO EXPRO—MINISTER'S POSITION

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, my supplementary question is directed to the Minister of Supply and Services.

He acknowledged in his letter to me that EXPRO had received a loan of some $8 million from the account for military production loans. What will he do now that EXPRO has locked out its employees to withdraw that financial assistance, the effect of which would be to finance a lockout?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker—

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker—

Mr. Crosbie: Mr. Speaker—

Mr. Speaker: There is only one way to settle this. The Hon. Minister.

Mr. Jelinek: Mr. Speaker, this goes to show you how anxious all Ministers are to answer questions from members of the Opposition.

In answer to the Hon. Member may I let him know that the situation with EXPRO is well under control. Both the RCMP and European police forces have looked into the situation. The loan went ahead in order to protect some 600 jobs. The negotiations are ongoing in terms of the lock-out. We believe that the negotiations are going on in a positive manner so that the situation can be resolved to everybody's benefit in the very near future.

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CANADA POST CORPORATION

SUPERMAILBOXES—OPPOSITION OF HANDICAPPED PERSONS' ORGANIZATION

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, my question is addressed to the Deputy Prime Minister. Another national organization has joined many others to denounce Canada Post's discriminatory supermailbox. The Coalition of Provincial Organizations of the Handicapped stated that supermailboxes must go and home delivery should be restored to improve independent living of disabled people.

Will the Government order Canada Post to restore home delivery in order to assure the handicapped that they too are first-class citizens?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, my understanding is that the corporate plan of the Post Office will be tabled at a later time today. The results of the actions that were taken by the Minister in charge of the Post Office are very revealing. If I recall correctly, when we assumed office the Post Office was losing some $400 million. It is my understanding that in this fiscal year it will show a profit.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: That will mean a reduced burden to the taxpayer, lower rates to the people who are using the Post Office and, finally, a greater degree of reliability and better service for all concerned. The Hon. Member should be applauding that.

Mr. Gagliano: The Post Office might show a profit at the expense of the handicapped and the seniors. I do not have anything to compliment the Government on for that.

[*Translation*]

SUPERMAILBOXES—OPPOSITION OF CERTAIN MUNICIPALITIES

Mr. Alfonso Gagliano (Saint-Léonard—Anjou): Mr. Speaker, I should like to put a supplementary question. Why is Canada Post trying to blackmail municipalities which refuse to have superboxes in their area by telling them: "No superboxes, no mail delivery!" Why such blackmail?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member is footloose and fancy-free with taxpayers' dollars. When his Party was in power it left the Government with a $38 billion deficit which had to be toned down. I realize that

his answer to governing is spend more and spend more, and drive the deficit up higher and higher. We take a different view of these things.

In many areas throughout Canada the supermailbox concept is working very well. Throughout the Post Office system services are being improved, reliability is being improved, and costs are being contained. What more would the Hon. Member ask for?

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF NEW ZEALAND MINISTER OF FINANCE

Mr. Speaker: I regret that I was not able to make this announcement earlier.

I would like to draw to the attention of all Members the presence in the gallery of the Hon. Roger Douglas, Minister of Finance for New Zealand.

Some Hon. Members: Hear, hear!

* * *

• (1500)

INCOME TAX

NON PAYMENT OF TAX BY CORPORATIONS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to direct a question to the Minister of State for Finance.

Yesterday the Minister of Finance was asked to explain how it is that, despite his tax reform program, more than 5,000 high income Canadians paid no income tax at all last year, and he defended the situation by saying that the numbers had been reduced substantially since the Government took office.

I would ask the Minister of State for Finance to explain how it is that, despite tax reform, a number of the largest corporations in Canada, corporations which made substantial profits, in fact paid no income tax at all in 1986.

Alcan Aluminum, with profits of $306 million, paid no corporation tax; Brascan, with profits of $186 million, paid no corporation taxes; Power Financial, with profits of $131 million, paid no corporation taxes; Hees International, with profits of $117 million, paid no corporation tax.

Indeed, most were able to accumulate tax credits for future use.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the answer to the Hon. Member's question is that tax reform came into effect in 1987 and not in the year to which the figures that the Hon. Member has quoted apply.

DEFERRED TAXES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, does the Minister not realize that the reason these corporations paid no taxes and that nothing has changed is that they were able to defer the taxes that they should have paid, and that in fact those deferred taxes will never be paid?

Given that these corporations will continue to build new buildings and acquire new equipment, those deferred taxes will never be paid, with the result that these corporations will pay no corporation tax at all.

When is the Government going to plug those loopholes?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I have to say to the Hon. Member that I find questions respecting tax reform coming from the NDP to be hypocritical.

Last year the New Democratic Party took the position that flow-through shares represented an illegitimate deduction for the rich, and it has now totally changed that position. The views of the New Democratic Party on tax deductions—which can lead, on occasion, to a lack of tax revenue—seem to change with the political wind; they are not based on principle.

Some Hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would ask that the Deputy House Leader for the Government give us the usual statement of government business for the coming week.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I wish to advise that tomorrow will be an allotted day, as will Monday, May 16. On Tuesday, May 17, we intend to call certain Bills on which there has been some agreement as to their progression through the House.

In respect of Bill C-60, we will be dealing with the response of the House to the message received from the other place. As well, we shall deal with Bill C-127, which is known as the Cape Breton Bill, and Bill C-92, respecting amendments to the Wheat Board Act.

We are still discussing what business might be conducted by the House on Wednesday, May 18. I shall be having further discussions on that with the Opposition House Leaders.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—POSTAL SERVICE

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

That this House condemn the Government for its total and absolute failure to provide fair and equitable postal service to all Canadians by:

(a) instructing Canada Post to cut back postal services to Canadians living in rural areas;

(b) installing 'supermailboxes' to take the place of door-to-door mail delivery in new suburban areas; and

(c) making hundreds of thousands of Canadians second-class citizens when it comes to the provision of postal service.

The Acting Speaker (Mr. Paproski): When the House rose at one o'clock, the Hon. Member for Prince Albert (Mr. Hovdebo) had concluded his remarks on debate. Still remaining is the 10-minute period for questions and comments.

The Hon. Member for Saint Léonard—Anjou (Mr. Gagliano), on questions and comments.

Mr. Gagliano: Mr. Speaker, I have a question for the Hon. Member in respect of rural postal services.

In his speech, the Hon. Member spoke of the fact that the parliamentary committee heard from a number of rural Canadians, and he went on to point out that the committee had brought down a unanimous recommendation that there be no closure of rural post offices or changes in postal service generally without meaningful consultation with the community to be affected.

The Hon. Member then went on to speak of some rural post offices being closed in his area of the country.

I am wondering whether he is aware of any instance where the Canada Post Corporation in fact respected the unanimous recommendation of the parliamentary committee, a committee on which all three political Parties in the House were represented, not to proceed with such closures without full community consultation.

Perhaps the Hon. Member can give us his experience in respect of rural post office closures since the tabling of the report of the parliamentary committee.

Mr. Hovdebo: Mr. Speaker, I can give a couple of examples where the recommendation of the committee was ignored, one of which is the attempted closure of the post office in Aylesbury.

In that instance, Canada Post took advantage of the untimely death of the postmaster to try to close down that post office, and it tried to do so without providing 90 days' notice.

In several other instances, the notice has been minimal. There are a number of cases in Saskatchewan where, while notice has been given, the recommendations and concerns of the communities involved are not being considered in any way.

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg North (Mr. Orlikow), on a question or comment.

Mr. Orlikow: Mr. Speaker, I would like to direct a question to the Hon. Member for Prince Albert (Mr. Hovdebo).

During the course of his remarks, he indicated some of the effects that the cut-backs in service have had on rural communities. I am wondering whether he can cite other areas in which the reduction in services that has been put into effect by Canada Post Corporation is having any effect.

Mr. Hovdebo: I am aware of a number of very good examples where the changes in procedures are proving to be detrimental to postal services.

One example that comes immediately to mind concerns a voluntary organization in Prince Albert, Saskatchewan, which sent out 50-odd letters which, because they were of an irregular size, were rejected by Canada Post Corporation, with a request for 10 cents additional postage per letter. I hold in my hand one of those letters. The reason given for their being rejected was that they were "not machinable".

There were some 56 pieces of mail altogether, each containing a notice of meeting, and they were not returned to the sender until three days after the meeting had in fact been held. In other words, this organization wasted $20.72 in postage.

That is the type of action Canada Post Corporation is taking to save money. As a result, the public is being put to great inconvenience.

Another problem is that the hours of business in the new postal outlets are often quite different from what people had become accustomed to, thus inconveniencing the public even further.

While these changes are supposedly aimed at improving the efficiency of the Post Office, they are in fact resulting in a reduction in service to the public.

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg North (Mr. Orlikow), on a supplementary question.

Mr. Orlikow: By way of a supplementary question, I would ask the Hon. Member whether he has had expressed to him any complaints from publishers of weekly newspapers and publishers of non-profit magazines, such as churches, respecting rate increases, or anticipated rate increases, and how any increase could affect such publications.

Mr. Hovdebo: I think most Members of Parliament have heard from such organizations. By way of example, the United Church was required to pay additional postage on a paper which it was distributing on the ground that the paper did not contain a sufficient number of articles on religion to warrant

the lower rate. Those things are being done supposedly to save money but it does represent a reduction in service.

• (1510)

I feel strongly that the Post Office is there for the service of the people and that service should be available the best possible way regardless of whether or not it balances the budget.

Mr. Orlikow: Mr. Speaker, I have a question arising out of the Member's last answer. Is the Member saying that the Post Office has delayed the mailing of the United Church *Observer* because it prints criticisms of our foreign policy or criticizes apartheid in South Africa et cetera? Will we have that kind of monitoring and control of publications using the postal charge as an excuse for that kind of monitoring?

Mr. Hovdebo: Mr. Speaker, I am afraid I cannot answer that question specifically. I do know that people at the *Observer* are questioned for content—I do not know exactly what the content was—but the *Observer* did not fulfil the basis under which it was being given postal service. That, I suppose, is a responsibility. If the organization using the mail is using it for a particular purpose, the organization has to fulfil the purpose. The over all approach is what I am objecting to. The Government of Canada by putting restrictions on the postal service, is in effect reducing the service available to the people of Canada. I object to it particularly because the Minister responsible keeps getting up in the House trying to project the image that the Post Office is giving better service now than it ever did before. Everybody out there knows that it is not. The service has been reduced considerably, particularly in rural areas.

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, it is a pleasure to participte in this debate this afternoon. Oddly enough the motion was introduced by the Hon. Member for Beaches (Mr. Young). I would have thought such a motion today would have been introduced by my Manitoba colleague from Winnipeg Centre who is so knowledgeable on all postal matters, especially as he has been sitting on a committee which we have chaired from time to time over the last three years. I was amazed that the New Democrats had found among themselves a new expert on postal matters.

Ms. Mitchell: We are all experienced, so are the people of Canada.

Mr. Holtmann: Even if we checked *Hansard*, we would be surprised to find the Member from Beaches having ever commented on the postal system. Yet here he has taken the place of my colleague from Winnipeg.

Mr. Hovdebo: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I will recognize a point of order, but there will be an opportunity for questions and comments after the Hon. Member for Selkirk—Interlake (Mr. Holtmann) finishes his speech. I would appreciate hearing his speech and then we can carry on with questions and comments. The Hon. Member for Selkirk—Interlake. In the Hon. Member for Prince Albert (Mr. Hovdebo) rising on a point of order?

Mr. Hovdebo: Mr. Speaker, my comment has nothing to do with the speech, but the allegations which the Member is making about any Member who has had to deal with the Post Office is not an expert—

The Acting Speaker (Mr. Paproski): That is debate. It is not a point of order. The Hon. Member for Selkirk—Interlake.

Mr. Holtmann: You notice, Mr. Speaker, I made no reference as to whether or not the Member for Winnipeg Centre was here. I was concerned that someone might stand up on a point of order on that.

Let us take a brief look at what the motion says. It reads:

> That this House condemn the government for—
>
> (a) instructing Canada Post to cut back postal services—

What utter nonsense. There is no other word for such a ridiculous statement. The Hon. Member for Beaches ought to be ashamed of himself for suggesting that this Government instructed Canada Post to reduce services. How could he make such an allegation? Where has he ever seen that written? Whoever said that on behalf of the Government? Who said that we instructed Canada Post to do such a silly thing? Members of the New Democratic Party sitting in this House ought to be very concerned about statements made by some of their Members. The Member for Beaches went on to say:

> That this House condemn the Government for—
>
> (b) installing "supermailboxes"—

Did our Government install supermailboxes?

Some Hon. Members: No.

Mr. Holtmann: Do any Members sitting in this House think that the Government of Canada installed supermailboxes?

Some Hon. Members: No.

Mr. Holtmann: Do Members not recall that the New Democrats were part of the decision to make Canada Post a Crown corporation? The New Democrats agreed to have Canada Post Corporation handle the affairs of the Post Office which was run so terribly when it was a Department of Government. The New Democrats were part of that decision, and now they are condemning their own decision to allow a Crown corporation to handle the Post Office. The Member's motion went on to say:

> That this House condemn the government for—
>
> (c) making hundreds of thousands of Canadians second-class citizens—

The Hon. Member for Beaches suggested that the Government of Canada instructed Canada Post to make this person or that person second-class citizens. The New Democrats were part of the decision to make Canada Post a Crown corporation

and to allow it to function with a mandate. Look how the New Democrats have turned things around. These are the very people who made Canada Post Corporation possible. Let us look at some of the New Democrats' ideas.

The New Democrats have instructed their union friends, whoever they may be, and not all union members support the New Democratic Party about a program. Let there be no mistake about that, that not all union members support the New Democrats or they would be in power today. The New Democrats do not have that kind of support. Not all union members support what they are doing, especially when they instruct their union friends to take out a program to oppose the Government. We have all seen the billboards. One reads, "Do you think that Brian Mulroney would provoke a postal strike to make him forget about scandals?" What an unbelievable suggestion.

The New Democrats condemned the Budget of the Minister of Finance (Mr. Wilson). The New Democrats said that 100,000 jobs would be lost. Do any of them remember that? Does the Hon. Member for Winnipeg North Centre (Mr. Keeper) remember saying that 100,000 or 150,000 jobs would be lost? Where is the credibility of the New Democrats when more than 1 million jobs were created because of the Budget of the Finance Minister? Where is the credibility of the New Democratic Party? I think Canadians ought to know that in this House New Democratic Party members have made those ridiculous statements. Once again we have a ridiculous statement, and I want to expand on it a little. I admit that I have chaired government operations. I have had members of all Parties in meetings. We have concerns, and through the Government Operations Committee we have reviewed some of the concerns about the way Canada Post has conducted itself, just as we review our concerns with different Crown corporations. That is the way Government handles things.

I will admit that my colleague from Winnipeg Centre had brought forth some interesting viewpoints, suggestions and recommendations which were carried out.

Mr. Parry: Mr. Speaker, I rise on a point of order. The Hon. Member for Selkirk—Interlake (Mr. Holtmann) is correctly complimenting our Party spokesman on some of the excellent suggestions he has made with regard to postal service, but he should be instancing the Hon. Member for Winnipeg North Centre (Mr. Keeper). His riding is not Winnipeg Centre.

The Acting Speaker (Mr. Paproski): That is not a point of order.

Mr. Holtmann: Mr. Speaker, obviously the New Democrats are very rattled by what they have done today. I heard a rattle just now. The NDP thinks we have made second-class citizens because all Canadians do not receive door-to-door delivery When have they ever all received door-to-door delivery? In what country can they show me that every person receives door-to-door delivery? How much will it cost?

• (1520)

In the Province of Manitoba, the New Democrats were finally defeated because they could not handle the finances of the province. They ran Crown corporations so poorly that it cost Manitobans hundreds of millions of dollars. They sit there smugly saying that we should give everyone door-to-door delivery, regardless of what it will cost.

Such an idea is wonderful. It would be a Utopia, I suppose. If Canada ever becomes affluent enough, we could in fact deliver parcels to everyone door-to-door. We could even deliver everyone a free bottle of milk, but where is the limit?

What would this cost? There are estimates. They may have theirs. I think the Minister said that it would cost about $1.2 billion. Is the Member from Winnipeg North, sitting across from me, suggesting that we should spend an additional $1.2 billion, just pull it out of the air or pull it out of some taxpayers' pockets, to deliver everyone's mail tomorrow? Does he realize instead that we should recover some costs and charge more for stamps? For whatever reduction in the use of the postal service there would be, we would have to go back to the Government to find the money.

What are members of the NDP really suggesting? That is the problem with today's motion. They condemn the Government. They make such ridiculous statements condemning the Government, and then they talk about these silly supermailboxes. I will admit that they are probably not the best mailboxes that ever were made. I will admit that, but members of the NDP have not built a better one, designed a better one or decided what other way we have to go. They have never thought of that, they only said—

Ms. Mitchell: Why do we have to have one?

Mr. Holtmann: The Hon. Member asks why we have to have one. There are people in some places in my riding who would love a supermailbox. These people have asked me for supermailboxes. That is better than driving 50 miles to get their mail. I am talking about an Indian reserve. What do Members opposite have against Indian reserves? Why should they not get postal service? The Jackhead band in fact wrote me to ask if I could get them a supermailbox. That would be a marked improvement over what they have.

We talk about privatization. One of my colleagues from the Liberal Party was with me in Washington looking at the U.S. postal system. I must say that with the heads of the U.S. postal delivery unions and the inside-worker unions, I found a tremendous desire to work together with the U.S. postal services. In fact, there has only been one strike since 1970, I believe. It only lasted for three days. Somehow they have been able to accomplish as much for their workers as we have here in Canada where every two or three years there is violence on the picket lines. Here is a Party that advocates more of that kind of nonsense.

In fact, the head of the U.S. postal union told me that he would love to come to Canada to assist labour and management in working together. I thought that was a great idea. There was a proud individual who said: "We want to work together to make a better U.S. postal system".

I am not saying that the United States of America is perfect, but I never see this kind of nonsense there, this kind of propaganda suggesting that the Prime Minister (Mr. Mulroney) created a postal strike to cover up a scandal in his Government. That is the kind of nonsense Canadians are looking at with the New Democratic Party. That just does not wash, and I do not think that Canadians will look at that. They will look at what has happened in Manitoba.

I will admit that I wish my Party in Manitoba had gotten in stronger, but they literally wiped out the NDP because the NDP do not know how to manage a dollar and never will. They may some day come back to power in Manitoba, but they are out now because the people have listened to the kind of nonsense that I and others have to listen to.

This afternoon we have to deal with the proposition that it was the Government that made thousands of Canadians second-class citizens. Can you imagine, Mr. Speaker, the NDP deciding that you, Sir, and I are now second-class citizens? This is a Government that created a million-plus jobs, even though the NDP thought the opposite would happen. There are more people able to build houses in suburbs than ever before, and they are now being called second-class citizens. They have higher income expectations, and in fact, even more people are paying taxes than ever before.

I heard someone mention that there are still, what was it, 40 Canadians who got away without paying taxes. In fact, the Minister decided that we should try to improve on that, and I think that is a worth-while cause. I do not think that 40 Canadians making that kind of money should not pay taxes, but they are certainly not second-class citizens.

Let me talk about some of the privatization that is going on. The Government of Canada and Canada Post Corporation has in most cases defended the small rural post office. However, there has been some privatization, and that is not bad. Let me tell Hon. Members what I mean by that.

I monitored a post office in my riding very closely because I was concerned about what the impact would be. In fact, every person who used the postal system in that small town not far from where I live was very appreciative of the privatization. They are not sure how the postmaster in that store is earning her living, because she is clearly not receiving the same money the previous postmaster received, but the people are happy with the service. In fact, they are getting service for longer hours, six days a week, 12 hours a day. They quite clearly think that that is not a bad idea. I have never received one single complaint from some 300 users. That is telling me that it can be worked out, a system can be put into place. Perhaps privatization is not such a terrible thing. I recognize that union people are involved, and in that particular union, they have been most co-operative with the Government and with Canada Post.

The Member from Saskatchewan talked about Hilbre as an example, and it was a very good example. I recall that particular case well. When the postmaster died, the post office was closed like that. It seemed to be an extremely sneaky way of doing business, and I objected to it. I hope that Canada Post Corporation has rectified some of that meanness that I think it had when making change-overs and using different systems for postal services.

We have not solved every problem, but should the Canada Post Corporation not be instructed by the committee on which members of all Parties sit? We have, I think, had a tremendous influence on what was going on in the post office, and I hope that will continue. However, we cannot be there for every single little problem that comes up. I found, when looking at the U.S. system, that every time a letter does not get through in five days, there are no Congressmen screaming at the President of the United States.

I am sure that we want the whole system to function very well. For the first time we are seeing that the Canada Post Corporation is using different coloured ink. For the first time the taxpayers of Canada are not having to dig into their pockets to keep the postal system going. I think there has been a marked improvement in efficiency in the Post Office, and the workers ought to be congratulated as well as the management. What is wrong with a little efficiency in Government? We see too little of it. What is wrong with the corporation being a little more effective in its delivery?

I understand that the time it takes for a first-class letter to be delivered has improved remarkably over the last four years. Maybe it is still not perfect. Maybe there are still some problems. My hon. colleague mentioned something about the types of letters that were not able to enter the postal system because the equipment jammed, but those are technical problems that I realize we must address. I am happy that the Minister of Communications (Miss MacDonald) has agreed to continue to assist those publications that we all would like to see continue. I am glad to see there is a fair amount of money going into that, albeit not what it was years ago under the Liberal Government where money meant nothing. They felt that throwing money at a problem was the answer. We were not elected to deal with problems that way and we will not do it that way.

• (1530)

We would very much like to find solutions to problems, not just look for confrontation, which is what we see on the other side. Perhaps that is because an election is coming up. Perhaps it is because some of the NDP's friends in the unions think that is the only way they will get the support and votes of union members. However, I suggest it would be very foolish for the NDP to think that kind of strategy is going to work. I think it is clear that it will not.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Orlikow: Mr. Speaker, the Hon. Member asks if there is any evidence that the Government ordered the installation of supermailboxes or cut-backs in rural mail deliveries or the closing of rural post offices. He says that was done by the Crown corporation. After all, he says, Liberals and New Democrats supported the concept of a Crown corporation for the post office. Of course we did. Of course the post office is making these changes which are so resented. However, they are doing so because the Conservative Government ordered them to cut the deficit very quickly.

Does the Hon. Member really believe that the people in the suburbs of my constituency or that of Winnipeg—Assiniboine who have to pick up their mail at supermailboxes do not really resent it? Does he think they like it? He must be living on cloud nine. I invite him to come with me to the suburbs in my constituency. We will go door-to-door and people will tell him what they think of it. They object to it. They hate it.

Is he telling me that his rural constituents are not resentful of the fact that the mail service they were getting until a year or so ago has been drastically reduced? Is he telling me that they do not object to the closing of rural post offices? That is not the message that we get from all parts of Canada.

Of course, the Hon. Member is happy about the defeat of the NDP Government and the election of a minority Conservative Government in Manitoba, just as I am unhappy about it. However, given the fact that his Government is now sitting at the 28 per cent support level in the Gallup poll, he ought not to be so gleeful about an election. Elections are won and lost, and his Government is going to lose the next election, no question about that.

Mr. Holtmann: Mr. Speaker, I will be happy to respond to the Hon. Member about what the people in rural Manitoba are resentful of. The town of Argyle is a wonderful community just north of where I am. The residents of that town were told by someone, I think it was Rural Dignity, that the post office there was going to be closed. Consequently a petition was taken up. Who would not sign a petition and send it to whoever asked for it to protect their post office? In fact, there never was an intention to close that post office. That is what they resent. They resent having to experience the fear of having their post office closed. That fear was probably started by the Party the Hon. Member represents. This is the kind of nonsense that every Member of Parliament had to put up with for a while because someone was out there spreading fear about post offices being closed.

I called the Canada Post Corporation and said I was quite concerned. I have a petition on my desk signed by 220 users of the Argyle Post Office. They are afraid that it is going to close. I was told that there was no such indication that they did not know what I was talking about. It is there as long as it is working the way it is. There is no problem. It was nothing but fear. That is the Party of the Hon. Member, Sir, using that kind of fear tactic to try and make this Government look mean-minded when it instructs Canada Post to operate efficiently. That is what the Hon. Member's Party has been doing and that is what people object to.

Certainly not everyone loves supermailboxes. Yet we have had green mailboxes in the country for 50 years or more. The Hon. Member for Egmont (Mr. Henderson) has probably had them at least that long. There have been different systems for delivering the mail ever since the beginning of the Post Office. The Hon. Member knows that. Not everyone is pleased with the way they are getting the mail, but are they ready to spend another 30 cents a stamp or another $1.3 billion of taxpayers' money? I suggest that if he did that the roof would fly right off the House of Commons because of a mean-spirited Government charging such a ridiculous amount to mail a letter.

Canada has a fairly low postal rate compared to many countries. I remember when the rate was increased a cent and a half or two cents, I forget which. His Party vehemently objected to the increase. Which way do they want it? Do they want a 90-cent postage per letter, and everyone has their mail delivered? Will people still use the Post Office at the rate they are now in that case or, will we find a one-third reduction in its use?

I ask the Hon. Member to consider some of those things and stop going around the country suggesting that everyone is going to get a supermailbox or all rural mail delivery will be cut off or your rural post office and mine are going to be closed tomorrow. That is nonsense. It is spreading fear.

I have corresponded with many postmasters across Canada, and we have not always solved their problems. I had one close in my riding which contained nine boxes. It just could not support itself. It was costing in excess of $4,000 a year to operate nine boxes in a store. The change was made and the people were genuinely pleased with the change.

I caution the Hon. Member and his Party not to go out and make ridiculous statements and spread fear. They are the ones who said that our policies would cost 100,000 jobs when in fact we ended up creating a million jobs.

Mr. Parry: Mr. Speaker, I would just like to nail the Hon. Member on this blatant distortion whereby he proclaims that the Tory Government is innocent of forcing the shut-down of services and instructing Canada Post to implement these cuts. How does he believe his Government can evade responsibility for the Canada Post Corporation acting in accordance with the financial instructions the Government gives it? How does he believe the Canada Post Corporation, when ordered to reduce the deficit of some $240 million, I think it was, to zero in two years could possibly do that without some cuts in service? Has he ever run a business himself?

Mr. Holtmann: Mr. Speaker, that is the beautiful thing about the Conservative Party, most people in it have run

businesses. It is when you go across the way that you really run into problems concerning who is capable of running a business.

Certainly there has been some change in service, there is no doubt about that. You cannot instruct a corporation to try and reduce its deficit without changing the service. The Hon. Member suggested that it was a total reduction of service. That is utter nonsense. A change to service may mean a reduction to some, but to others it may mean an improvement.

• (1540)

For example, if I could pick up my mail 24 hours a day as opposed to three or four hours a day, it would be a very good improvement in service for me, even though it is a change in service. However, I am going to stick with my local postmaster. I told her that as long as there is no change in the postmaster there will be no decision to change the policy on how the mail is delivered. From time to time there are changes in service, and it is to the benefit of all Canadians.

[*Translation*]

The Acting Speaker (Mr. Paproski): The period for questions and comments is now over.

PROCEEDINGS ON ADJOURNEMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): It is my duty, pursuant to Standing Order 66, to inform the house that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Montreal—Sainte-Marie (Mr. Malépart)—Railways—Canadian National—Switching yard control centre—Government position / Request for Minister to intervene; the Hon. Member for Lévis (Mr. Fontaine)—The Economy—Government's performance; the Hon. Member for Broadview—Greenwood (Mrs. Mcdonald)—Environmental Affairs—Nitrogen oxide emissions - Discussions in Geneva /Position of United States.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTED DAY, S.O. 82—POSTAL SERVICE

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

That this House condemn the government for its total and absolute failure to provide fair and equitable postal service to all Canadians by:

(a) instructing Canada Post to cut back postal services to Canadians living in rural areas;

(b) installing "supermailboxes " to take the place of door-to-door mail delivery in new suburban areas; and

(c) making hundreds of thousands of Canadians second-class citizens when it comes to the provision of postal service.

Mr. Alain Tardif (Richmond—Wolfe): Mr. Speaker, I am also delighted to deal with the important issue of the Canada Post Corporation's action plan.

First, if I may, Mr. Speaker, I should like to congratulate and pay tribute to my colleague the Hon. Member for Saint-Léonard—Anjou (Mr. Gagliano) for his tremendous job in following this issue through.

Because he is an accountant by trade, Mr. Speaker, my colleague has adopted a positive and constructive approach.

My hon. friend is aware that Canada Post is faced with an enormous deficit. He was and still is aware of the need, under these circumstances, to make decisions aimed at reducing and eventually eliminating this deficit. He has come up with a constructive approach in every respect by proposing all sorts of solutions to help the corporation secure additional revenues and compensate for its lack of revenues, so that individual Canadians may continue to enjoy services which are reasonable, equitable and especially the same for all. I pay tribute to him for the job he is doing and has done over the past few months.

Having said that, Mr. Speaker, I suggest that this Tory Government has adopted toward this issue an offhand attitude which is altogether unacceptable.

The Progressive Conservative Party which seems anxious to follow constantly in the footsteps of the Americans, would like for all practical purposes to apply or copy systematically in Canada every move made in the United States.

Mr. Speaker, our Conservative friends seem to overlook the fact that Canada is a very large country with a population of hardly 26 or 27 million people. Needless to say, for the operation of a Corporation such as Canada Post, this may create disparities and conditions which make it absolutely impossible for Canada to behave like the United States.

In Canada, there are many remote areas, communities are often quite isolated, and all Canadians have a right to decent and equitable services.

Our hon. friends across the floor would like to turn Canada Post into some kind of private company which would not only cover its costs, but would eventually make a profit that, as we know, would be reinvested to the benefit of the wealthiest Canadians.

Mr. Speaker, I think that trying to set Canada Post on such a course is an insult to Canadian society, particularly to residents of remote areas and developing communities that are going through booming residential development.

I believe Mr. Speaker, that whether one lives in Montreal, Sherbrooke, Richmond, Asbestos, Saint-Denis-de-Brompton,

Saint-François, or anywhere else in the province, or in Canada, one has the right to equal services.

A second report was recently tabled which contains some very interesting elements. The committee was happy to say that its report was unanimous. It says that decisions taken by the Canada Post Corporation in the last few months will only account for insignificant savings. It is saving a few thousand dollars thinking that that will be enough to cover a deficit of hundreds of millions of dollars.

So, I think that it was absolutely realistic and reasonnable that the committee came to such a unanimous conclusion.

This report also states "that the Committee regrets the heavy-handed way Canada Post has gone about shutting down certain post offices and wishes that in the future a minimum 90 days' notice be given before closing a post office to allow for consultation with the people concerned." And the Committee's findings and recommendations are as follows: That no rural post office be closed and that no postal service be altered without prior consultation with an approval by the community involved; that the period of consultation be at least 90 days; that Canada Post corporation immediately inform a Member of Parliament when shut-downs or changes are proposed in their ridings; that local officials be also consulted; that, during consultations, not only the changes proposed by the Corporation but also the alternative be closely examined; finally, that a postmaster's departure or retirement not be the sole criterion for shutting down a rural post office or for altering postal services.

Mr. Speaker, this report which, may I remind you, is unanimous, seems, under the circumstances, to depict a completely abnormal and unreasonable situation. In my riding, for instance, there is a large community called Saint-François, where the people learned one morning, out of the blue, that Canada Post Corporation was not going to renew the postmaster's mandate and that, to get the services provided up to now by the post office, they would have to go to a grocery store.

Of course, there was a flood of protest. My feeling was that I should go and consult the people who were particularly affected by this policy change. I sent a personal letter to every member of the community in this village, asking for their comments. I must say— and the results of my survey were positive—that a little more than half of the people saw a number of positive elements in this policy. They said for instance: from now on, the post office will be open longer for us to pick up the mail.

• (1550)

When Canada Post realized I was doing this survey, a month later it decided to do its own consultation. This proves that the whole exercise was rather haphazard. Obviously, Canada Post could have used a survey to involve the community in this decision and thus avoid the spate of criticism, disagreement and confusion. In any case, a number of people protested vehemently against the post office closings and I will tell you what their comments were. I must say I found them extremely significant. Mr. Speaker, I think we should realize that in a village, things do not work exactly the way they do in our big cities. It often happens that the grocer or the owner of the general store gives customers credit.

There may be only one grocer in the whole village. So imagine the following scenario: Mr. or Mrs. so-and-so is expecting a very important letter and, before these changes, would have gone to the post office, and since confidentiality is the rule, there are no problems. But because of Canada Post's decision, Mrs. so-and-so now has to go to the grocer where she has run up a bill of $200 or $300 or $400, and it has now been two, three, four or five months since she was able to meet her financial obligations. Mrs. so-and-so is more or less being told she has no choice and that she has to go to this particular location to pick up her mail.

I heard another comment which I also thought was very apt. People feel, and rightly so, that mail should be a confidential and private matter. You must understand that at a convenience store or grocery, for any Tom, Dick or Harry, it is the clerk who is there when the customer arrives who must deliver or receive material that for many people is extremely confidential.

There is also something else. You must understand that in these villages, for the past few years, in most cases this coincides with the coming to power of this Government. These small post offices have been tied to schedules that are, for all practical purposes, unreasonable and poorly thought out. It is not at all unusual, for example, to go to a country post office at 12.30 or 1 p.m. to find it closed. It is not at all unusual to go at 8.30 or 8.45 a.m. and still find it closed. Indeed, hundreds, even thousands, of people who would be entitled to get their mail find the door closed. What do they do? They leave, they go to the next town, to a larger centre, to buy their stamps, to do in a way what could and should be done in the village. So at the end of the year, the financial results of rural post offices are not as good as urban post offices'. This is used as a pretext to say that it just does not pay. Let us get rid of it, it does not pay! Now, I think it is just the opposite of what we should do: keep the post offices in these regions and in the countryside, provide more services, give more opportunity to those who are used to the services to have them and thus make these operations much more profitable.

Mr. Speaker, my constituency is quite rural and I have many times seen how important the mail is.

To observe this basic importance of the mail service, several times in the morning I have followed the rural mailman who uses his vehicle to distribute mail from house to house on country roads and in the countryside. To my great surprise, I noticed that not only is he waited for, but in very many cases people are at their box waiting for their mail. In cases where people are not there before the mail arrives, in the next few seconds or minutes, they come to claim it. I think that for many people, it is the only means of communication, a very

important one in every respect. You must also understand that for most of the people who live in these regions, this is how they get their pay cheques, information and printed matter. And the services which all these Canadians receive are basic and essential services, so much so that the mere suggestion that they might be reduced or cut has a tragic impact.

Mr. Speaker, again last week I got a letter from the municipal corporation of the parish of Saint-Rémi-de-Tingwick, as follows: "Following the March 7 regular sitting, the municipality of Saint-Rémi-de-Tingwick urges the residents to sign a petition against closing the post office and reducing our normal postal services. " Sir, with this letter I enclose the petition signed by the residents of Saint-Rémi to voice their strong opposition to closing the post office and reducing normal postal services.

Mr. Speaker, I know that community and practically everybody in the village signed the petition. In light of the famous report which was unanimously endorsed, it seems to me the human, decent and normally acceptable approach would have been to consult the people, give them an explanation, and ask them what they think their post office should be like. I can tell you that out in the country the post office is very often a meeting place, and more often than not the only federal Government presence. As I see it, it would not be unrealistic or unreasonable to suggest that these post offices can be maintained and, as far as I am concerned, turned into profitable operations.

In conclusion, Mr. Speaker, may I take a hint from my colleague for Saint-Léonard—Anjou (Mr. Gagliano) who not only criticizes agressively the Government's attitude on that matter but also comes up with explanations or proposals for the Corporation to get extra revenues in order to provide a decent service that would be acceptable to all. At one point the Hon. Member suggested selling space on the trucks. Mr. Speaker, we have seen a multitude of new companies go into business in the last few years. Whether it is Purolator, Selco, or this or that, to my knowledge those companies are not losing any money. So the Corporation is depriving itself of substantial revenues that could be used to provide decent, acceptable service in rural areas. We have the example of telephone service. The cost is the same for both urban and rural areas, and this brings in enough income for everyone in Canada to enjoy reasonable, fair and equitable telephone rates. Through intensified use of those new services, the Corporation could therefore get the income needed to balance its books.

Mr. Speaker, I will conclude by suggesting that there is tremendous discontent, and this week's latest survey explains part of the story at Canada Post.

• (1600)

[*English*]

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I am glad to have the opportunity today to participate on this opposition day motion put forward by my Party concerning what the Government has done to Canada's postal service. I know from my records that I have participated twice before in opposition day debates on this subject, which is an indication of the importance of postal service to residents of the approximately 120 communities in my riding of Kenora—Rainy River.

I am very glad to say that our spokesman on postal issues, the Hon. Member for Winnipeg North Centre (Mr. Keeper), although not able to speak to this particular motion, has consistently and in a very committed and dedicated fashion addressed the concerns of both rural and urban dwellers in regard to Canada Post service. I must say that this is a question in which vigilance has indeed been the price of continued service for many across the country.

The Hon. Member for Selkirk—Interlake (Mr. Holtmann) in his speech seemed very taken with the first part of the motion, that is, that the Government had instructed Canada Post to cut back on postal services to Canadians living in rural areas. He seemed to feel that the Government was innocent of that particular charge. However, that innocence is something that I believe on examination of the facts is quite impossible to maintain. In fact, the Government has ordered those cuts just as effectively, if not as specifically, as if it had gone to regional managers and individual postmasters and said: "Cut this service. Cut that rural route. Cut out that particular box".

What we are seeing in the case of Canada Post is management by financial control. For some years Canada Post had been running a deficit, and the Government simply said: "Well, you are not going to be able to run a deficit any more. We are cutting you off. You can deliver what postal service you can. You can raise revenues or cut the costs, but you are not going to get the money from the federal exchequer". That, of course, is management by financial control.

Anyone who has studied business in any depth whatsoever knows that when there is a deficit there are three ways that the deficit can be covered. The first is by borrowing, something which the Government ruled out. It ruled it out in a fashion which very adversely affected the potential that Canada Post had a few years ago to decrease its deficit, and perhaps even to make a profit, and also to deliver service to Canadians. But the Government ruled out the possibility of the corporation borrowing for the purchases of new equipment for the purpose of parcel handling which would have enabled it to compete with the couriers in the inter-city markets in particular where courier companies are doing so well because of the Government's obstruction of Canada Post's potential entry into the market. It also ruled out the purchase of other sorting equipment and mail processing equipment.

The other two ways of eliminating a deficit are to raise revenues and to cut costs. I must say that I feel that Canada Post has not been effective enough in terms of raising revenues, in terms of collecting more for some of its under-priced services and in terms of extending some of those services which

have good revenue potential. Instead it seems to have concentrated on cutting back on its costs, particularly as regards the rural and suburban service networks, but which also affects urban offices as well in some of our major centres.

Because the Government has framed its instructions in dollar terms rather than in specific orders cannot absolve the Government of responsibility for the effects. Simply translating instructions into dollars cannot take away the fact that it is the Government that is behind these costs. Canada Post is being treated essentially as order takers and told to get on with the job, which is to balance the budget. Thus we have the consequences that my constituents have felt and which constituents in rural ridings across the country have felt and seen. In many cases they have very drastically affected the whole way in which they see their community.

We have had cases where the only building in a community that flew the Canadian flag no longer flies it because the Post Office has been closed, or it has been privatized to a hard-pressed local retail outlet which has been under all sorts of financial and psychological pressure to take on the service, a service which is very poorly paid for by Canada Post. The Crown corporation seems to expect, essentially, that grocery store to provide a service on a grace and favour sort of basis at rates which in fact if they were salary rates would not be allowable under any provincial labour law in the country. However, it expects these people to do it because it knows that it has them over a barrel once the post office is gone.

[*Translation*]

Mr. Speaker, I had the privilege to represent my Party in February 1988 at the founding conference of the Vision of Rural Dignity organization.

Mr. Speaker, I travelled to a village with a population of 600 on the South Shore in Quebec of the St. Lawrence river, to attend that conference along with more than 800 people who came from all across rural Quebec, in addition to people from the area itself, and also from other provinces, including Newfoundland, Saskatchewan, New Brunswick and Ontario. They gathered to establish an organization that will speak for rural communities faced with postal service shutdowns.

Mr. Speaker, Visions of Rural Dignity has experienced significant growth, even since that founding conference was held.

This organization now speaks for all communities in this country who are threatened by postal service cancellation and post office shut downs.

But despite these efforts, and I must congratulate those who have set up this rural organization for their dedication and commitment, rural Canada has lost 194 post offices in the last couple of years through closing-down or privatization and, at the end of the month, this figure will have reached the 200 mark.

Mr. Speaker, it is obvious that Canada Post will not stop after closing-down these 200 post offices because their internal budget forecasts a profit, a surplus of some 38 million dollars in the next fiscal year for *Dignité rurale du Canada* and its work.

Mr. Speaker, I believe that, in such a situation, Canada Post should be studying ways of improving postal services to rural Canadians rather than reducing them further, as we see in this budget.

Mr. Speaker, *Dignité rurale du Canada* has become the main spokesman against cuts in rural postal services . . .

[*English*]

There have also been organizations which have been formed to fight against the use of these pernicious supermailboxes.

I am afraid to say that there has been a great deal of blatant propaganda put out by Canada Post about these so-called supermailboxes. The very name should have alerted us to the wool being pulled over our eyes. Of course there have been public opinion surveys very cleverly phrased and presented about the supermailboxes. The message through these surveys has always been: "How do you see a supermailbox compared to door-to-door delivery?" They have not been: "How do you see a supermailbox compared to a green mailbox or compared to no delivery at all?"

Supermailboxes for all their presentation and the attractive PR that was put out when they were introduced have encountered some problems. We recall the almost commando descent by Canada Post technicians on, I believe it was, St. John's, Newfoundland, in order to fix up some of the problems with supermailboxes that were giving out mail to the wrong people. There were mechanical failures. They have become an eyesore. Recently, the Ontario Municipal Board even reduced the taxes of some people who had supermailboxes put in front of their homes.

• (1610)

The installation of these supermailboxes was not properly planned, either in terms of their siting or in terms of the maintenance of the site. In many cases, they presented an obstruction for snowplows. Another complaint was that they were often placed in areas which proved unsafe for those making use of them. With the advent of the supermailbox, we had a gratuitous and unnecessary mixing of pedestrian and vehicle traffic—something that obviously ought to have been foreseen as a hazard. Generally, they were looked upon as an eyesore and an inconvenience, something that people would only put up with if offered no alternative. It is the fact that no alternative has been offered that has led to some of the anomalous situations which we now face. Not only are the supermailboxes seen as inefficient and ineffective, but fundamentally unfair for those forced to use them.

We have a situation in the community of Fort Frances where of the four homes at one intersection, three receive door-to-door delivery, with one being forced to use a supermailbox,

that house having been built after the extension of door-to-door delivery had been abolished by Canada Post. That is a very strange situation. It gives one the feeling that one's neighbours are being somehow regarded as superior, and certainly they are inasmuch as they are being offered a superior service.

Paragraph (c) of the motion makes the point that hundreds of thousands of Canadians have been made second-class citizens when it comes to the provision of postal service. That is a telling accusation, and I believe it to be one that is eminently sustainable. It is one that applies not just to the consumers of the postal service, but to those involved in providing the postal service itself.

In my own community, I am aware of a tourist operator who now faces a 65-kilometre round trip to pick up his mail, whereas previously service was provided via a rural route. In order to save costs for Canada Post, individual members of the public are being put to additional cost and inconvenience in order to get their mail.

If this type of measure were to be properly evaluated, I think it would be seen as a false economy. While Canada Post Corporation is saving money, it is doing so on the backs of those it is supposed to be serving.

There are reserve communities of the Nishnawbe Aski Nation in my constituency which can only be reached by air, and for such communities there are numerous inequities in respect of the postal service provided. Mr. Eno Anderson, the chairman of the Shibogama Tribal Council has been following the matter up with me on a regular basis. He has raised with me the fact that the clerks who carry out the postal duty are underpaid for the time that they put in; that often they turn up at the airport only to find out that there is no mail on board.

In those instances, they receive no compensation. Nor are they compensated for taking the mail from the airport to the post office, which might be up to 15 kilometres. As well, they are forced to work on a sporadic and intermittent basis, going from periods of very high activity, very high pressure, to having to take care of the details of the job, when really they should be having free time.

There is also the matter of the irregularity of mail delivery, and the fact that many communities only receive mail once a week. There have been also been problems for contractors. I am aware of one contractor who held a route for many years, providing excellent service year-in and year-out, who was replaced by an individual who put in a lower bid, only to find, within one week, that he could not deliver the service for the amount of the bid.

Canada Post eventually went back to the same contractor. But, at what cost? It went back to the person who knew how to do the job, the person who had done it for years. But, at what cost in terms of disruption, in terms of stress and strain, both for the original contractor and the individual who had submitted the low bid? That individual had obviously been sucked into submitting a bid that he could not live with.

I am aware of one contractor with over 35 years of service in different capacities with Canada Post who is now getting out of the business. He knows that the next time his route is up for bid, others tempted by the possibility of acquiring the contract will bid unrealistically low, only to find themselves handicapped in trying to deliver the appropriate level of service.

We have had mailbox shortages in our communities. Those losing rural route service come into town to acquire a mailbox only to find that there are none available. While there is a waiting list for mailboxes, rural routes are being cut.

There are many cases where, if provincial labour laws were to apply, Canada Post would be taken to court. For example, Mr. Speaker, I quote from Dignité Rurale du Canada:

[*Translation*]

"The statistics for this province show that under these contracts, the Postmaster gets only one-fifth of his present salary, which works out to $2,000-$2,400 per year, or between 47 cents and 83 cents an hour".

[*English*]

I also have an article from *The Toronto Star*, an article which speaks of some of the problems facing family-run convenience stores, the so-called Mom and Pop convenience stores, in trying to oblige Canada Post in setting up postal outlets, in some cases under something of a subtle threat that if they do not, they will be penalized. But, in trying to oblige Canada Post, they have ended up being paid ridiculously small sums of money for the services they are providing.

In the few minutes remaining, I should like to consolidate the case that fair and equitable and equal postal service across Canada is not simply a justice issue or matter of equity, or a matter of how we view ourselves as Canadians, as equals, but a matter of economic efficiency—and this is something that should appeal to my friends opposite.

To review the history very briefly, the first penny post was introduced in England under the leadership of Roland Hill, in 1840. It cost one penny to send a piece of mail to any part of the kingdom. Before that, mail moved by the 19th century equivalent of today's couriers, the stage coach, with those using the service paying a sixpence or a shilling to have a letter taken 100 miles.

With the introduction of the penny post, mail could be sent anywhere in the kingdom for one penny. Well, I need hardly make the contrast between a public service that functions on a utility basis and a privatized service that was run simply for profit.

Perhaps that might have some of my friends opposite in fact cheering for the profit opportunities inherent in a private service; but let us not forget the very nature of our federal country, the very nature of the remoteness of some communities, the vast distances between communities—all of which, of

course, render all of the comparisons that the Government Members have been making to the U.S. postal service irrelevant. Let us not forget that we should see Canadians as Canadians, wherever they live. I am very glad to see the Hon. Member for Nunatsiaq (Mr. Suluk), here today. I believe that he could talk very eloquently of the problems of remote communities.

Let us remember that there were two reasons for the establishment of a federal Government in the first place in Canada. One was national defence; the second was to ensure that the mail was run effectively. Let us not forget that the Canadian flag flying over post offices is a very visible reminder, and in some communities the only reminder, of the fact that we have a federal Government in Canada, a Government whose duty it is to bind all Canadians together.

When the Government fails to make provision for Canada Post to perform that essential equity function, it undercuts the whole significance of Canadian unity. The solution is not for the Government to subsidize Canada Post indefinitely, or without a bottom to the funds that are made available; the solution is for the Government to allow Canada Post to compete effectively. The solution is for the Government to give Canada Post realistic and reasonable subsidies to carry out that very important national unity function that Canada Post has served heretofore, a function which is so endangered by the imposition of purely financial goals and financial measures on this most essential of all Crown corporations.

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

• (1620)

Mr. Fretz: Mr. Speaker, I appreciated hearing the speech given by the Hon. Member for Kenora—Rainy River (Mr. Parry), a Member for whom I have a great deal of respect. He certainly debates issues with eloquence and fairness. He did not use a lot of rhetoric as some Members across the way have done today.

Having said that, I want to read part of the opposition motion:

> That this House condemn the government for its total and absolute failure to provide fair and equitable postal service to all Canadians by:
>
> (b) installing "supermailboxes"—

I want to make a couple of points and then pose a question. Where I live in the Town of Fort Erie, which is a community of about 25,000 people, there is no mail delivery. There have been what we call group boxes for a number of years, as long as I can remember, which I suppose today if they were installed somewhere could be called supermailboxes. People have used those and, to the best of my knowledge, they have used them without complaint. I drive a mile to the post office to get my mail. We have never had delivery in my part of the town. The place where I live, Ridgeway, which is part of Fort Erie, may have a population of about 2,000 people. We have always gone to the post office and picked up our mail.

Let us look at two other areas in the Town of Fort Erie, the old part, where the population might consist of about 12,000 people, and Crescent Park in the Town of Fort Erie which has a population of perhaps 3,000 people. Those people have mail delivery, which leaves us with a population of about 10,000 people in the Town of Fort Erie who do not receive mail delivery. Yet the New Democrats are condemning the Government for its failure to provide fair and equitable postal service to all Canadians.

Is the Hon. Member implying that those 10,000 Canadians, including myself, should have mail delivery service? Is he implying that everyone in the town should have it, that just because 15,000 people have mail delivery the other 10,000 should, otherwise it is unfair and inequitable?

I want to remind the Hon. Member that I pay—I am not sure because my wife usually writes the cheque—about $12 a year for a postal box. We get the biggest one we can.

Mr. Lewis: Just $12?

Mr. Fretz: It may be $15, I do not know. We pay for the privilege of getting in the car or walking, if we feel well enough, to go to the post office to pick up the mail, whereas other people who pay the same rate of postage, 37 cents have their mail delivered to their homes. If the Member wants to look at that and say that is inequitable, that is his privilege. Is that what the Hon. Member is saying?

I have two questions. The first is with regard to the boxes which I have indicated are group mailboxes which help those people in the part of the town in which I live, and the second concerns the inequity of those 10,000 people in my town who have never had mail delivery. I have lived there 61 years and never once have I had mail delivery.

Mr. Parry: Mr. Speaker, I would like to thank my colleague, the Hon. Member for Fort Erie (Mr. Fretz), for his question and say that Fort Erie must be a marvellous place to live if he has spent 61 years there. In my opinion, he really does not show the wear and tear of those 61 years.

Mr. Lewis: Because he walks to the post office instead of sitting at home.

Some Hon. Members: Hear, hear!

Mr. Parry: Perhaps it is his daily walk to the Post Office, Mr. Speaker, as the Hon. Parliamentary Secretary said.

I would have to say that the Hon. Member must recognize that he places me at a disadvantage in discussion of his particular circumstance. He surely cannot believe that in my 18 years of residence in Canada, none of which has ever been within 100 miles of Fort Erie, that I could have attained as intimate a knowledge of the geography of that community as he has in his 61 years.

To address the question directly, in terms of equity of postal service, there should be measures, and my understanding is

there are measures in some context but not in others, by which growing areas qualify for door-to-door delivery. Density must play a part. I learned from my experience in planning legislation in Ontario that there are many cases where development occurs in a patchwork fashion. It occurs in strips or in isolated mini-subdivisions where I do not think people are looking for home delivery of mail by virtue of the rural nature, shall we say, of the surroundings in which they have decided to live. If Canada Post had sets of rules that covered these sorts of situations which were applied equally across the country, then that would constitute an equitable mail service. I am not suggesting that all group mailboxes, the old style green mailboxes, should not be replaced with supermailboxes. I think that supermailboxes are a useful tool for the type of situation that presumably once existed in the area in which the Hon. Member lives but which now, as a result of the growth of the communities, I am sure under progressive leadership, no longer pertains.

Ms. Copps: Are you crossing the floor or what?

Some Hon. Members: Oh, oh!

Mr. Parry: Equity does not consist in the provision of identical service. It consists of addressing the concerns of those people who feel deprived or disadvantaged by a particular type of service. Perhaps the Hon. Member is suggesting, without wanting to state it openly, that people who receive door-to-door delivery should pay an annual fee similar to the fee that the Hon. Member and I pay. I do not have a big mailbox like the Hon. Member for Erie. All my mail comes here. I would rather see the fees waived in the case of the mailboxes in the small post offices, but we know that might lead to a proliferation of requests for the boxes. The door-to-door fee might be an easy way of resolving Canada Post's deficit, but I do not think it would be universally popular. While I feel that the provision of mailboxes is a Canada Post responsibility, we have to recognize that there will always be market factors ruling in that sort of case.

The Acting Speaker (Mr. Paproski): Are there any further questions or comments? Debate. The Minister of State (Mr. Lewis).

Mr. Parry: Mr. Speaker, I rise on a point of order. Without fuelling any further the suspicions of the Hon. Member for Hamilton East (Ms. Copps), I would like to apologize to the Hon. Minister of State (Mr. Lewis) for previously referring to him as the Parliamentary Secretary. The Hon. Minister of State.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Not to worry, Mr. Speaker. I am pleased to have this opportunity to enter today's debate on this motion. The Hon. Minister responsible for Canada Post is in his riding today and I am happy to participate and put forward the Government's point of view with respect to this motion. I think I should point out a few things before getting into some personal observations which I am able to make on behalf of the Minister and on behalf of myself with respect to the improved service of Canada Post.

First, Canada Post is a very large corporate employer in Canada. It employs approximately 47,000 people. It is a corporation which was set up under the previous Government to try to bring into place some new management methods, and to improve postal service for Canadians. In doing so it has made some very fundamental corporate changes. The focus of the entire corporate plan is on service. The whole purpose of its existence is to provide Canadians with efficient, reliable and affordable postal service.

• (1630)

The five-year corporate plan which was presented today is also a business plan. We do not see any conflict between providing a service and the objectives of a well run business. I think it is obvious that if a business does not provide good service to its customers, it will not stay in business, whether it is providing a product like automobiles or postal service.

The key elements of Canada Post's service thrust are reliability, accessibility, delivery and value for money. First I want to deal with the question of reliability.

Canada Post has taken several steps to ensure that operations are properly monitored by control centres and that they are managed according to corporate systems seven days a week and for 24 hours each day. We have instituted a policy of auditing, through independent auditors, the performance of the delivery standards. Clarkson Gordon has been retained by Canada Post to do this job, and it recently released its findings.

I point out to the House that Canada Post is the only postal service in the world that has its performance standards publicly measured by an independent auditing firm. The second quarterly report was released last month. It has shown a continued and steady improvement in service performance and Canada Post is working to improve that performance even more by identifying any problems it has in the system and by correcting them.

Another aspect of this improvement in service is to improve access. This means making it easier for Canadians to buy the products and services and to pick up parcels and mail requiring a signature. I point out that the corporation is doing this in a big way. Canada Post already has more retail outlets than all the banks and financial institutions in Canada combined. Over the next several years, the number of locations where Canadians can go to purchase postal products and services will increase even further from 13,800 to 18,000.

On a personal note, I want to point out that two or three years ago when the present Minister was made responsible for Canada Post, I said to him one day at 10 minutes after six: "Harvie, here is a package of cigarettes and a stamp. Where do you buy the cigarettes? You can buy those anywhere. Where do you buy the stamp?"

Obviously, to buy a stamp, one has to find a post office that will sell a stamp. That is the point. Why should Canadians be restricted when buying stamps when they can buy lottery tickets and cigarettes anywhere 24 hours a day? That is the point of the improved access we are driving at.

The Opposition would have all postage stamps in Canada sold from nine 'til five, five days a week, in post offices. Our attitude is, let us make it easy to mail things. Let us not restrict it to certain places the way the Opposition wants us to do. Let us make it easy for Canadians to buy postage stamps. Why not? Why should it be such a sacred thing to sell a postage stamp? That is the whole idea behind the privatization of the post office facilities.

I cannot for the life of me figure out why the NDP and the Liberals do not want Canadians to have that kind of accessibility. Why not? Why not let Canadians buy postage stamps anywhere, just like cigarettes and candy? What is the big secret about it? I want to know that. I want to hear from opposition Members about that.

That is what we are doing about accessibility, and we are doing it through business, through that partnership which can exist with the private sector. We are expanding facilities. I want to explain this to my friends because they have blinders on. I want to tell them what is happening in my riding in the Township of Oro, a rural township, and my friend, the Hon. Member for Humboldt—Lake Centre (Mr. Althouse), will know about this.

Previously, there were three sub-post offices in the Township of Oro. What were their hours? Their hours were from 8.15 to 12.30, an hour off for lunch, and closed at 5.15. That was for only five days a week. On Saturday, it was 8 'til 12, no service Saturday afternoon, Saturday evening or Sunday. That was the situation in Shanty Bay, Oro Station and Hawkestone.

Now we are privatizing. My constituents in Oro Township will be able to get stamps in three places, the same villages, Shanty Bay, Oro Station and Hawkestone. Guess what? These are the new hours of operation: 7 a.m. until 10 p.m. in the first location at Shanty Bay. It is a little restricted in Oro Station. It is only open from eight in the morning until nine at night, and the same in Hawkestone. Guess what? All three of them are open Sundays. Isn't that terrible? Now my constituents in Oro Township can buy stamps on Sundays. My friends in the Opposition, the NDP and the Liberals, do not like buying stamps on Sundays.

That is the kind of increased access to service we are giving. Not only that, but at Fuda's Marketplace on Highway 11, they are putting in a new operation. My constituents will get three locations with expanded hours and a new fourth location. That is what Canada Post is doing. However, the Opposition is not bragging about that, it says that we are restricting service.

We are expanding the delivery network. We notice that our friends are pressing for expanded door-to-door delivery. Let me talk about door-to-door delivery.

What about the Town of Penetanguishene? Under the previous administration, my friends, the Liberals, the people in Penetanguishene had to go to the post office. Those 5,000 people got their mail from the post office in Penetanguishene. No one has ever complained to me about that. I have been in Government for three and a half years now and no one has ever asked for door-to-door delivery in Penetanguishene. They like going to the post office. No, as far as my friends are concerned, that is a restriction. We cannot have supermailboxes.

I, like my friend from Erie, also have a post office box. We are three and a half blocks away from the post office, the same as it would be from a supermailbox. It is more efficient. I pick up my mail once a week, get all the magazines and all the bills, more bills than I need, and it is all there. Why do I need a postman to make five trips for me? Members of the Opposition make it sound as though people pay bills the day they get them. Everyone pays his bills once or twice a month. What is this need for door-to-door delivery all about?

In rural townships, we get delivery at the end of the concession road. What is the difference? Why is Canada Post being condemned for that kind of delivery service? I think it is giving good service. Members of the Opposition are back in the horse and buggy days. We are living in a day when most people go out every day. They pass convenience stores and the supermailbox locations. They do not have the trouble my friends have. Canada Post has modern techniques. It is trying to do the best job it can.

My friends do not mention that in the United States, the door-to-door delivery service has not been expanded since 1979. The Americans are using community or cluster boxes to expand the service in suburban areas. We call them supermailboxes because we think it is a long-term solution, a modern solution, not a horse and buggy solution which the NDP support. It is a modern solution to delivering mail to people.

Supermailboxes appreciate the fact that people are not home all the time to take delivery of parcels or registered mail. There is a method in the supermailbox, through the parcel compartment, to allow for that. We can assist people. They do not have to go to the post office anymore to do things like pick up registered mail and parcels.

• (1640)

The NDP make going to the post office box sound like such a big problem. My friend should come to Edwards Point outside of Midland with me some morning, even in the winter. Come about 10 o'clock in the morning and you will see people walking up the street to the mailbox to get their mail. It is a community centre. They get out of the house and meet their neighbours and talk. What have the NDP got against people meeting people? What have they got against people getting a little exercise? What is wrong with the NDP? Why are they back in the horse and buggy age? Next they will condemn the Government for not having a Pony Express. I cannot believe it.

We are struggling to bring the NDP into the 1990s and new methods of doing things. It is just unfortunate that they cannot get up to speed.

We are looking at value for money. When we brought in the corporate plan last year, we announced that we were going to continue to adjust our basic letter rates annually to compensate for the impact of inflation and other expenditure increases. The planned rate increases in the basic letter rate during the next five years will continue to be below the rate of inflation as projected by economic indicators. Canada Post announced today that it is gazetting a proposal for a rate increase to take place January 1, 1989. The increase in the basic postal rate will be one cent. That is 2.5 per cent for a standard letter. There will be other products affected by the rate increase and that is available in the information package that was distributed.

Even with this modest rate increase, Canadians will be paying the second lowest postage rate in the world when you compare average wages. In fact, using the same measurement, they pay roughly the same today as they did 32 years ago.

The NDP say they want door-to-door delivery, and all we have to do is raise the price of a stamp to 60 cents. I cannot understand why the NDP wants to raise the price of stamps to 60 cents. Why not adopt some modern methods and put in the supermailboxes, do what we can to improve things, but not give door-to-door delivery to everyone as the NDP suggests and raise the price of stamps to 60 cents? That ignores market realities.

We are monitoring the price tolerances of our products because we realize that Canada Post is in a highly competitive market. About 80 per cent of its volume is generated by business. If we exceed that price tolerance then business will look elsewhere to have its products delivered. Therefore, when we look at rate increases, we are really reflecting the reality of the market-place. To do that we have to increase our volume so that we can be competitive. We are restructuring our products and services to better reflect the requirements of the market-place and improving our courier service in the face of very keen competition. We are doing this so that we can get Canada Post back to the place it once enjoyed in this market.

This fiscal year is very significant for Canada Post because this is the year that the ink goes from red to black. After losing under the Liberals several million dollars a year, the Post Office is now going to break even under the Conservatives. For the first time in 25 years it is forecasting a modest profit from operations.

Canada Post is trying to build a postal service for the future, not for the horse and buggy age of the NDP. To do that it has to finance new equipment and introduce needed innovations to provide a truly modern, reliable and efficient service. That profitability means it will be able to recommend that the shareholder, the Canadian people, reinvest in the corporation to continue to improve that service. We think with that profitability and some support Canada Post employees will begin to feel a greater sense of pride in themselves and the work they do. They will know their efforts have helped and will continue to help create a vital and progressive corporation.

Several years ago the corporation set up consumer panels to obtain feedback from people and to get their impressions of the service and its plans. They wanted input for the future. We see these activities becoming more and more important as we go into the 1990s, as Canada Post gets into an even more competitive environment. That is the intention of the corporation, to develop this theme and establish a national postal users council to provide it with the input needed to understand their customers and provide the best service and best product available.

In doing that there will be some fundamental changes. We appreciate that the NDP, the Party of the status quo, does not like change. They cannot understand this new world they find themselves in. We understand that. We are trying to bring them along slowly. Change is never easy but we believe that with implementation of this change, Canada Post will continue to meet the challenges of postal service and the people who work there, those who make these changes a reality, will feel more pride in the corporation they are working for.

I guess to summarize what I have tried to say today, Canada Post has made a very real effort to improve postal services for Canadians. I say this without hesitation: There is no cut-back in postal service to Canadians living in rural areas. I represent a rural area. As I demonstrated with Oro Township, we are getting improved postal service. I say that installing supermailboxes to take the place of door-to-door delivery in new suburban areas is the way of the future, the way of efficiency, and not the way of the past which the NDP espouses.

I say without hesitation that in no way is Canada Post making second-class citizens of hundreds of thousands of Canadians when it comes to providing postal service. We have a corporation which has turned itself around and is doing a good job for Canadians. I regret very much that the NDP would bring forward such a destructive motion.

The Acting Speaker (Mr. Paproski): Questions or comments.

Mr. Althouse: Mr. Speaker, I found it quite interesting that the Hon. Minister would spend so much time talking about the horse and buggy days and his modern solutions. As one who is much older than he, I can speak with some credibility about the horse and buggy days because during the last war when petroleum products were in short supply, our family shifted back to the horse and buggy. We went our six miles into town and we found at the end of our travels a group of boxes inside a post office. It was always dry and it was usually warm. It was open most of the time. At that time the postmaster operated six days a week, seven or eight hours a day. Those were the old days. Those were the horse and buggy days. Now, my much younger brothers and sisters, who still live in rural areas, get into their cars and drive 10 miles to a post office.

They can always get into the boxes in the post office building 24 hours a day, seven days a week. It is warm and dry and if a post office box is accidentally left open, the contents do not get wet from the rain or blow away in the wind.

• (1650)

Some of the rural towns in the rural area that I represent, including Zelma, Elstow and Bradwell, no longer have that kind of horse and buggy era service. They have had to modernize and now have superboxes, which is supposed to be the brave, new world into which the Conservative Government is leading us. These supermailboxes do not sit inside a nice, dry shelter. They are out in the elements. The doors freeze shut or do not stay shut. These supermailboxes have their own perverse personalities. One may have to turn the key while kicking another mailbox in order to open the door. At the same time, perhaps four others will open and the neighbours will lose their mail. This is all in the spirit of modernization which no one minds very much, according to the Hon. Member. However, the truth is that they do mind very much. My rural constituents believe they should continue to have the kind of postal service that existed in the horse and buggy days, as the Hon. Member puts it.

I want to point out to him that the supermailbox is not returning us to the kind of good service we had in those days. It is putting the service out on the street, so to speak, in the open and subject to the elements so that we have to stand in the rain or in the wind to open the box. If an elderly person or handicapped person loses their grip on a parcel or letter they are pulling from the box, they will not be able to recover it. That is not exactly modern service. I want to make certain that my hon. friend knows about this.

A number of post offices in my community are being subjected to a closure notice, in spite of studies by Clarkson Gordon which are supposed to tell us the costs involved. When Canada Post visits those communities, it seems to refuse to inform us about the revenue and cost data for the post office.

The chief criterion for shutting down a post office seems to be whether the postmaster has submitted his or her intention to retire. That triggers a move to close the post office. Canada Post tells me privately that it takes this step because it is more difficult to close the post office if a new postmaster is hired temporarily. Very often, it makes its move in advance, before the post office begins to show a deficit. It tries to convince the community to accept the supermailbox solution or convince one of the local businesses to take over the job.

My hon. friend spoke of this as a great solution. However, in three or four communities that are facing closure of their post office, small business people say they are not so sure they want this post office franchise.

The Acting Speaker (Mr. Paproski): I hope the Hon. Member will finish. A number of other Members wish to ask questions.

Mr. Althouse: Mr. Speaker, faced with the sale of two or three tankfuls of gas versus the sale of a 37 cent stamp, business people are not so sure that it is a good trade-off, and most are resisting it.

The only communities in my riding which have taken it on as a small business project are some of the small co-op stores. The board of directors have determined that it is better to have the post office inside rather than on the street and are doing it as a community service. They do not believe they can make a buck or do it more efficiently, they simply want to supply a community service. The Hon. Member should be made aware of the real facts in these small rural areas. We are not going back to the horse and buggy days. He is taking us far beyond that, to a time when there is not even housing for postal services.

Mr. Lewis: Mr. Speaker, I like the Hon. Member's idea of going to the post office 24 hours a day for mail. How would he buy a stamp?

Mr. Rodriguez: From a machine.

Mr. Lewis: So you would have a machine.

Mr. Althouse: Buy them like you buy everything in the country. A month's supply at a time.

Mr. Lewis: I respectfully listened to the diatribe from my friend, perhaps he can give me an opportunity to speak.

I am from the snow belt area of Ontario. I know what it is like when it is cold. I cannot believe how long it takes my hon. friend to open a mailbox. It is not the longest procedure in the world. One simply puts in the key, opens the door, and removes the mail. He makes it sound like we have to shovel our way back to our cars. That is ridiculous.

It may take that long for my friend to open a mailbox, but most Canadians can easily open a mailbox with a key and take out the mail. If you want to make it a day-long process, go ahead.

I think the Hon. Member made the case for the supermailbox during his remarks. It is much easier.

Mr. Althouse: Keep it inside a post office.

Mr. Lewis: We don't need a post office. We have the co-op store. You know as well as I why the co-op store took them. It is a draw for customers. That is why they have them in Simcoe North and that is why they have them in my hon. friend's riding.

Mr. Fretz: Mr. Speaker, I am grateful to the Minister for sharing with the House reminders of some of the improved service that Canada Post has brought to Canadians.

However, I believe he failed to mention what Canada Post has done in the area of fiscal responsibility. Did he tell us what was the deficit in the post office when we came to power in

1984 and what that deficit is now? Could he relate that to fiscal responsibility by the Government and the post office?

I believe our socialist friends have indeed forgotten to even look at that question today. It does not matter to them what it costs to operate, just spend the bucks.

What was the deficit when we took over in 1984 compared to today, and could he relate that to the post office deficit?

Mr. Lewis: Mr. Speaker, I can give the Hon. Member some quick figures. When we took office the deficit left to us by the previous Liberal administration was some $38 billion. My hon. friend will know that we brought that down to $28 billion.

When the Liberals were in office, for the first part of 1984 the post office had a deficit of $300 million. It was $300 million in the hole. This year, for the first time, it is forecasting a modest profit of $26 million. Not only have we improved the service, but we are able to say to Canadians that the post office is no longer a losing proposition, that it is making some money. Not only that, it will now be able to buy new and innovative production and processing equipment so that we will have a state of the art post office in terms of delivery and service to the public.

• (1700)

Mr. Gagliano: Mr. Speaker, in his speech, the Hon. Minister said that for the first time since its incorporation the Post Office balanced its books, it is breaking even now and next year it might even make money. I would like to remind him that for the first time since the Canada Post Corporation was created, we had two strikes in six months. I would like to remind him that for the first time, the Canada Post Corporation, with the agreement of his Government, brought in the supermailboxes or the community green boxes as a permanent solution. Therefore, any new houses built in Canada since 1985 will not receive door-to-door mail delivery. That new corporate plan was confirmed.

The Canada Post Corporation wants to close 5,000 rural post offices. Yes, it balanced its books but it did it at the expense of Canadians by reducing their service. Sure, it is easy to turn the key of these post boxes, but what about in whether of 30 below zero when everything is ice? Will senior citizens be able to open their box to get their mail? Does the Minister have a box in front of his house? It is ridiculous.

Anyone can balance books. Anyone can reduce a deficit by cutting services. How about reducing the deficit by increasing revenues and not by cutting service? How about using the postal facility to increase revenues such as using advertising panels and improving the direct mail service, which would bring in millions of dollars, instead of reducing the service and creating two classes of citizens.

How would the Minister feel with one of these in front of his home? What if he lived on a street where citizens on one side of the street were using the mailbox and the citizens on the other side of the street were receiving their mail at their door? Is that not discrimination? Is that not two classes of citizens who are paying the same 37 cents for a stamp, who are paying municipal tax, school board tax and federal income tax? Why are they not getting the same service?

The Acting Speaker (Mr. Paproski): The Minister of State (Mr. Lewis) for a short rebuttal, please.

Mr. Lewis: Mr. Speaker, I would remind my hon. friend that door-to-door delivery extension was suspended in 1974 under the Liberal Party. I ask my hon. friend why the Town of Penetanguishene does not have door-to-door delivery service? Five thousand Canadian citizens live there who have never complained to their Member of Parliament. They go to the post office to get their mail. It is no great hardship.

Slipped into my hon. friend's remarks was a very interesting comment. He asked why the Post Office does not give the service by increasing revenues. To give the kind of service my hon. friend wants would mean a 60 cent stamp. Is it the Liberal Party's policy to have a 60 cent stamp?

Mr. Rodriguez: You don't have to increase the price of stamps. There are other ways of increasing revenues.

Mr. Lewis: Yes, it would mean a 60 cent stamp. The Liberal Party's policy is a 60 cent stamp for every Canadian. I do not think that is fair.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated. Debate.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I think it should be noted that a number of members on the government side of the House have sat silent on this issue. I am not surprised. We finally smoked out the ex-Parliamentary Secretary, now Minister without portfolio, who usually, if one looks at the history of debate in this House, tends to get put up as the "smoking gun" when no one else in the caucus has the guts to come forward and talk about an issue which they know is going to be deadly to them come the next election. They know the message coming forward from RAM is getting across not only to the people in this House of Commons but to the whole of Canada. So I am not surprised that most of the members on the government side have chosen to refrain from this debate.

I am also most pleased that the New Democratic Party has had a change of heart and is now speaking more strongly on the issue of postal service than it was even last summer.

Mr. Rodriguez: Where have you been?

Mr. Cassidy: Where have you been, Sheila?

Ms. Copps: I remember last summer during the postal strike when I was on the picket line in front of my post office, I did not hear from the NDP. I never heard from the Leader of the NDP (Mr. Broadbent) because it was a touchy issue in terms of the public and since he was starting to climb in the public

opinion polls, he dared not speak out for the workers for fear of being labelled a union radical. We did not hear from the Leader of the NDP.

It is touchy, but I congratulate the NDP for finally coming on-side and committing itself with the Liberal Party, which was the first Party in this House to commit to door-to-door daily mail delivery service. We are glad the NDP are joining us in our fight. We believe this is a service that is worth fighting for.

I would like to spend some time on some fallacies perpetrated by the Minister who is really working under a misnomer, the Minister for Consumer and Corporate Affairs (Mr. Andre). He should drop the "consumer" moniker. He is really the Minister for Corporate Affairs. He does not do anything to protect the rights of consumers. He has stood in this House time and time again and said: "We will not move without full consultation". Full consultation has been the promise of the Minister of Consumer and Corporate Affairs. Yet my own colleague, the Hon. Member for Glengarry-Prescott—Russell (Mr. Boudria), revealed in secret Post Office documents what was meant by "full consultation". In fact, the Post Office actually put out a brochure or internal memo telling its people how to organize a meeting so that as few as possible could come so it could divide and conquer its opposition.

Strawberry Hills, in the far east end of Hamilton, will, as of this July, be in the riding of Hamilton East. It is currently in the Lincoln riding. A man woke up one morning in Strawberry Hills and lo and behold there were people with a backhoe at his front door waiting to install a great green monstrosity. He wanted to know what it was and discovered he had been targeted for a supermailbox. This is from a Government that claims it wants full consultation, that nothing will be closed down, nothing will be done, without full consultation with the people. In fact, the consultation has been an absolute farce.

The Government has continued to cling to the notion that these wonderful supermailboxes, extolled by the Hon. Member for Simcoe North, do nothing to property values. That particular fallacy was blown apart by the Ontario Municipal Board when it rightly determined that the loss in property value should reflect a 5 per cent drop in property taxes for people who have a supermailbox on their property.

I ask you, Mr. Speaker, all other things being equal, if you were a new homeowner or if you are looking for a new home—if you can afford it with the price of houses these days—and you look at two identical homes, one without a supermailbox on its front lawn and the other with one, which would you choose? It does not take a Rhodes scholar to realize that every single Canadian, given that choice, will choose the home without the supermailbox. It has a direct effect on the attractiveness of property. It has a direct effect on the amount of traffic back and forth. If you have children, you do not want them run over by cars that are constantly pulling up. Furthermore, the supermailbox itself is an infringement on the right of Canadians to equal service in the sense that a person living on one side of the street can have door-to-door daily mail delivery and a person on the opposite side of the same street can be faced with having to go to the supermailbox.

We heard the Hon. Member for Simcoe North say, no problem, everyone can run over and stick the key in the lock. I asked him at the time, and he did not answer because he could not answer, what happens if one is in a wheelchair? The Speaker will know that nowadays, thank goodness, we are moving out of the dark ages in relation to integrating the handicapped into our population. In most cases new housing developments tend to be built in that way. I know that in the Province of Ontario, for example, the new building code requires in many instances that homes be made with wider door frames in order to give greater accessibility to the handicapped. It is natural to incorporate plans into the master plan of a house that will permit people in a wheelchair to live in new housing developments. If they do have a chance and if they can afford it, they want to move into a new housing development and perhaps plan a house which will have lowered counters so that they can do cooking in the kitchen. Lo and behold they might find the home of their dreams, but they are faced with supermailboxes.

• (1710)

We just heard that in the corporate plan that was tabled by Canada Post today, for the first time it is saying that for the next five years all new housing developments will have no door-to-door mail delivery, that there will be supermailboxes. If a person is in a wheelchair, it is no mean feat in the middle of a snow storm—or for that matter at any time of the year—on a crowded, busy street to jump out of the car, get into the wheelchair and wheel over to the supermailbox, wheel back to the car and get back in. It is a detriment. It is also a detriment to senior citizens who perhaps depend on neighbours to be taken out to grocery shop and to get around. Perhaps some senior citizens have had to give up their cars. Perhaps they are not able to drive or cannot afford to drive and they depend on buses. All of these individuals are definitely discriminated against when it comes to the supermailboxes.

That is why the Coalition of Provincial Organizations of the Handicapped has sent a personal letter to the Prime Minister (Mr. Mulroney) asking him to cancel the supermailboxes and restore daily door-to-door delivery so that the independence of those people who are handicapped can be enhanced. In 1988 we are supposed to be moving forward and not backward in relation to the handicapped. That particular demand has gone by the wayside. Today, we saw that Canada Post is fully intending to go ahead with its plan to dismember door-to-door daily mail delivery with its five-year plan.

If you look at the list of postal increases, Mr. Speaker, which I just received this afternoon, not only will you see an increase in the price of stamps but you will also see an increase in the cost of purchasing a money order. I will just put this on the record. There will be a 15 per cent increase in the cost of purchasing a Canadian money order. Money orders up to $200

now cost 85 cents. According to the newly tabled rates the cost will be going up to $1. However, Mr. Speaker, if you want to buy a U.S. money order—and I think this is probably a reflection of the priorities of the Government—you can buy one for an increase that is less than 10 per cent. Why should Canadians pay 15 per cent more for a Canadian money order and pay only about 8 per cent or 9 per cent more when it comes to a U.S. money order? Is it because the Canadian Government with the trade deal and all its other policies—

An Hon. Member: Free trade will look after that.

Ms. Copps: Free trade is the cause of that. The Hon. Member's Government is intent on having us spend all our money on U.S. money orders, even to the point where Canada Post is actually bringing in increases which are more preferable to U.S. money orders than they are to Canadian money orders.

Mr. Cassidy: They are going to phase out Canadian money orders. That is what they will do. We will not have any Canadian money left.

Ms. Copps: That is right. We will not need Canadian currency. We will be notched to the American rate. The continental integrated economy is only one step away from complete continental absorption by the United States.

It is not only a question of the supermailboxes specifically. Let us look at the tactics of the Government and the tactics of Canada Post in attempting to intimidate employees. I refer specifically to the most recent gesture which states that women are not allowed to bring their purses to work, and they cannot take care of personal hygiene on the job. I would like to read a letter from the Alberta Liberal Women's Commission which passed a resolution as follows:

> Phyllis Ayers, President of JP GROWL, a Women's Liberal Club in Edmonton has been instructed by the membership to protest the obvious discrimination against women employees. Canada Post Corporation has initiated a rule to search and seize women's purses; however, men are still allowed to carry wallets. What has happened to human rights? What has happened to women's rights?
>
> Since 55 per cent of CUPW are women, this is another example of crushing women employees. The Government of Canada is on a power trip.

That was passed by the Alberta Women's Liberal Commission and passed along to a number of Members of Parliament, and Members of the legislature.

I have a confidential memo in my hand from CUPW which basically points out how the employer, specifically Canada Post, has been intimidating arbitrators. We in the Liberal Party believe—and I am sorry that the Government may not agree—

Mr. Cassidy: You believe in six and five, that is what you believe in.

Ms. Copps: It is incredible how members of the NDP are a little touchy because I happen to point out the fact that when the postal workers—

The Acting Speaker (Mr. Paproski): Order, please. Hon. Members know that there will be a time for questions and comments, if they will only let the Hon. Member finish her speech. The Hon. Member for Hamilton East.

Ms. Copps: Mr. Speaker, it really does bother me that members of the NDP hate it when I call a spade a spade. They do not mind dishing it out, but they surely cannot take it.

Mr. Rodriguez: Look at who is talking.

Ms. Copps: I wanted to read this memo into the record. I realize that CUPW memos do not interest members of the NDP. They are only interested in management's perspective.

In any case the CUPW memo points out the fact that Canada Post Corporation was actually moving to intimidate arbitrators. In fact, in a decision the arbitrator stated that it was clear from the conduct of the Post Office lawyer that he was frustrated not only with him but, it also appeared, with the panel of arbitrators in general. The Canada Post lawyer called names and disparaged several arbitrators and also quoted calculated percentages in respect of findings for, or against the corporation. According to the arbitrator, who is supposed to be independent in these matters, the Post Office lawyer went so far as to suggest that arbitrators rejecting the employer's position might be doing so for reasons of personal financial gain. The arbitrator sums up his response to Post office arguments by saying: "I found this whole presentation unacceptable and totally uncalled for".

What the Post Office lawyer was claiming was that arbitrators were somehow being bought off. The Post Office lawyer actually made a presentation in which he was accusing arbitrators of acting in a fashion which could at best be called illegal. I think it is outrageous that Canada Post, aided and abetted by the Government, continues on a program of harassment and denigration and, essentially, chipping away at postal services, not only by way of supermailboxes but also by way of decreasing services available to specific communities.

In talking about new communities, Westdale in Hamilton is not a very new community. It is a rather old residential area of Hamilton, close to the university. I received a letter recently from an irate professor at the university who was extremely upset over the fact that with no consultation whatsoever, with no survey of public opinion, the Westdale Post Office has now had package delivery chopped. In fact, the professor pointed out that he arrived at the post office to pick up a parcel only to be told: "We no longer do this. If you want to pick up a package you have to go to Campbell's Pharmacy". The professor made an inquiry of the clerk at Campbell's and was told that all pick-ups had been transferred out of the Westdale facility, if one lives in the L8S district, and that there were plans to shut down the Westdale branch of the post office.

The reason I received this letter was that a constituent wanted to know what happened to the Government's promise to consult. He stated in his letter: "I would like to learn whether this is in fact true and whether there is any intention

on the part of Canada Post to consult with affected members of the community on this matter . . . I personally think this is wrong and is an affront to those of us who have financially supported the postal system".

• (1720)

On calling Canada Post, we were told that, at the moment, there is no plan to close the Westdale branch. However, we did learn that the services in respect of the parcel pick-up and registered mail have been moved to a pharmacy. If in fact there is a commitment on the part of the Post Office to keep the Westdale branch open, why is it moving some of the more important services offered by that branch to a private commercial pharmacy?

At the main post office in my community, which is located at King and John Streets, three employees have been let go, and the hours of operation have been cut back. As a result of three wickets being closed, there are long line-ups. Those wishing to pick up their mail on their way to work cannot do so because of the cut-back in business hours, and they are in an uproar about that. In addition, Saturday service has been cut. It is fine for the Government to say that it is reducing the deficits, but it is doing so at the expense of the public.

As the Hon. Member for Saint Léonard—Anjou (Mr. Gagliano), who has been on top of this issue from the beginning, has said, the goal of decreasing the deficit is being used by the Post Office to cut back on essential services, to cut back on essential services provided through Canada Post branches, rural post offices, and so forth. And that means being used to cut back on those essential services is to use the supermailboxes.

We have heard voices from across the country decrying what is happening with Canada Post. We have heard from the Alberta Women's Liberal Committee, from a professor at McMaster University, and from residents of the Strawberry Hill community in my own constituency.

One would think that Canada Post would respond to the complaints that have been levelled. Instead, it tries to divert attention from the discussion. Even as this debate was launched in the House today, in a cynical attempt to avoid facing Parliament on the issue, Canada Post Corporation called a press conference, in an effort to divert attention from the debate that is going on in the House.

In the House itself, we are constantly called upon to witness Government Members trying to hide behind the fact that Canada Post is an arm's length corporation, a corporation in which the Government has no say and no authority in terms of the cut-back in services.

I think the organization known as RAM—which in fact means "Ram Mulroney's Mailboxes", for those of you who are unaware of what the acronym stands for—has it right when it says that it is not enough to point the figure at Canada Post but at the Government, given the fact that Canada Post is only carrying out the wishes of a Government that takes the position that the deficit has to be eliminated within two years. Further, it is the position of this Government that the Post Office, in eliminating its deficit within two years, cannot investigate revenue generating areas which would put it into competition with the private sector, including such endeavours as direct mail, the provision of telex services, and so forth.

The postal corporation has had its hands tied. On the one hand, it has been given a mandate by the Government to—

[*Translation*]

. . . make up the deficit, but at the same time, it does have the necessary tools to do so, because it is not allowed for example to do direct mailing or to undertake other income generating projects.

I shoud like to remind you, Mr. Speaker, that it is not the management of Canada Post but the union which launched a project in Calgary some time ago in an attempt to find some ways or means to generate more incomes for Canada Post. Finally, it is management and the Government who refuse to approve services which could compete with the private sector.

It is rather funny, Mr. Speaker, that the private sector can compete with Canada Post but that Canada Post may not compete with the private sector.

I think that it is a matter of bad management by the Government and that it will have to pay dearly on the mail issue during the next election.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Perth (Mr. Brightwell).

[*English*]

Mr. Brightwell: Mr. Speaker, the Hon. Member for Hamilton East (Ms. Copps) has demonstrated, once again, her great ability for overstatement. Perhaps it is because, as she has said, she gets her information from clerks in variety stores. Maybe this is an example of how the Liberals get all of their information and how unsubstantiated it is.

Mr. Cassidy: Oh, shame! And what is wrong with clerks in variety stores? Shame! Are you an elitist?

Mr. Brightwell: The Hon. Member did in fact say that she got her information from a clerk in a variety store. She then came out with a crushing proposition, that being that governments should intrude on private industry, that governments should compete with private industry.

I would be interested in hearing what private industry would have to say about the proposition that Government should go out and try to take away business from those earning a living from it.

An Hon. Member: Go back under your shell.

Mr. Brightwell: I take exception to the Hon. Member's assertion that it is unfair for those who do not have home delivery. I represent a riding in which more than 50 per cent of my constituents have never had home delivery of mail. On many farms, the mailbox can be a distance of well over 600 feet from the house. For other services, one has to travel to the post office in the nearest village or town. Yet, the Hon. Member wants everybody to have home delivery. That is just simply not possible.

What does the Hon. Member have to say in respect of the handicapped who live in areas that do not have door-to-door mail service? How do those people get their mail? Why are the handicapped living in our cities to be treated differently from those who live in the rural areas?

Ms. Copps: Mr. Speaker, I think what we have heard are two ridiculous comments rolled into one. First of all, what is wrong with getting information from a store clerk? Perhaps the Hon. Member for Perth (Mr. Brightwell) got elected by talking only to lawyers and doctors, and bank presidents, but where I come from it is important that parliamentarians speak for all of the people. An individual working in a store has as much right to voice an opinion—

Mr. Brightwell: A clerk in a variety store can provide you with postal information?

Ms. Copps: Mr. Speaker, in point of fact I was reading a letter from a professor. Perhaps the Hon. Member will accept the information since it comes from a professor. What the Hon. Member is saying is that it is fine if the information comes from a professor, but not if it comes from a store clerk. There is no question that in rural Canada the handicapped find it difficult to get to a post office, to get to their mailbox.

Mr. Brightwell: And you do not feel sorry for them?

Ms. Copps: What the Hon. Member seems to be saying is that we ought to inflict the same situation on the handicapped living in new developments. If you recognize that there is something wrong with a system that does not provide adequate access for the disabled, surely you would not want to add to that.

If in fact the Hon. Member for Perth is truly interested in integrating the disabled into the mainstream of the community, surely he will recognize that we ought to do all that we can in new developments to accommodate the disabled. In addition to architecturally designing new communities in a fashion that will permit the disabled to live independently within the community, we should also provide them with accessible mail service—and supermailboxes are simply not accessible for the disabled. We are supposed to be moving, in 1988, toward more accessibility for the disabled, not less.

Granting the Hon. member's proposition that it is extremely difficult for handicapped persons in rural areas to get to a post office, surely that is something that we should not add to elsewhere.

Mr. Brightwell: You do not care about the handicapped in the rural areas?

Ms. Copps: I am not saying that at all. You are suggesting that because there is a difficult situation that exists in the rural areas of this country, we should exacerbate that situation in the future by eliminating door-to-door mail service. If you view the lack of accessibility to mail service to be a problem for the handicapped in rural Canada, surely you should be speaking in support of extending that service, which is the aim of this debate today.

The Acting Speaker (Mr. Paproski): The Hon. Member for Ottawa Centre (Mr. Cassidy), on a question or comment, to be followed by the Hon. Member for Lambton—Middlesex (Mr. Fraleigh).

Mr. Cassidy: Mr. Speaker, we have a situation in my constituency which sounds to be remarkably similar to what has gone on in the Westdale area of the Hon. Member's constituency of Hamilton East.

In the Glebe area of Ottawa, an area within a 10 or 15 minute walk of the House of Commons, we had a similar situation, where one day, without prior announcement, the Post Office decided to move the registered mail and parcel pick-up services from the Fourth Avenue Post Office branch, a branch which has been at the heart of that community for a number of years, to a commercial establishment on Main Street, and when it did not work out at that location, it was moved to a grocery store at the corner of Fifth Avenue and Bank, and then to premises in the upper level of the Fifth Avenue Court complex, and from there to a confectionery on O'Connor Street, with the result that it is now removed from the area where people shop. While it has been there for some time now, goodness knows where it will end up.

The Glebe Community Association tried to arrange for a meeting with the Minister responsible for Canada Post, but were unsuccessful.

Why should a community association be denied the right to meet with the responsible Minister?

I met with people from the Glebe community, and together we talked to officials from the Rideau Division of Canada Post. They went away saying that they would get back to us, and in fact they did, saying that they were not prepared to make any changes. We were told that because other people had accepted this deterioration of service, we, too, should be happy, and that, no, we could not talk to the Minister. They took the position that because the Post Office is a Crown corporation, they were not going to listen to us.

What kind of redress is that?

• (1730)

[*Translation*]

... Mr. Speaker in the Ottawa area, the National Capital region which should be bilingual, it is increasingly inpossible

for those who wish to be served in French to obtain such services in post offices due to privatization. Is this warranted when the Canada Post Corporation is a national service, a federal service?

[*English*]

I would like the Hon. Member to comment on those problems which seem to be found not only in her constituency but in Ottawa Centre and everywhere else.

Ms. Copps: Mr. Speaker, I dare say that it is not only a problem in Ottawa Centre. The problem I raised with respect to Westdale was actually in the riding of Hamilton West, which is held by a Conservative colleague. He has been the recipient of a letter also, although I do not know what he has done about it. I understand as well the Hon. Member for Saint-Leonard—d'Anjou is facing a similar situation in his own area. This is why I made the point, and I am sorry the Hon. Member who spoke earlier did not understand, that the Post Office is still taking the position with respect to the Westdale facility that it is not closing, that it is a mere cut-back in service.

Because the Government saw the big uprising, the revolt and the kind of political haemorrhaging it suffered on the issue of the rural post offices, even in the urban areas it is intending to kill by amputation—it is not a complete strangulation—first it will amputate the hand, then the arm, and then the rest of the body. Eventually the Westdale Post Office will probably close.

The Government, because it realized that it had such a political backlash when it closed the rural post offices, again has a secret agenda. The secret agenda probably will not become fully apparent for another couple of years. How can one say that the Westdale Post Office will remain fully operational when one of the essential services is being farmed off to the private sector? Obviously if the intention was to keep the service at optimum level, you would not see part of the service being taken, split off and given to a pharmacy, a confectionery or whatever.

Mr. Fraleigh: Mr. Speaker, first I would like to direct some comments in support of the Hon. Member for Perth (Mr. Brightwell) with regard to those millions of Canadians who for 100 years, since the start of postal service, have walked to pick up their mail. When they got to the end of their walk, they also paid for the privilege of having a box in which the Post Office put the mail. Those people are not complaining in any particular way. It is the way they have lived for 100 years and they do not expect any change.

I want to point out that we do have inclement weather in small-town Canada. The Hon. Member may not have been out there lately. We have seniors, we have handicapped people, the same as the Hon. Member has in her riding in small-town Canada. Does the Hon. Member know how people get their mail? Their neighbours get it for them. Isn't it an awful saying that a neighbour would have to help someone who is handicapped or who is a senior? The Hon. Member can shake her head if she likes, but it is the way we live in Canada, maybe not in the never-never world in which the Hon. Member lives.

I can understand how people who have had the privilege of having their mail dropped through a slot in their front door would hate to give that up. But I ask the Member to think about those people who for 100 years have paid for the privilege of having to walk to a post office. The Hon. Member can sit down because I am not finished yet.

Ms. Copps: This is supposed to be a question.

Mr. Rodriguez: Ask a question.

Mr. Fraleigh: The Hon. Member should be careful or he will have another heart attack.

The Acting Speaker (Mr. Paproski): This is a chance for questions and comments. If there is a question which the Hon. Member would like to put, he still has an opportunity to do so. Does the Hon. Member have a question?

Mr. Fraleigh: No, Mr. Speaker.

Ms. Copps: Mr. Speaker, I do not understand whether I was in the same room as the Hon. Member or whether it was something I said that went in one ear and out the other. I never in any way disparaged or said that people who live in rural Canada in some way are or should be treated as second-class citizens. On the contrary, what I said to the Hon. Member for Perth was that if there is a problem in the delivery of the service then surely it is our job as Members to make it better and not bring it to the lowest common denominator of service.

The Member's suggestion is a wonderful one that neighbours will go and get one's mail. I do not know what inner city community the Member has been to lately but in my community I have a section of apartment dwellers. If you look at the average rate at which people move, it is usually once every three years.

In Strawberry Hills they are not getting delivery. They get supermailboxes.

Mr. Brightwell: Is it inner city?

Ms. Copps: I live in a densely populated community. I will take the Hon. Member there and show it to him. If we could live in a society where we could count on our friends and neighbours, that would be terrific. I think it would be wonderful to have such a close-knit way of life. Unfortunately, that is not the reality in 1988 in most major urban areas. There are many people who live in communities who do not know the names of their next door neighbours. I am not saying that is right or it is a situation which should be imitated, but it is reality. The Hon. Member suggests that with supermailboxes people will be able to call on friends and neighbours, but that is not always possible. Would that it were so, I think we have something which he should cherish and defend. The Hon. Member has to recognize that in planning Canada Post must

look at reality and not the ideal world that in most urban centres does not exist.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Debate. The Hon. Member for Nickel Belt (Mr. Rodriguez).

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to say that the House owes a debt to the Hon. Member for Beaches (Mr. Young) in presenting this motion for consideration today. I want to put the motion once again on the record:

> That this House condemn the government for its total and absolute failure to provide fair and equitable postal service to all Canadians—

I heard the Hon. Member for Hamilton East (Ms. Copps) speak about the great defence of postal workers who were out on strike and that the Liberal Party was all together on the issue. It is about the only issue the Liberals have been all together on in recent years. I am sure CUPW and the posties would be delighted to know that they brought the Liberal caucus together. There is a uniting force here.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: Who does the Hon. Member think she is kidding, Mr. Speaker? Was I on another planet when the Liberals were in Government and Bryce Mackasey accused the postal workers of being Marxist, that they were destroying the Post Office? Did not this whole process of bad human relations within the Post Office not get exacerbated by Liberal Governments? I recall Bryce Mackasey saying: "I know the problem with the Post Office. I know what it is. It is Marxism. They are all Marxists". His brilliant deduction was that the problem with the Post Office was Marxism. We do not have Mr. Mackasey with us any more. We now have a Conservative Government.

Ms. Copps: We didn't talk about replacement workers.

Mr. Rodriguez: No, the Hon. Member did not talk about replacement workers. But what the Liberals were looking for was a scapegoat on which to hang the problems of the Post Office instead of doing what any sensible Minister in Government ought to do. Any Minister should take a look at the Post Office and see how to improve the service and should not look for scapegoats on which to blame problems. That is where it all started. What if one were to extend this logic of the Government with respect to the postal services in this country to other essential services, for example, the fire department? Can you imagine the fire department running on a profit basis? Imagine charging people so that the fire department could generate a profit. That reminds me of the year 13 B.C. when Marcus Crassus owned the only fire department in Rome, and when there was a fire, they would call Marcus Crassus out and he would arrive at the scene of the fire and start negotiating with the home owner the cost of putting out the fire. History clearly shows that Marcus Crassus, in this way, became one of the wealthiest land owners in Rome.

• (1740)

Imagine if we were to extend this logic of the god of profit that the Conservative Government worships, the logic which says that the Post Office has to make a profit. How crazy it would be to extend that to the fire department. The Government would be laughed out of this place if it did that.

What about the police force? Do we expect the police departments across Canada to show profits? No, we do not. We recognize that fire protection and police protection are services to which all Canadians are entitled, and we do not provide first class and second class service. The same is true of garbage collection.

I am not aware of the fact that there are two kinds of garbage collection services. They do not go to Forest Hills in Toronto to pick up the garbage with white gloves. I understand they used to go around to the back door, but they have cut that out now. The fact is that the same service is provided, whether it is once a week or twice a week.

The same should be true of the Post Office. In fact, I would suggest that the Post Office is probably the only visible indication of the federal Government in every little community across Canada. It seems to me that in most small towns, there is a post office which flies the Canadian flag. It is the national presence in those towns. It is a unifying element.

In the small town that I lived in in northern Ontario for some 10 glorious years, the Town of Coniston, the post office was right in the centre of town. After the mail had been delivered and sorted, everyone would go to the post office. It became the social centre. The retired folk would meet there. They would see each other and chat there.

What has happened now? The Minister, speaking earlier in this debate, said that when the Conservatives came into office, there was a $300 million deficit in the post office. It seems that the Government did not bat an eyelash when it had to fork over $1 billion to bail out a bank. It did not make much fuss about that. However, to provide quality mail service across Canada, it does not want to spend that $300 million.

The Post Office had some options and the Government had some options. The Government wanted to show a profit in the Post Office, so what were the options? One was to institute a plan that would eliminate the deficit. That could be done by cutting back services and by laying off workers. That was one option.

The other option with which the previous Government had toyed at one time was to expand the services of the Post Office; in other words, to increase the revenues of the Post Office, not by increasing the cost of the service but by increasing the number of services the public could take advantage of through the Post Office.

Mr. Cassidy: Good idea.

Mr. Rodriguez: It is an excellent idea. When I was in Switzerland two summers ago at an ILO conference, I took a couple of hours to go to the post office in Geneva to see how that post office is run. When I walked into the post office, I thought I was in a McDonald's restaurant. There were advertisements for McDonald's burgers and for Burger King burgers. The local department store was also advertising in the post office. I asked the postmaster what was going on. He told me that they raise millions of dollars in revenues from permitting those advertisements.

What is wrong with cancelling mail with a stamped advertisement? If the stamp is for Sears' 50th anniversary sale, that stamp could be put on cancelled letters and would be distributed across Canada. Who would complain about that form of revenue for the Post Office? It is a simple idea.

What about letting people pay their utility bills at the post office? Why is all that baksheesh left for the big banks? I recall a time when at the post office, people could actually deposit money in their savings accounts. However, nobody now is suggesting that the Post Office go into the banking business.

Surely clients of the Post Office ought to be able to pay their utility bills at the post office. That option was not followed, however. The Government did not tell the Post Office to find new sources of revenue.

After months and months of dithering, the Government handed the post office a business plan in which Canada Post was instructed to cut jobs by 15 per cent, 8,700 jobs. It was to close 5,200 rural post offices across Canada. It was to then embark on the favourite saw of the Conservative Government, privatization. In fact, that is the hidden agenda of this Government. It wants to privatize Canada Post. That is its ultimate aim. Every time a Conservative rises to say that that is not so, we know that it is so because every time they say no, it means yes.

Canada Post was also told to embark on a system of supermailboxes in urban communities. The Government has a fixation about the deficit rather than about what ought to have been the more positive approach which is how to increase revenues for the Post Office.

If it were up to me, I would have said something to all the top echelon people at Canada Post, people who are paid piles of money and have Ph.D.s from business schools and set up business models for the post office. None of them have ever worked on the line. They do not know what it is to work on the line. They do not know what the occupational health and safety record of Canada Post is. They never see the conditions in which those people eat lunch. They are the ones who say that the employees have to check their purses because they cannot go on the job with their purses. They do not have to check their wallets or briefcases. They go to their nice, posh offices and sit around. They get their nice big cheques every two weeks.

I would have said to those people: "You go out and come back with a plan showing how we can raise revenues. I don't want to hear about cut-backs in services and I don't want to hear about raising the cost of postage stamps and mail services. I want creative ideas for how the Post Office can earn more revenues, that is what I want to hear. That is music to my ears, not this stuff that the Minister of Consumer and Corporate Affairs loves to hear, privatize, privatize, cut back, cut back".

Let me deal with a couple more things. I have heard it said that it is only members of the NDP who are complaining about the supermailboxes. The Minister who spoke earlier said that we suggested rural folk ought to have door-to-door delivery. Small town Canada ought to have door-to-door delivery. This Party has not said that. None of our speakers in this debate said that. What we are talking about are those urban communities where one side of the street is getting door-to-door delivery and the other side has to use supermailboxes. These boxes are monstrosities. Not only are they an inconvenience, they have created a class system within urban communities. On one side we have door-to-door delivery, on the other we have supermailboxes.

• (1750)

Is it just the NDP who are complaining and saying we do not want supermailboxes? No one in their right mind would suggest that the Peterborough City Council is made up of raving democratic socialists. I hardly think so. Yet that council sent a letter to the Prime Minister (Mr. Mulroney) and the Minister of Consumer and Corporate Affairs (Mr. Andre) saying that it does not endorse the installation of supermailboxes in urban subdivisions. Canada Post has given the council until May 13 to comply with the request. "If it refuses, Canada Post Corporation will have no alternative but to redeploy resources for implementation in other communities". That is Mr. William Lockman, to the manager of the supermailboxes. He is Mr. Superbox. He wrote that in a letter to the mayor of Peterborough.

One of the aldermen on the Peterborough City Council said: "I am shocked by Canada Post's attitude. I didn't realize to what length they'd go to ensure our participation in the supermailbox program." He is speaking for the community of Peterborough.

Again, is it just the NDP that is saying the Government is wrong in discontinuing door-to-door delivery in urban communities and putting in supermailboxes instead? I hardly think so. The Coalition of Handicapped Persons in Canada had this to say: "The supermailbox is one more case of people with disabilities taking a step backward. Once again they have to turn to others for help. Canada Post thinks that simply providing lower mailboxes makes mail more accessible to disabled people. They are defining what is accessible but we know what is accessible." That is an organization particularly concerned with the establishment of the supermailboxes.

Another interesting article comes from Mississauga, again an area not known for its raving democratic socialists. This article appeared in *The Globe and Mail* on March 22 and it says "Postman Never Rings in New Subdivisions". It goes on to point out that when this gentleman has to pick up his mail he has to get in his car, fight traffic for five miles and hope he will find a parking space near the busy intersection where the post office is located. He says that he pays the same taxes and the same price for a postage stamp as everyone else. Why can he not get the same service as everyone else? In British Columbia, a group organized to fight the establishment of supermailboxes says it is a step backward, not a step forward.

In my long period of time here, first as postal critic and then just observing the Post Office scene for years, I came to the conclusion that the major problem with Canada Post has to be its industrial relations, the relationship between the workers and management. Imagine if you can that there are in the order of 36,000 grievances in the Post Office. When the workers win a grievance at first or second stage, Canada Post appeals it all the way through the process. They have a backlog of 36,000 grievances. Do you understand the cost to the taxpayers of resolving those grievances? A lot of them could have been avoided in the first place if there was a more understanding, a more sensitive management in the Post Office.

Just to give one example of the stupidity of the Post Office, they have a new rule now that workers on the line cannot take their purses on the job.

Mr. Brightwell: Why?

Mr. Rodriguez: According to Canada Post, there is theft and this is its way of avoiding that. There is also alcoholism and drug use on the job and this is the way Canada Post will keep it off the line. Yet in the very next breath a spokesman for Canada Post said they have less than 1/2 per cent theft in the Post Office. If someone wants to smuggle drugs on to the line you do not need a purse to put them in. What do they do next? Do they have a man pull his pockets out and leave them out on the line? Do we have them sort mail naked? Do we send in some of those goons to do a body search?

Post Office management in its relationship with its workers has to be somewhere in the Middle Ages. I have seen it time and time again. The bulk of Post Office problems stem from that kind of Neanderthal thinking on the part of management. There are no modern techniques being used. Maybe we should send them all down to that new Honda plant in Alliston. Maybe they might learn a few things about how to treat people.

[*Translation*]

The Deputy Speaker: It being 6 p.m., it is my duty to advise the House that the proceedings on the motion now before the House have expired pursuant to standing order 82(12).

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

RAILWAYS—CANADIAN NATIONAL—SWITCHING YARD CONTROL CENTRE—GOVERNMENT POSITION/ REQUEST FOR MINISTER TO INTERVENE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my comments this evening are further to a question I directed to the Minister of Transport, concerning information I was given by CN employees in Montreal to the effect that the switching yard control centre might be transferred from Montreal to Toronto. Imagine the impact this would have on employees, especially those with families and children of school age who would have to move the whole family, sell their house and go to Toronto, and there is also the language aspect. To realize what the impact would be in this respect, I think we should remember the case of *les Gens de l'air*, our air traffic controllers. Employees at CN have more or less the same responsibilities, except that they are responsible for railway traffic.

Mr. Speaker, the Minister's reply, if we can call it that, was that he was not aware of anything or at least gave the impression he did not know what was going on. The Minister's behaviour and his attitude were certainly not new. As far as Quebec is concerned, we got much the same reaction when discussing the safety aspects of the Jacques-Cartier Bridge and the Champlain Bridge. Today, the Minister of Transport happens to be from Quebec, but I must say that the response has not been any more satisfactory to Quebecers who are seeking assurances or formal guarantees that these jobs will remain in Montreal and will not be transferred to Toronto. There is another issue which concerns a contract for building locomotives, and this particular contract for thirty locomotives was awarded to a company in the United States, while it is common knowledge that CN headquarters are in Montreal and that Bombardier's locomotive workshops are in Montreal East.

CN, which is a Crown corporation, just happened to award contracts to the United States instead of letting Quebecers do the job, and the Minister didn't have the gumption to answer my question. If he is so reluctant to have the contract revised to give Bombardier the order for thirty locomotives, I think that, since General Electric in the United States has previously worked with Bombardier, the Canadian content of the thirty locomotives that will be built in the United States should be at least as high as 60 per cent and that Bombardier, which has expertise in engine manufacturing, should make the engines, and the assembly work could be done in Montreal East.

Unfortunately, I have yet to receive a satisfactory reply and the same applies to the possible transfer of jobs now located in

Montreal. The reason given was the need for modernizing equipment. To do this, and in connection with the federal Government's deregulation legislation, what I call the law of the jungle, the CN now says that what counts is cutting costs, and bilingualism certainly costs money. Since the Minister of Finance (Mr. Wilson) and the Prime Minister want to cut costs, all operations will be concentrated in Toronto. Only one language will be used. They can put in a bilingual employee who can talk to the people in rural Quebec, but it makes no sense to appoint someone to work in French in Canada. That is just for Quebec, and even in Quebec some can be bilingual and that should be enough.

Mr. Speaker, let me tell you, and the Parliamentary Secretary who is about to reply, that Quebecers will not stand for this. We can take care of ourselves. Recently we had Queen Beatrix who came to tell us about the Durham Report—we can see the federal Government's attitude, but we will never let ourselves be assimilated! We will never lose those jobs! We refused to separate. But if it doesn't work out, Mr. Speaker, we could tell the rest of the country that if they don't take us as we are, we will go elsewhere.

I hope that we will not come to such conclusions and that the Conservative Government will realize the linguistic importance of Quebec and guarantee French-language jobs in Quebec will stay there. We don't object to the upgrading of equipment in Toronto, Montreal or Winnipeg. Even Montreal workers agree. In order to maintain linguistic duality in Canada and preserve the French language in Quebec, the Federal Government could order CN to maintain the jobs of switching yard control workers in Montreal and provide any additional funding required to protect those jobs and the French language within CN as well as Canada.

• (1805)

[*English*]

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I am very pleased to have an opportunity to respond to the Hon. Member with regard to his question of some time ago. Let me begin by referring to a report concerning a 1986 collision between a Via Rail passenger train and a CN freight train at Bernieres, Quebec, which I understand happens to be in the riding of the Hon. Member for Lévis (Mr. Fontaine), an outstanding Member of the House of Commons.

The Canadian Transport Commission ordered CN to upgrade the technology of the dispatching control equipment for its St. Lawrence region. The upgraded, computer assisted equipment must be operative by mid-1990. The CTC order calls for a significant financial investment by the railway. A study is currently under way to determine how best to comply with the order.

I would like to remind the Hon. Member that, being a Crown corporation, CN has an obligation to the federal Government and to Canadian taxpayers to operate in a safe, efficient, and profitable manner. A consolidation of the Montreal centre with the one in Toronto is being examined, but it is only one of the many options being considered. The railway has not completed its examination and no decision has been taken.

The perception that Montreal, as the Canadian hub of transportation, may lose its pre-eminent role is indeed not correct. CN's employment level in Montreal and in the Province of Quebec, expressed as a percentage of total workforce, has remained virtually unchanged at about 25 per cent to 26 per cent. With regard to the use of French as the language of communication for train operations in Quebec, the Government has already expressed its concern to CN in this matter. I am confident that such concerns will be very carefully considered by CN before it makes its final decision.

Finally, I would like to remind the Hon. Member for Montreal—Sainte-Marie (Mr. Malépart) that Crown corporations have the legal and financial scope, authority, and responsibility to manage their own affairs without interference from the Government.

• (1810)

[*Translation*]

THE ECONOMY—GOVERNMENT'S PERFORMANCE

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, on April 29, 1988, I asked the Minister of Finance of Canada (Mr. Wilson) to comment on a report of the Conference Board concerning our economic situation in general. Since oral question period does not lend itself to developing a particular theme, I want to take these few minutes to explain further the Conference Board's position, which is also shared by the editorialists of various specialized magazines in the country on our economy, by the major banks, in other words by those who make economic decisions and ensure that Canadians have a good standard of living.

For example, it is mentioned there that interest rates have gone down by 4 per cent since 1984.

This means that someone with a $50,000 mortgage saves $2,000 a year or $166 a month because we have created a climate favorable to lower interest rates.

Mr. Speaker, take another example. If you have a car that cost you $12,000 and your interest rate is 4 per cent lower, that means you save $40 every month. Since it normally takes 36 months to pay for a car, the savings are substantial.

Low interest rates are beneficial not only for consumers but also for producers, business people, and entrepreneurs. It is important to have lower interest expenses when you want to expand or launch a new business. This too is possible, thanks to our good, sound management.

We also said in this report that we helped control inflation. Those who have thought back to 1970, 1975 and 1980 recall that in those years, the purchasing power of Canadians

declined 10, 12, 13 per cent a year. Increasingly, the same $100 bought less groceries or rented a smaller house or apartment and this especially affected older people, Mr. Speaker. We had a smaller car, shorter outings, less travel, because the Canadian dollar, due to the interventionist, spendthrift policies of the socialists and Liberals . . . In other words, Canadians were spending money they did not have. This weakened the Canadian dollar and reduced the savings of the elderly.

The report also indicates that we have very well managed our deficit. It is for this reason and also because the Canadian Government has borrowed less that interest rates are down. Fewer are the Canadians who want to borrow, cheaper is the money. We have succeeded in creating a climate where money is cheaper. We have done that by making very good use of the taxpayers' money.

Finally, the report mentions two other points: First our tax reform. Since 1917, nobody had ever heard of income tax coming down following a tax reform. So it is the first time since 1917 that 85 per cent of Canadian taxpayers will pay less income tax because of a tax reform; it is the first time that 90 per cent of senior citizens in Canada will no longer pay income tax. What does this mean? It means more money available for Canadian taxpayers and, what is more important, more money for contractors and businessmen who, realizing that the State has become a less demanding partner with a possibility to pay less income tax on their benefits, will expand their businesses further.

Finally, the *Conference Board of Canada* emphasized that the Government had signed with the United States a trade deal which would make it possible for our manufacturers to be protected through secured access to the American market. As you know, one Canadian out of five is working because of the goods we are exporting to foreign markets. One Canadian out of four is working because of the goods we are exporting to the United States. Our exports to the United States amount to $95 billion a year. That means jobs!

And this market is being jeopardized because the Americans are having problems with their balance of payments and they have decided to stop some of our exports, including lumber, hogs, salted fish, and all sorts of goods when they cross the U.S. border. We have decided to streamline Canada-United States relations and prevent any unilateral action on the part of our American neighbours through a Free Trade Agreement. It is this agreement which will increase our market in the United States by as many as 250 million customers.

Finally, Mr. Speaker, I see that the Parliamentary Secretary to the Minister of Finance (Mr. Vincent) is here to reply. If possible, I should like him to tell Canadians what would have happened if, instead of having a Conservative Government which is aware of the value of money, of the need for an economic recovery, we had lived again under a Liberal-Socialist coalition, meaning indiscriminate spending, money squandering, uncontroled borrowing, no new businesses, no new jobs, no trade with the United States and increased employment. What would have happened, Mr. Speaker? This is the question I am directing to the Parliament Secretary to the Minister of Finance, my friend the Hon. Member for Trois-Rivières.

• (1815)

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I should like to commend my colleague the Hon. Member for Lévis (Mr. Fontaine) for the outstanding job he has been doing since 1984 here in the House of Commons and in his riding. We know that he is a well known and experienced administrator who, before jumping into the political arena, had a brilliant career. I am sure he will also have a brilliant career on the political scene.

As I listened to my colleague from Lévis talk about economic matters, I could appreciate that indeed he has worked in that sector before, and since 1984 he has been keeping a close watch on everything the Government has done.

Mr. Speaker, he is right when he says that the Conference Board projections have been revised upwards. Like most other trend indicators who predicted a better economic performance throughout the country, they proved to be wrong: Canada's performance has been even better than expected.

When my colleague from Lévis talks about the Opposition and a coalition, whether it is a coalition or either one of the other two Parties in office, we see and we know their forecasts. Mr. Speaker, like my colleague from Lévis, I am sure you too recall that when the Minister of Finance (Mr. Wilson) tabled the documents of his 1984 economic statement, both the Leader of the Official Opposition and the Leader of the New Democratic Party said that we would lose hundreds of thousands of jobs. Mr. Speaker, jobs were created in 1984.

When he tabled his Budget in May 1985, the reaction was the same: Both Opposition leaders said the Budget would make us lose jobs. Mr. Speaker, jobs were created in 1985.

When the Budgets came out in 1986, 1987 and 1988, all we could hear from the two Opposition leaders—Liberal or NDP, it does not matter—was that we would lose jobs, it was bad for Canada, and what have you. Those were negative remarks which failed to take the Canadian reality into consideration, Mr. Speaker. My colleague from Lévis knows what the Canadian reality is. He is living it, he works with the Government, he makes constructive comments, he takes a positive approach. That is what has been done by the Conservative Government since 1984.

Mr. Speaker, nearly 1,300,000 jobs have been created since 1984, although every time this Government tabled bills with an impact on the economy, the Leader of the NDP (Mr. Broadbent) and the Leader of the Liberal Party (Mr. Turner) made dire predictions that jobs would be lost. Every time we presented major projects, such as the free trade agreement . . .

Mr. Speaker, everyone agrees the agreement will create jobs in this country and protect existing jobs.

The Leader of the Opposition (Mr. Turner) says he will tear up the agreement. Mr. Speaker, even a child of six can see the Leader of the Opposition doesn't have the strength to tear up the agreement. He can't even lead his own caucus, much less tear up the agreement. The Leader of the NDP, who has enjoyed the benefits of free trade in his riding for twenty years, also says the agreement is no good for Canada. So what is good for Oshawa isn't good for Canada? Come on, Mr. Speaker!

I appreciate the positive comments made by the Hon. Member for Lévis and, in concluding, Mr. Speaker, I again wish to congratulate the Hon. Member on the excellent work he has done in the House of Commons and in his riding.

[*English*]

ENVIRONMENTAL AFFAIRS—NITROGEN OXIDE EMISSIONS—DISCUSSIONS IN GENEVA/POSITION OF UNITED STATES

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, I rise to pursue a question about emissions that cause acid rain, particularly nitrogen oxide emissions. This is an extremely important question. We are beginning to make some progress in Canada on the sulphur emissions that cause acid rain, but a very important question for acid rain is the so-called NO_x emissions.

• (1820)

Negotiations have been ongoing in Geneva about this matter—and a draft protocol has been circulated—for quite a while. We are trying to find out where they are and to what extent the Americans, who are a major source of NO_x emissions in Canada and a major source of acid rain and other health problems, are responsible.

We find that the Government's response is that all is well and that we are making progress. The Secretary of State for External Affairs (Mr. Clark), when asked a question by the Leader of the New Democratic Party, said that we had a win in Geneva in the negotiations. What were the Americans trying to do in Geneva? They were trying to get something into the protocol stating that instead of choosing 1987 as the year against which a freeze in emissions would have to be measured, they could choose any year. They could take an earlier year. They took the year 1978. Their emissions were higher then, so they would be able to increase their emissions by 10 per cent and still not violate the protocol.

Increases in these emissions would be extremely dangerous for Canada. The increase they would be allowed would be the same amount as the total emissions for Canada itself. What good would it do for us to decrease our emissions if the Americans could increase theirs? It is very important to get this loophole out of the protocol. However, there was no win.

When I asked the question of the Minister of the Environment (Mr. McMillan) subsequently, he said that the Americans could have chosen 1978, their highest year, and that we had eliminated the clause "any previous year". He referred to another proposal and said: "It is a double win for Canada".

Earlier today I had the opportunity to raise this question at the committee studying acid rain with the officials of the Department. They conceded that this question of taking out the previous year had not been agreed upon by the Americans. Further discussions are going on. The Americans are taking the matter back to their Government from Geneva. We will not know until Canada Day, July 1, whether the Americans will agree. We also found out that the Americans are objecting to some very basic approaches to this question. They are not so sure they want to look at critical loadings. They are not quite sure about the accuracy of using those.

I have questions about critical loadings as well. They may be too generous in allowing emissions. We do not have very thorough information about the health consequences as opposed to the consequences for lakes and forests. We know less about the human health consequences. It is possible that we should be allowing even fewer emissions than we are.

It is also true that the American are resisting the measurement of transboundary fluxes. They are not so sure they agree with our proportions on what amount of their emissions come to Canada and create problems for human health, for lakes and forests, and so forth. We are very far from getting an agreement with the United States when the Americans are not sure about how to measure and how to deal with this question.

We have to realize that NO_x emissions are still increasing even with this freeze. With more vehicles on the road, even if we have improved standards, those emissions will go up. We are not even at the stage of reducing emissions. We are hoping to get to a freeze that will come into effect by 1994. These are modest objectives indeed, and we are not sure whether we will get international agreement.

There are four ways NO_x causes problems with people. Acid rain is probably the best known. There are also problems of ozone in cities. In the case of Vancouver they are locally produced. In the case of a number of our cities, Windsor along to Toronto up to Montreal, in that corridor, ozone comes from the United States. There are health consequences, respiratory problems, and children are especially vulnerable. We do not have very good data nor estimates on where the danger levels are. We are probably exceeding them very often.

Another problem coming from NO_x emissions is nitrous oxide, an ozone depleting substance in the atmosphere having an effect something like that of chlorofluorocarbons on which we have just negotiated the treaty for a reduction over the long term. Nitrous oxide lasts 150 years. It is a very stable substance. It contributes to the greenhouse effect, something we are only beginning to study. We are only beginning to worry about the possibilities of major climate changes, of raising of the oceans' levels, as the swamping of cities on the coast, of making some areas uninhabitable and others drought areas. It would change enormously the climate. We are only beginning

to understand the consequences of this aspect of NO_x emissions.

• (1825)

We cannot have any optimism that the measures we are even contemplating right now will be adequate.

[*Translation*]

Mr. Speaker, the Special Committee on Acid Rain will visit Washington in June, which is in a few weeks time, and will be there from June 6 to June 8 to present Canada's policy to the Americans, to Senators, Congressmen and officials. The purpose is to explain to the Americans our specific claims and our concerns about the disastrous effects of acid rain. This visit is particularly important because the Canadian Government is not doing enough to convey our concerns to the Americans. In my view, this is because of the free trade negotiations. The Canadian Government cannot negotiate two agreements at the same time, and I think it is no accident that we do have a free trade agreement and we do not have the agreement we need to regulate and reduce the emissions that cause acid rain.

Mr. Speaker, one of the overriding concerns of Canadians is to reduce emissions that cause acid rain, and the Government must take this concern seriously.

[*English*]

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the negotiations in the Economic Commission for Europe, the ECE, to draft a protocol to control nitrogen oxide emissions are nearing completion. The officials testified at our acid rain committee meeting today, that special committee of the House of Commons, and those officials representing the Canadian Government are to be commended for their negotiations in Geneva. On July 1, 1988, Canada will declare its intentions concerning its signature of this protocol.

The negotiations in the 35-member ECE have shown Canadians just how justified our claims have been all along when we have called on the Americans to take action on acid rain. Before and during the April 27 and 28 meeting in Geneva, our Government was using every lever available to us to gain the support of the European nations. We asked for their support to ensure that Canada would not fall victim to increased NO_x pollution from the United States as a result of credit language in the draft protocol.

It appeared as if the Europeans might be willing to accept a protocol that would result in increased damage to Canada's environment, just to bring the Americans into the protocol. Thankfully, this did not happen. The Europeans supported us because they too recognized the dangerous precedent this would have set for all future international environmental law. The Americans were sent a very clear message that they should join the international fight against acid rain.

The draft protocol now contains no credit clause. Canada's proposal to delete the so-called American credit clause was supported by all but the U.S. delegation. The phrase "any previous year" is now in square brackets, meaning that it is still being considered, and is qualified by another square-bracketed phrase which states that there will be no increase in transboundary fluxes from the 1987 level for the period between 1987 and 1996. Again, Canada's position was supported.

If the U.S. signs the protocol, Canada will have earned a complete freeze on transboundary fluxes until the second step of the protocol is in place in 1996. In this situation we will have succeeded in eliminating any negative effects on Canada of the use of any previous year as the baseline for freezing emissions. The second step in the protocol requires the establishment of critical loads, reductions required to meet those critical loads, and measures and a time-table commencing no later than January 1, 1996 to achieve the reduction. The review process required by the protocol will ensure that the second step goals are in fact met.

Our experience in Geneva has shown yet again that Canada is not only a valued member but a leader of the world community in the fight against air pollution. We put our case forcefully to the Europeans and we won. We will continue to press our case with the Americans on acid rain. The world community is on our side.

Mr. Deputy Speaker: The motion to adjourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.31 p.m.

HOUSE OF COMMONS

Friday, May 13, 1988

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—RESEARCH AND DEVELOPMENT

Mr. David Berger (Laurier) moved:

That this House condemn the Government for failing to provide adequate non-tax support for Reseach and Development and for its counter-productive policies and administration of tax support for Research and Development, including,

(1) tax reform measures that disourage research and development by reducing funds available for R & D, by increasing the costs of R & D and by delaying investment in R & D facilities and delaying the introduction of new products and new processes, all of which generally impair the ability of Canadian companies to compete in global markets; and

(2) management of R & D tax programs that has led to serious disagreements between industry and Revenue Canada over the kinds of activities that qualify for the investement tax credit for Research and Development resulting in long delays in obtaining refunds needed to finance ongoing Research and Development activities.

He said: Mr. Speaker, this debate should be seen in the context of the commitment made by the Prime Minister (Mr. Mulroney) to double national spending on research and development during his first term.

Mr. Speaker, I may recall that this commitment was made by the Prime Minister when he was Leader of the Official Opposition. Speaking to the Montreal Chamber of Commerce on March 22, 1984, four years ago, the Prime Minister said and I quote: "We intend to double our collective national commitment to research and development during our first term. This would make it possible to create hundred of thousands of jobs and billions of dollars in new sales for Canada, on an annual basis".

However, since it came to power, the Conservative Government has reduced, not increased, support for research and development, the result being that our national effort in this respect has dropped. Before the election, nearly 1.5 per cent of GNP was spent in this country on research and development. Since the election, this percentage has dropped and is now around 1.3 per cent.

My second point is that we must not forget Canada does not provide the same level of support for research and industrial development as certain competitor countries. A study published in 1986 by the Canadian Manufacturers Association shows that tax support in Canada compares with levels in the United States, Germany, France and England. However, non-tax support for research and development lags far behind what is provided in these countries.

As I intend to demonstrate in my speech today, the Government is undermining support measures that work well. I am referring to tax measures instead of increasing non-tax measures to levels comparable to those in other countries. They are trying to undermine tax measures which, as I said before, work very well in this country.

It is a fact that in many other countries, non-tax support takes the form of massive procurement programs, often related to defence or space programs, or, as in Japan, it could be the development of a new generation of computers.

This type of program does not exist in Canada, Mr. Speaker, and that is why we have depended mainly on tax measures to stimulate industrial research, something the Government is once again undermining as a result of its tax reform measures.

• (1010)

[*English*]

The first part of today's motion reads:

(1) tax reform measures that discourage research and development by reducing funds available for R & D, by increasing the costs of R & D and by delaying investment in R & D facilities and delaying the introduction of new products and new processes, all of which generally impair the ability of Canadian companies to compete in global markets;—

Of course, this should be considered in light of the Government's trade initiative, of decreased barriers to international trade and of the need for Canadian firms to be competitive in global markets. Of course, that includes being able to compete right here in Canada in our own domestic market which is but a small part of the larger global market.

In essence, the first part of this motion is the conclusion of a Conference Board survey of some 47 industrial R and D performers which, between them, performed over $1 billion of research and development in 1986. The survey also concluded that the tax reform measures "hold the potential to harm research and development efforts being pursued in their companies and in the economy as a whole".

This survey by the Conference Board was undertaken during the fall of 1987 and was published in December of 1987. It was conducted for the Science Council of Canada which put

out a statement at the time of the publication of this report from which I would like to quote. The Science Council believes that some of the proposed tax reforms will be seriously counter-productive in their impact on research and development performing firms. They will penalize the very firms and sectors taking the sorts of risks necessary for Canada to survive in a more competitive world economy and to move with greater confidence into the 21st century. These were the general conclusions of the Conference Board survey and the assessment of the Science Council.

The comments of respondents to the survey showed the extent to which the tax reform measures will damage research and development in Canada on a much more descriptive basis than did the general conclusions that were arrived at by the Conference Board. I would like to quote selectively from the comments contained within this survey. When I say "selectively", that does not mean that I intend to convey only a partial view. I will certainly be quoting from excerpts which I think convey the general thrust of the results of this survey. However, time does not permit me to quote at length from the survey.

There has been a tax reform change on the eligibility of buildings and structures. Buildings and structures are no longer eligible for the 20 per cent investment tax credit. One of the respondents, a large forest products firm, saw a direct impact of this change with both short and long-term consequences. There has been a deferral or cancellation of plans to construct a new research centre which represents an investment of some $15 million to $20 million. That means that $15 million or $20 million has gone down the drain in one forest products company alone.

Similar impacts were expected at a large chemical company, a biotech company, a petroleum firm, and a telecommunications concern. The large chemical company had this to say:

> We expect to expand a laboratory next year or in 1989. The abolition of the 100% write-off and the 20% Investment Tax Credit on research buildings will roughly double the cost of this expansion.

The biotech company said that this tax reform measure will affect the ability of the firm to service export markets which likely will be serviced through a facility in those markets rather than in Canada.

The petroleum firm said that a proposed new $46 million research complex in Calgary may not proceed or may be significantly downsized. I do not know if there are any Members from Alberta, from western Canada or from Calgary more particularly in the House at this time, but I am sure they are interested in this petroleum firm in Calgary saying that a $46-million research complex will not proceed or will be significantly downsized.

The telecommunications firm said that the effect of this measure will be, and I quote:

> Migration of R & D projects out of Canada over the next few years by large international companies. Cancellation of large long term R & D projects which proposed building new buildings (2-5 years). Reduction of new projects which would involve increased requirement for work space because of losing ITC on base cash—

• (1020)

This survey is full of similar examples which indicate that the tax reform measures proposed and implemented by the Government will have a devastating effect on research and development in Canada, and on the ability of Canadian companies to compete in global markets. If some Members of this House think the survey does not provide conclusive evidence of the damage these tax measures will cause, I refer them to a recent article about Jean de Grandpré, Chairman and outgoing Chief Executive Officer of Bell Canada Enterprises, which appeared in the *Report on Business* magazine of April, 1988. As the article points out, when economic commentators say that Canada is a world leader in telecommunications, they do not mean Canada, they mean Bell and Northern Telecom. If anyone knows anything about research and development in Canada you would expect the Chairman of Bell Canada Enterprises, owner of the largest research firm in Canada, would know something about it.

I am glad that the Minister of State for Finance (Mr. Hockin) is listening to these comments because Mr. de Grandpré, referring to the Government's plan to eliminate tax deductions for buildings, said: "I told the Deputy Minister, do you think you can do R and D without a roof over your head?" He continued to say that politicians "are all saying the same thing, that we have to have more R and D capacity in Canada, that the future of this country rests on high technology products." However, he says, "The tax reform measures amply demonstrate that politicians don't understand how the game is played. The effect of these tax changes will be that Bell will do its research in some other country and take away several hundred well-paid jobs from Bell Northern Research, the largest private R and D facility in Canada". In what is probably the most devastating comment, he says "Canadians who are graduating from our universities are going to walk over to BNR and say, can I have a job? And we will say, sorry, but we are not expanding our R and D facilities in Canada. They will say, why? Well, because the Government has introduced this stupid piece of legislation."

Here is further evidence of the devastating effect of the Government's tax reform measures. I was at a conference on university research in Edmonton two weeks ago and an official from Connaught Labs revealed that as a result of the tax reform measures, Connaught Labs had to abandon plans to raise $60 million in Canada through an R and D limited partnership. There had been some research developed in Canada at the University of Toronto to come up with an innovative therapy to control diabetes which Connaught Labs wanted to market and further develop here in Canada. The Connaught official said this research work would now be transferred to a large offshore multinational. I referred to this in a question in the House last week and asked the Minister of Finance (Mr. Wilson) to review his tax reform measures. Unfortunately, I did not receive a specific reply to my question.

I would now like to refer briefly to the second part of the motion which refers to the management of the investment tax credit for research and development. A survey conducted earlier this year by the Canadian Advanced Technology Association has once again identified serious disagreements between industry and Revenue Canada over the kinds of activity that qualifies for the investment tax credit, and delays of up to 18 months in obtaining refunds. Consequently, many businesses which had been counting on refunds to finance ongoing activities have encountered serious financial difficulties.

One has to put this in context. Very often R and D companies are start-up companies, they are in their first years, short of financing, and they devote every cent they get to ongoing research and development. They are trying to come up with new products to sell here and abroad. They have to devote already limited resources, both financial and people, to justify previous research and development activities rather than concentrating on ongoing R and D. Imagine the situation of some of these companies. They are run by people who are really at home in applying their energy and talents to creating new products. I have spoken to some of them and they told me that they have had to spend an inordinate amount of time dealing with accountants and lawyers trying to justify their previous R and D claims to Revenue Canada rather than concentrating on ongoing research and development activity.

The Government recently made a few changes to its administration of the R and D tax credits which address one aspect of the problem, the tremendous delays incurred by certain companies, proven R and D performers, in obtaining refunds. The extent to which this will apply to new companies, start-up companies, which have new R and D activities remains to be seen. However, none of the changes affected the definition or the possibility of disagreements. Very significant problems remain, once a project is accepted by Revenue Canada, regarding the kinds of costs that you can attribute to a project, such as, for example, overhead, training and travel.

Furthermore, Revenue Canada has been unable to come to grips with companies that develop and sell prototypes. Some tax practitioners have told me that Revenue Canada is simply applying what it perceives to be the current views of the Department of Finance in that it is narrowing what qualifies as R and D. That flies in the face, of course, of all the commitments made by the Government and the Minister of Finance in the past couple of years.

Tax credits are generally supported by industry. They are the favoured form of support in industry because they are self-administered. They are not a program, you do not need to stand in line and apply. Firms choose the type and amount of R and D they want to conduct.

• (1030)

Again, I have been told by a number of tax practitioners that Revenue Canada regards these tax credits very much as a grant program. They want to control the type and amount of research and development, which contradicts the very nature of this kind of self-administered program.

I understand that the Minister of National Revenue (Mr. MacKay) will intervene in this debate later today. I want him to state what are the costs of this degree of control. If the administrative costs are higher than the revenues that might be lost if we had less rigorous controls, or if the administrative costs are higher than the kind of revenues that firms would be able to generate by concentrating on R and D rather than spending their time in accounting and legal nightmares, then I suggest the Government really should opt for less rigorous controls. It would make good economic sense. It would only be a matter of common sense to opt for less rigorous controls.

I hope that putting forward this motion today and debating a subject which is often fairly technical and which very often involves the intricacies of the administration of our tax system for which we must rely on the explanations of accountants and lawyers, will advance the debate and indicate to the Government that people in the private sector are seriously concerned about these issues. They will watch the debate today and hopefully we will not hear from the Minister the kind of rhetorical response to which we are accustomed in the House, certainly during Question Period, but a serious attempt will be made to address issues which are of great concern to the private sector.

As I have indicated in my motion, these matters seriously affect research and development in Canada and the ability of Canadian companies to compete in global markets.

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I am pleased to participate in this debate today because it is not only important that the Government explain its record and approach to research and development, but also puts it in the context of tax reform. I invite the Hon. Member for Laurier (Mr. Berger) to consider what I have to say and perhaps we can have a dialogue following my speech.

The motion before the House is one that must be properly considered in the context of tax reform. It must be considered in the context of the benefits of tax reform. As we know, the central objective of tax reform is to lower tax rates because there is no better incentive for growth, investment and job creation than lower tax rates. Lower rates mean that more Canadians keep more of every additional dollar they earn and they, not the Government or accountants, will decide how best to use that money.

How do we lower rates and still have revenue flow to allow a Government to promote and progress further with objectives that are important for the country? This is accomplished by broadening the tax base and reducing the number of tax preferences. That will allow us to lower the rate. Special incentives that remain will be fewer but more effective. They will continue to be sensitive to the needs of Canadians in all parts of the country.

[*Translation*]

A tax system with lower rates and fewer tax breaks will be fairer for all taxpayers. It will fully reflect our commitment to economic growth and social justice.

[*English*]

The benefits of tax reform will be felt by most Canadians, first through lower personal income taxes, and again over the years as tax reforms have a positive effect on the economy. That is the basic premise of tax reform and that is how it is developing.

In fact, for 9.7 million households, over 85 per cent of the total, tax reform will mean reduced income taxes. The average tax reduction for these households will be about $490 per household. This results from the fact that the gains from tax rate reductions and the conversions of personal exemptions into credits far outweigh the reduction in any tax preferences. Some 850,000 lower-income families, of which about 250,000 are elderly, will have their income tax totally eliminated as a result of tax reform.

[*Translation*]

Older Canadians who depend mainly on pension and interest income will come out ahead from tax reform. Nine out of ten Canadians aged 65 and over will pay less income tax.

[*English*]

The corporate income tax proposals also present us with a somewhat similar story. They achieve three major objectives. Corporate tax rates, like the personal tax rates, will be reduced. This will promote growth and job creation in Canada by maintaining a corporate tax system that is competitive with other countries, particularly the United States.

Yesterday, I, along with other Members of the House, held very interesting meetings with the Minister of Finance of New Zealand. The Labour Government there has unleashed very strong economic growth through a number of programs, including privatization and freer trade, as well as by reducing corporate tax rates. It has resulted in unprecedented economic growth in New Zealand.

That is our strategy for the corporate tax structure as well as the personal tax structure. The elimination or reduction of many special tax breaks on the corporate side will pay for lower corporate and personal tax rates and will return the profit motive to investment by rewarding success. It will encourage investment decisions based more on economic initiative and opportunity than on tax considerations. That is the key.

The Hon. Member for Laurier was curiously old-fashioned in his remarks. He wants us to return to the 1960s and 1970s when incentives were distorted so that people focused on obtaining some sort of tax preference or loophole to make an investment decision. That is not the way to run a corporate tax system. We have tried to prune the system of these preferences and lower the rates.

A broader tax base with fewer preferences will mean that profitable corporations will pay a bigger share of the corporate tax burden and the corporate income tax will be a more predictable and reliable source of revenue.

Throughout the entire economy, corporate tax reform will strengthen incentive for firms to invest in profitable ventures. The rate of tax and the return for new investment will be reduced and the tax treatment of capital in this country will continue to encourage risk taking, initiative, growth and job creation.

The Hon. Member for Laurier stated that the Government is not doing enough in this context to support research and development in Canada. My colleague will refute this later this morning with respect to non-tax support for R and D. He will go through the support for R and D brought forward by this Government on the non-tax side. I will refute this with respect to tax reform and the tax treatment of R and D generally.

• (1040)

I am disappointed that the substantial support in fact provided by research and development tax credits is not fully recognized by the Hon. Member for Laurier (Mr. Berger). In 1986, for example, over $700 million of R and D tax credits were generated by R and D companies. This is a very significant level of commitment in the face of competing fiscal pressures. This Government has many fiscal pressures, and that is a large level of tax credits compared to any other activity of the Government.

[*Translation*]

This Government is committed to promoting science and technology in Canada. I am surprised to see the Hon. Member for Laurier (Mr. Berger) trying to create a negative perception of our tax incentives for research and development.

[*English*]

Tax reform generally represented a move to a more results-based corporate income tax system featuring broader based incentives provided through lower tax rates. In general, there is an elimination or reduction of selective up-front deductions or credits. That is what tax reform did in general. It tried to eliminate these very selective up-front deductions so that incentives could be delivered, as I have said, through a reduced rate.

However, incentives were retained, and the Hon. Member knows this, in certain strategic areas. Tax reform recognized the importance of R and D to the economic future of the country. That was one of the strategic areas. In fact, Canada continues to offer the most generous package of R and D tax incentives among the major industrialized countries. The OECD did a study, which I examined six months ago, which ranked the Canadian tax approach to R and D very, very, highly as a very generous system. We have retained that even with tax reform.

For example, the United States only provides credits for increases in R and D spending—the Hon. Member for Laurier should consult what the Americans do—while the Canadian system provides credits for all of R and D spending, not just the increases. This fact is widely acknowledged and applauded by the R and D community.

Does the Hon. Member object to this? This is a very generous approach. This is more important than loose interpretations of R and D. More important than that is to provide credit for all of these expenditures. Because of our commitment to science and technology, these generous R and D incentives were maintained. We maintained them because of our commitment to it. For the most part, following tax reform, we maintained this notwithstanding the reduction or elimination of many other incentives.

The Hon. Member's approach is a bit different. He in fact wants loose interpretation of rules, probably to bring back the scientific research tax credit approach which cost the Canadian people billions and billions of dollars. As far as anyone can tell, it promoted almost no research and development at all. That approach is to construct a great wide-open door—put research and development inside and people drive trucks through it. In fact no research is being done at all, but you get the tax benefit for it. What we have done is to maintain the special status of R and D, but we want it to be R and D.

[*Translation*]

In fact, despite what the Hon. Member for Laurier said, tax reform has indeed increased the effect of the main tax provisions for research and development.

[*English*]

For example, the rates of the R and D investment tax credits were maintained following tax reform notwithstanding the fact that the general and regional ITCs are being eliminated or reduced to reflect reduced tax rates. By maintaining the rates of the R and D ITCs, while reducing tax rates, the relative benefit of these tax credits is increased. The same level of R and D will now entitle the R and D performer to credits which will offset the tax on more income. This enhances the incentive impact of our R and D provisions.

I ask the Hon. Member for Laurier, does he not approve of that? Does he object to that? It is very generous and a very, very important part of how our ITCs work in Canada.

Changes were made to the R and D tax incentives to ensure that as a package they operate in an efficient and cost-effective manner which is consistent with other government priorities. We want things to be efficient and effective. We do not want simply labels that say R and D, through which tax reductions are received but through which very little R and D is done.

As the Hon. Member knows, as part of the tax reform changes, expenditures made for the acquisition of a building will no longer qualify for the R and D tax incentives. The Hon. Member mentioned this. Buildings normally depreciate slowly over time, if at all, and they have very long, useful lives. They are eligible for debt financing, which is not generally available for more direct R and D expenditures. Accordingly, a 100 per cent immediate write-off in the R and D ITC was considered to be inappropriate in a post-tax reform environment. Is that what the Hon. Member wants? Does he want to neglect those realities? By excluding these expenditures, the tax treatment for R and D buildings in Canada will be more in line with that found in the other major industrialized countries, and the high rate of ITC could be maintained for other R and D expenditures.

The final tax reform package also provides that investment tax credits cannot offset, in general, more than three-quarters of a corporation's tax otherwise payable. The introduction of limits to the amount of ITC which a taxpayer may claim in a year is an important part of the tax reform package. It improves the fairness of the system by ensuring that large profitable corporations pay at least some tax, including those corporations that perform R and D. Corporations that perform R and D should pay some tax. Part of tax reform is to restore to our system a sense of fairness across industrialized groups. We have had some industrialized groups, for example, the real estate sector and the financial institutions sector. The R and D sector has to be part of it. They should pay some tax. Tax reform allows for that.

This limit was originally set at 50 per cent of a large corporation's federal tax liability for a year. However, consultations with industry indicated that this limit would have a greater impact on R and D-intensive sectors than was originally anticipated. Accordingly, the Government reacted and this limit was increased from 50 per cent to 75 per cent of a large corporation's federal tax liability. To be sensitive to what that sector is saying was very important to us. We listened and we increased the limit.

[*Translation*]

It will help strike a better balance between the need to encourage research and development, on one hand, and the assurance that large profitable corporations indeed pay income tax, on the other hand.

[*English*]

The tax credit limitation is in line, in fact, with tax law in the United States, where the general business credit, which includes the U.S. research credit, is subject to a tax credit claiming limitation of 75 per cent of tax liability over $25,000.

Over the last few days we have had questions in the House about corporations not paying tax. The opposition Members complain that a number of corporations do not pay tax. We are trying to ensure that corporations do pay tax, and the Hon. Member is criticizing that.

These limits may have some impact, I have admitted, on ITCs earned before tax reform and carried forward. It is important to note that ITCs earned before tax reform were

earned when tax rates were higher. With the reduction in tax rates resulting from tax reform, existing banks of unused ITCs can now offset a tax on a greater amount of taxable income. Most accountants know that. I encourage the Hon. Member for Laurier, who has been talking to his accountant and hearing these complaints, to ensure that his accountant knows this. From a tax theory perspective, these existing banks of ITCs could have been reduced to reflect these lower tax rates with some justification. Indeed, this was the approach taken in the U.S. tax reform.

In Canada, however, this approach was not taken. Instead, the introduction of the ITC limits obviates the need for such a reduction. The ITC limits also better serve the competing objectives of providing the maximum incentive of R and D through the tax system and ensuring that the tax system is fair and is perceived to be fair by ordinary Canadians. That is how we make it fair. That is how we ensure that people feel it is fair, to limit the amount of these credits, to ensure that corporations across Canada all pay tax.

The final tax reform proposals also contain changes to the Income Tax Act designed to prevent the syndication of R and D incentives through limited partnerships and similar arrangements. When these federal R and D incentives were first introduced, they were intended to be available to R and D performers only. They were designed to have some relationship to the taxpayers' business rather than be a tax shelter flow-out mechanism. We do not want everyone in Canada trying to protect their income by trying to identify some R and D that is really not R and D. What we wanted to do was to encourage the solid R and D performers. We have done that.

• (1050)

In response to flow-out strategies which were developing at the time, the disastrous scientific research tax credit mechanism was introduced by the Liberal Government in 1983. This was disastrous for reasons with which the House is very familiar. It did not work. It produced very little R and D. Billions of dollars worth of revenue were lost to the Canadian Government. With the repeal of this mechanism in 1985 by this Government and its replacement with the refundability features of the R and D investment tax credits, the expressed policy of this Government was that R and D incentives be used by the R and D performer itself, not as a flow-out mechanism to somebody else.

We recognize that no matter how generous the R and D ITCs might be, they would not provide sufficient incentives to those small and start-up R and D companies which may have little or no taxable income and therefore no tax to offset through tax credits.

What did we do in this case for the small R and D performers? Accordingly, for small corporations the enhanced 35 per cent tax credit available in respect of the first $2 million of R and D expenditures of a current nature was made fully refundable. In effect, this provides a direct payment of up to $700,000 per year for eligible corporations.

Allowing R and D tax incentives to be transferred to passive investors at this time would be particularly inappropriate in view of the Government's tax reform philosophy and approach. We have improved the fairness of the system. We have had to do this by eliminating more and more flow-out shelters. For these reasons the Minister of Finance (Mr. Wilson) announced amendments to the Income Tax Act on December 16, 1987, relating to R and D incentives. These amendments will have the effect of preventing the flow-out for federal tax purposes of R and D incentives to passive investors. Instead, it is important that steps be taken to ensure that the refundable R and D ITC program works well and provides refunds to small and start-up corporations on a timely basis.

Since 1985, this part of the R and D tax credit program has already provided a cumulative stimulus for R and D of more than $1 billion. The Parliamentary Secretary to the Minister of National Revenue (Mrs. Mailly) will be explaining this.

The Government has taken a number of important steps to ensure that funds are delivered to qualifying claimants through this program on an expeditious basis. The Hon. Member wants an "open sesame" in interpretations. That is not what the Canadian people want. What they would like is expeditious processing of requests. These changes accomplish two objectives. They will ensure that companies with a proven track record in R and D do not experience administrative delay. First, they will also permit Revenue Canada to concentrate greater efforts on validating the refund claims of first-time claimants in a shorter period of time. That is very good news.

A great deal of credit for improvements in this program since its introduction must go to Canadian industry. Revenue Canada received excellent advice directly from the industry and through its technical liaison committee.

[*Translation*]

These changes will considerably improve the operation of this important program.

[*English*]

In conclusion I take the view that this Government's support for R and D, both directly and through the tax system, is and continues to be substantial. The record of billions of dollars of investment for R and D is there to prove it.

Mr. Berger: Mr. Speaker, I thank the Minister for his contribution. I feel that the debate today in the House will advance the debate in the country. It will certainly allow people to understand the opposing philosophies that are being put forward by the Government and by our Party.

The Minister said that the question of R and D tax incentives has to be considered in the context of over-all tax reform. I can tell him that I have serious questions about tying ourselves to tax reform measures in the United States, which has not had a great record in innovation in recent years and in competing with other countries where approaches may be somewhat different.

I think that he has to look at the matter in the context of what his leader said a few years ago. He said that R and D is the lifeblood of a successful company. He has to consider it in light of the fact that Canada's performance in R and D is half of what occurs in other countries. Our industrial research and development activities are anaemic. Only 2 per cent to 3 per cent of firms in Canada whose future depends on technology do any R and D.

He said that our tax system was very generous. It is equivalent to that of our major competitors, as I indicated by referring to a study by the Canadian Manufacturers Association. Where we are really deficient is in non-tax support, where we are not even in the same league as the United States, France or Japan.

What I suggest that his Government is doing now is, rather than beefing up the non-tax support, reducing the support in the tax system which is the only type of support that is available to industrial R and D performers in Canada.

Regarding the assertion that I am asking for a loose interpretation of the rules and that the SRTC be brought back, at no time did I suggest during my comments that we should bring back the SRTC. The current R and D tax credit program is a horse of a different colour. R and D has to be performed before a refund is applied for, which is far different from the SRTC mechanism.

What I suggested to him, and I make the suggestion again, is that there is an obligation on the part of the Government to tell us what are the costs of the degree of control that the Government is exerting at the present time. Gordon McNab, the head of Pre-Carn a pre-competitive R and D consortium which is in the course of being established, said in Edmonton a couple of weeks ago that the current philosophy in Revenue Canada is that one is guilty until proven innocent. What are the costs of this degree of control? Not just direct costs but the opportunity costs.

I put it to the Minister again that if administrative costs are higher than the revenues that would be lost if we had less rigorous controls or less restrictive interpretations, and if firms are able to generate greater revenues by concentrating on research and development, then the Government should opt for a more expansive definition and less rigorous controls.

Mr. Hockin: Mr. Speaker, I appreciate the comments made by the Hon. Member for Laurier. I am not too sure whether there are any questions in his comments, but I will take his comments and reformulate them into a question, one which I think he is putting to me.

He is saying that we have simply tightened the tax provisions for R and D and therefore we are against R and D. I think that is the burden of his argument and the burden of his comments of a moment ago. In fact, what we have done is to have lowered the rate of corporate tax generally. He forgets that. That is very good news for anybody investing in R and D, and anybody aiming for profitability.

Second, we have made a number of important improvements since the Budget of 1985. I mentioned in my speech the change that we brought about to ITCs—

Mr. Deputy Speaker: I regret to interrupt the Hon. Minister but it is 11 a.m. and the House must proceed to Statements by Members pursuant to Standing Order 21.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

AGRICULTURE

SUGAR-BEET PRODUCERS—INTERIM PAYMENT UNDER STABILIZATION PROGRAM

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, Canada's sugar-beet producers will soon receive an interim stabilization payment from the National Tripartite Price Stabilization Program. The interim payment, amounting to $6 per field tonne, will be paid to 970 eligible producers in Manitoba and Alberta by the end of May.

In total, some $6 million will be paid out. The federal Government will advance $4.3 million to make this interim payment possible.

In spite of opposition from the former New Democratic Government of Manitoba, a sugar-beet tripartite plan is now in place. The establishment of that plan has allowed for this needed interim payment, and shows the federal Government's commitment to specialized Canadian agriculture.

The former New Democratic Government of Manitoba showed no commitment. This is why it is the "former" Government.

New Democrats, both provincially and federally, have never understood Canadian agriculture.

* * *

NATIONAL DEFENCE

PROPOSED ACQUISITION OF NUCLEAR-POWERED SUBMARINES—CALL FOR PUBLIC ENVIRONMENTAL ASSESSMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, there are many compelling arguments against the Government's proposal to purchase nuclear-powered submarines. This week the Canadian Environment Network added yet another, pointing out that nuclear powered submarines are floating nuclear reactors in the fragile Arctic environment.

We therefore urge the Minister of the Environment (Mr. McMillan) and the Minister of National Defence (Mr. Beatty) to launch a public environmental assessment of the proposed nuclear powered submarines.

While this is important, there are at least two more urgent priorities: a real, national, first-class day care program for the next generation, and the badly needed sewage and water treatment program proposed by the Federation of Canadian Municipalities.

Canadians, Mr. Speaker, want basics, and not the "Beatty" nuclear power trip.

* * *

[*Translation*]

TAXATION

QUÉBEC MINISTER OF FINANCE CONGRATULATED ON BUDGET

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, today we want to pay tribute to the Government of Quebec and Minister of Finance (Mr. Lévesque) for the excellent Budget he has just unveiled: lower taxes, reduced deficit, expenditure control, and harmonization of provincial and federal tax measures.

The current economic upsurge called for lower expenditures and taxes in preparation for more difficult years. The Government of Quebec did act in light of this economic tenet. Unfortunately, in a very similar context the Liberal Government of Ontario ignored this economic precept and increased both expenditures and taxes. Congratulations to the Government of Quebec!

* * *

[*English*]

CANADA POST CORPORATION

SUPERMAILBOXES—REMOVAL ADVOCATED

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, higher postal rates are to take effect in January, with the cost of mailing a standard letter going from 37 cents to 38 cents.

While rates will go up for all Canadians, some Canadians are suffering cut-backs in service. For example, those buying a new home in a suburban area of Canada, such as Port Moody, Port Coquitlam, or Coquitlam in British Columbia, will get their mail from a supermailbox, while their fellow citizens get door-to-door delivery.

This is not fair. My Leader, the Member for Oshawa (Mr. Broadbent), and I recently met with the Mayor and Councillors of Port Moody on this issue. We visited a "Mulroney" mailbox in the area.

Some Hon. Members: Order!

Mr. Waddell: I attended public hearings in Port Coquitlam on this issue, and I learned that supermailboxes cause litter, lower property values, and result in traffic that is dangerous to young children, in addition to providing a lesser level of service.

Supermailboxes should be removed. The Post Office should be a public service, not a money-making machine. Canadians must be treated fairly and equally.

This is going to be an issue in the upcoming election.

* * *

NATIONAL FILM BOARD

PRODUCTION OF NEW DOCUMENTARY ON BILLY BISHOP, V.C.

Mr. Gus Mitges (Grey—Simcoe): Mr. Speaker, Canada's National Film Board has finally found a producer to take on its promised new feature documentary on Billy Bishop.

The previous so-called documentary on Billy Bishop, "The Kid Who Couldn't Miss", was bitterly condemned by Canadians in all walks of life for defaming the legendary World War I Canadian hero.

The producer of the new film, George Pearson, wants firm guarantees of further extensive research into all aspects of Bishop's life before proceeding with the film. This would include information from books personally written by Bishop and his son, and from all other sources.

I believe Mr. Pearson should have these guarantees, Mr. Speaker, because I do not think the public would be satisfied with anything less, and we could thus ensure that the entire production of the film would be based entirely on facts that can be substantiated.

I do not believe that Canadians across Canada would accept anything less, nor would Billy Bishop. So, let's get on with the film.

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[*Translation*]

CANADA POST CORPORATION

REQUEST FOR HOME MAIL DELIVERY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, Canada Post has just announced its five-year plan, indicating that revenues are expected to increase and that it will again charge more for postage stamps.

Will we be paying more for postage in exchange for more services, Mr. Speaker? No way! As a matter of fact the number of so-called superboxes—for those who are not aware of this, superboxes mean reduced services—will rise from 232,000 to 340,000.

Mr. Speaker, people who live in Glengarry—Prescott—Russell, Orleans and others elsewhere in the National Capital Region simply do not want to have anything more to do with the Prime Minister's superboxes. What they want is home delivery. Nothing less is acceptable!

* * *

[*English*]

MINES AND MINING

CANADIAN EXPLORATION INCENTIVE PROGRAM

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, I wish to commend the Hon. Marcel Masse, Minister of Energy, Mines and Resources, and the Hon. Gerald Merrithew, Minister of State for Forestry and Mines, on the introduction of the Canadian Exploration Incentive Program, an initiative that has been exceptionally well received by the Canadian mining and petroleum industries.

The program is designed to assist junior mining and oil and gas exploration companies in raising equity in the marketplace, in addition to contributing to regional economic development in Canada.

Mining is a major industry, directly employing about 105,000 Canadians. Closely related downstream industries employ another 230,000 Canadians.

The Exploration Incentive Program will provide for more than 12,000 person-years of employment, and will contribute to Canada's economic development.

In addition, the mining industry produces a market for high technology goods and services. It is more than 70 per cent Canadian owned. Early indications are that the free trade arrangement will result in Canadian mining companies increasing their ownership in the American mining industry.

This incentive program, Mr. Speaker, is good for the Canadian mining industry. It is good for the regions, and it is good for Canada.

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SOCIAL AFFAIRS

BRITISH COLUMBIA—PREMIER'S COMMENT ON CARE OF HUNGRY CHILDREN

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, once again B.C. Premier Vander Zalm has shown his ignorance and insensitivity when it comes to poor kids and their families. He suggested that children who go to school hungry have parents who do not love them enough; that if they do not have lunches, it is because "their parents lay in bed, not really caring".

Such a callous attitude by B.C.'s First Minister must cause real despair and anguish among the thousands of British Columbia parents who live in poverty and have to watch their children grow up in poverty.

These parents already know the impossibility of trying to stretch inadequate welfare cheques into the last week of the month so that they can pay the rent while at the same time providing their children with decent food.

Children constitute the fastest growing poverty group in Canada. Instead of blaming the parents, Mr. Vander Zalm should look to himself.

The Premier and his Government have said "no" to school lunch programs; the Premier and his Government tried to cut welfare rates for single mothers.

Premier Vander Zalm's heart must be very small and very cold. It seems there is no room in his heart for hungry children.

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HOUSING

NORTHWEST TERRITORIES—CMHC EXPENDITURES ON SOCIAL HOUSING PROJECTS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, recently opposition Members have been criticizing the Government for not doing enough for housing in remote areas.

In respect of the Northwest Territories this accusation is categorically false.

In 1987, apart from insuring over $60 million worth of mortgage loans, CMHC spent some $48 million on social housing projects in the Territories, amounting to nearly $1,000 for every man, woman, and child. Included was some $15 million for 214 Homeowner Assistance Program houses, amounting to an outright grant of over $70,000 for each unit.

This is not miserliness, Mr. Speaker; this is generosity—almost to the point of abandon.

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[*Translation*]

SOCIAL POLICY

OPPORTUNITY TO DERIVE INSPIRATION FROM QUEBEC SOCIAL MEASURES

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, I would like to know why this Conservative Government does not follow the example set yesterday by the Bourassa Government's Budget on family matters. Yesterday, the Bourassa Government recognized the importance of families and children with a $500 tax credit on the first two children, while this Conservative Government only provides for a meagre $65. Moreover, for a third child the Bourassa Government introduces a $3,000 tax credit, while the Prime Minister's (Mr. Mulroney) Conservative Government only provides for a meagre $130, Mr. Speaker.

Moreover, the Liberal Government extends a tax exemption on family allowance, while this Conservative Government de-indexes family allowance. Mr. Robert Bourassa's Liberal Government is granting $60,000 for child care services in Quebec, while this Conservative Government does nothing for those people. While Mr. Bourassa's Liberal Government brought in a $772 million tax reduction for families, this Conservative Government has brought in increases, Mr. Speaker.

Why is this Conservative Government not following the example set by a good Liberal Government?

* * *

• (1110)

[*English*]

TOURISM

INDUSTRY'S CONTRIBUTION TO GROSS NATIONAL PRODUCT

Mr. William G. Lesick (Edmonton East): Mr. Speaker, next week marks a very important one for Canadians. It is National Tourism Week which recognizes one of this country's fastest growing industries.

Tourism employs over 600,000 Canadians. That is more than mining, forestry or agriculture. It generates over $20 billion in revenue and contributes 4.5 per cent to the Gross National Product. In addition it is the third largest industry. Tourism is not only big business, it is every Canadian's business.

Canada and Canadians have a great deal to offer visitors, our distinct culture, our unique heritage and, of course, our beautiful country.

I hope that Hon. Members and all Canadians will take the opportunity to help observe a week which symbolizes one of Canada's most important industries, tourism.

* * *

TOURISM

TRAVELLERS CHEQUES—BANKS SERVICE CHARGES

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, next week is Tourism Awareness Week. The tourist industry employs 600,000 and is a $20 billion industry in Canada. Each year foreign visitors who come to Canada, we hope are welcomed with open arms.

In an effort to promote a good image for Canadian tourism, most of the chartered banks cashed travellers cheques without charge during Expo 86. But since then, with the exception only of the Bank of Montreal, the banks are levying a substantial service charge to cash travellers cheques. There has been a great deal of protest from private citizens and small business alike over this move.

Tourism plays a vitally important role in our economy. Let the banks do their part. I encourage these financial institutions to reinstate their 1986 policy, and let foreign travellers and Canadians alike know that we welcome tourists in our country.

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[*Translation*]

POLITICAL PARTIES

FINANCING OF LIBERAL PARTY

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, over the week-end the Liberals are holding their fund-raising brunch. According to their so-called Quebec Leader, the Hon. Member for Laval-des-Rapides (Mr. Garneau), there should be 1,000 guests. How do they get them, Mr. Speaker? In my constituency, they are giving away the $300 per person tickets for that brunch and there is some arm-twisting going on to get people to attend. Is that what they call democratic funding? What does that prove, giving tickets away? Mr. Speaker, is that good management? Can Canadians trust a Party that sank us into debt through mismanagement?

An Hon. Member: That reminds us of the penitentiary!

An Hon. Member: They are a conniving brunch!

Mr. Guilbault (Drummond): Yes, that is it just like a conniving party!

Mr. Speaker, their leader is paying $300 per person to listen to him. Is that showing leadership and unity? How much is an unwanted leader costing the Liberal Party, Mr. Speaker?

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[*English*]

POLITICAL PROTEST

INCIDENT AT MONCTON MEETING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Mila mêlée has reached hyperbolic proportions. We hear the Chairman of the Québec caucus of the Progressive Conservatives now comparing Canada to South Africa because of an unfortunate incident.

I think all Canadians were very disappointed and discouraged with what happened in Moncton those few short days ago, but I think once again the Prime Minister (Mr. Mulroney) does not know when to cut the rhetoric, and when to recognize that an incident which should have been avoided and was not has turned into a political disaster for himself and his Party. He has had the Minister from the province telegram and suggest somehow that the labour movement was involved in inciting violence. He has now suggested in a speech to students that we should have an end to "brutality", but the hype had to be when the Chairman of the Quebec caucus compared Canada to South Africa.

It is ridiculous. It is outrageous. Let's have an end to the Mila mêlée.

* * *

[*Translation*]

THE ENVIRONMENT

BENEFITS OF BILL C-74

Mr. André Harvey (Chicoutimi): Mr. Speaker, the coming agreement between the Quebec Government and the Canadian Government on the St. Lawrence River clean-up and on the establishment of a marine national park in the Saguenay fjord is sparking a lot of interest. The enactment of Bill C-74, the Environmental Protection Act, is raising a lot of hope among all Canadians. All my fellow citizens have asked me to ask the Liberal dominated Canadian Senate to pass that extremely progressive bill, which is the most advanced in any western country, as soon as possible. For the first time indeed a federal statute includes a definition of the term "environment", Mr. Speaker. The definition of "toxic substances" now provides for protection at three levels—protection of the environment as such; protection of the environment as it interacts with human life; health protection for Canadians. Chemical substances also will be controlled at every stage of their life cycle, that is from either import or research and development to final disposal, through manufacturing, transport, distribution and use. Moreover, Mr. Speaker, in order to be really effective, it provides for strict penalties against offenders. Serious offences under the Act can now lead to charges under the Criminal Code, and the maximum penalty provided for is life emprisonment.

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[*English*]

NUCLEAR ENERGY

EXPOSURE TO RADIATION—CESIUM 137 ALLOWABLE LEVELS

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, other countries are responding to research trends showing that the harm of even low level exposure to radiation has been underestimated. Other countries are bringing in tougher standards. Canada should be doing the same, yet a report of the International Institute for Concerns for Public Health suggests that Health and Welfare Canada is trying to raise the allowable level of cesium 137 by more than tenfold.

Radioactive fallout from the Chernobyl accident and from nuclear weapons testing in the 1950s and 1960s is particularly harmful in the far north. The caribou are contaminated by the lichen and the Inuit eat the caribou. If the new weaker standards are accepted, this will legitimize the federal Government's practice of not warning the Inuit or protecting them, yet cesium 137 is responsible for cancer deaths, birth defects, genetic damage, and a weakening of the immune system.

We need a public process to ensure that adequate standards are set and maintained. The federal Government must not be allowed to get away with this dereliction of duty.

* * *

[*Translation*]

PROGRESSIVE CONSERVATIVE PARTY

THE GRAND DREAM

Mr. Nic Leblanc (Longueuil): In 1984, Mr. Speaker, the Progressive Conservative Party had a great project: create jobs, set the country on a sound financial base, establish good relations with the provinces, tighten our ties with other countries, improve national security, and attract investors to Canada.

This great project has now become reality: we did create more than 1,200,000 jobs since our election, business is flourishing, and Canadian men and women stand prouder and have renewed faith in their future. Canadians, Quebecers and the people of Longueuil feel better and live more comfortably with our Party.

ORAL QUESTION PERIOD

[*English*]

CANADA POST CORPORATION

SUPERMAILBOXES—PROJECTED INCREASE IN NUMBERS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, yesterday the President of Canada Post said that for the first time in 30 years:

> This is the year ink goes from red to black.

Canadians everywhere would be delighted to know that Canada Post has stopped losing money, if only it was not losing our mail at the same time and taking twice as long or longer to deliver it.

Speaking of delivering, I would like to ask the Minister representing Canada Post in this House today whether he still believes, considering the boastful announcement by Mr. Lander yesterday "that Canada Post would increase the number of supermailboxes up to 400,000", double the present number, that the superboxes are an adequate way to deliver mail in this country in the face of nation-wide rejection of them.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we are very pleased that the Hon. Member has taken the time to point out the tremendous achievements of Canada Post under the direction of the Minister of Consumer and Corporate Affairs who, I know, the House will wish to congratulate on his fine record.

Some Hon. Members: Hear, hear!

Mr. Crosbie: For the first time in 30 years Canada Post will make a profit this year estimated at $26 million.

Mr. Allmand: It is not a business, it is a service.

Mr. Crosbie: In 1981-82 the deficit was $588 million when the hon. gentlemen opposite were in the middle of their wasteful and profligate careers in the Government of Canada.

We are very pleased with the progress being made. In terms of average wages, Canada's stamp prices today are the second lowest in the industrialized world. I want to thank the hon. gentleman for giving me the opportunity to point that out to the House and to say that this fine record will continue.

• (1120)

INSTALLATION OF SUPERMAILBOXES IN RURAL AREAS

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the Minister must be blind, deaf, and dumb to the complaints of Canadians. We received another one just yesterday. If a person mails a letter in one of the supermailbox slots after 11 a.m. on Friday, it will remain there all day Friday, all day Saturday, all day Sunday, to a minimum of Monday, unless it is a holiday and then it is not picked up until Tuesday. This Government dares to brag about improvements in service.

One of the places that Canada Post will pepper with supermailboxes is rural Canada. How can the Cabinet now condone the continuation of Canada Post's 10-year plan totally to eradicate post offices in rural Canada, 5,221 of them that will close? How can he condone the replacement of many of these rural post offices with these infamous supermailboxes?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, there is, of course, no such plan to eradicate rural post offices totally. There is a plan for the steady improvement of rural post office service and that plan is under way now. The supermailbox that the hon. gentleman seems not to be in favour of is, by many people, found to be very helpful in the postal system.

I might point out to the hon. gentleman that if we had door-to-door delivery for all Canadians, this would mean that we would need to have a 60-cent stamp. While I know that that does not shock the hon. gentleman opposite, most Canadians do not want to see a 60-cent postal stamp.

I might finish by saying that the hon. gentleman froths at the gills about fish, and now he is frothing at the gills about the Post Office. He should cease frothing and relax.

STANDARD OF SERVICE

Mr. George Baker (Gander—Twillingate): Mr. Speaker, in the past four years we have seen our postal service disintegrate to the point where many urban Canadians are no longer receiving door-to-door delivery, where all rural Canadians have lost or will lose their traditional post offices as they knew them, where mail now takes longer than ever before to be delivered, where loss and damage of mail are on an alarming increase, all due to the policies of this Tory Government. Does the Minister not think that, instead of bragging about black ink in the House today, we should be hanging out black crêpe to mourn the loss of the postal service in Canada?

Mr. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman opposite will obviously be black and blue if he continues with such a silly line of questions. He says that he wants to continue the traditional post office. The traditional post office, a hundred years ago, had a spittoon in the corner. Is he insisting that we continue the spittoon regime, or should we not move into the 21st century which is the direction we are moving in, and give a better service at a lower cost?

* * *

[*Translation*]

THE SECRETARY OF STATE

ALLEGED USE OF GOVERNMENT HELICOPTERS BY LUCIEN BOUCHARD

Mr. Jacques Guilbault (Saint-Jacques): In the same line of thought, Mr. Speaker, there is no doubt that the Conservative Party has jumped ahead into the 21st century!

Last April 29, Lucien Bouchard landed at the Alma airport on his way to announce he would be running as Progressive Conservative Party candidate in the Lac-Saint-Jean riding. But like prophet Elias who rode down from the sky in his chariot of fire, he boarded a Transport Canada helicopter to travel the short distance between the airport and downtown Alma.

I want to ask the Government why a Government helicopter was used to such partisan ends? How much did such unwarranted luxury cost the taxpayers? And how many more abuses will the Government tolerate in an attempt to have the Prime Minister's school chum elected?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, one has to be grasping at straws to come up with this kind of silly questions. As far as I know, on April 29 the Secretary of State did not fly in a Transport Canada helicopter to go from the Alma airport to I do not know where, for the simple reason Mr. Speaker, that Alma is not Montreal and therefore it is faster to use a car to travel around.

I think my colleague has been badly advised, and we are in for a very long election campaign if they always come up with this kind of information. I would suggest you deal with more serious issues, please!

[*English*]

REQUEST THAT MINISTER CONDUCT INVESTIGATION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, the answer is that the Minister has never heard that the other number one Minister used a helicopter on his way to announce his candidacy as a Tory candidate in the Lac-Saint-Jean riding. I would like to ask the Minister to double-check and to provide us with the information as to whether or not such a helicopter, owned and operated by Transport Canada, took the Minister from the airport to Alma, and how much it cost. I would like the Minister to double-check on that.

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I would like to be very serious. I cannot understand that a serious Party could raise that kind of misleading information about Mr. Bouchard and the assessment that he could use a Transport Canada helicopter.

I am the Minister of Transport and I am not even aware that we have any helicopters with Transport Canada in Lac-Saint-Jean. The helicopters belong to the Department of National Defence and they are based in Bagotville. There is not any way that Mr. Lucien Bouchard used them.

Once again, it is unbelievable that we can advance any kind of information when the Party opposite is not even able to find a candidate in Lac-Saint-Jean. I do not understand. If you want to be political, do it properly, please.

* * *

[*Translation*]

TAXATION

CHALLENGES OF MINISTER OF FINANCE AND OF NEW DEMOCRATIC PARTY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the Minister of State for Finance and it concerns the loopholes in the minimum tax that have enabled more than 5,000 Canadians with good incomes to avoid paying any income tax in 1986.

This week, the Minister of Finance challenged my Party to tell him how the minimum tax should be strengthened. My answer to this challenge is: Why have the Minister of Finance, the Minister of State and the Government ignored the suggestions that New Democrats have put forward to eliminate the loopholes in the minimum tax?

I challenge the Minister: Is the Government now prepared to take the New Democrats' suggestion to strengthen the minimum tax by including all capital gains that are not affected thanks to the $100,000 exemption and by including the excessive financial costs used in calculating the minimum tax? Or do you intend to maintain a minimum tax that is both ineffective and unfair?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, the Hon. Member knows that we have eliminated many loopholes. What have we done with the money? With it, we have improved the spouse's allowance and the refundable sales tax credit, increased the child tax credit, provided advanced payments for the child tax credit, increased services for the disabled, etc. That is what we have done with the money from all the loopholes that we have eliminated.

[*English*]

APPLICATION OF MINIMUM TAX

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, perhaps the Minister has forgotten that in 1984 Canadians wanted fairness from the tax system. One of the things they felt they were promised by the Prime Minister was a minimum tax that would ensure that wealthy Canadians paid their share of income tax.

Does the Minister recall that the Finance Department itself estimated back in 1985 that three out of four of those upper-income Canadians who were avoiding paying any income tax at all would be caught by the minimum tax? Does the Minister of State for Finance think it is fair that only one-third of those wealthy Canadians who were not paying tax have been caught by the minimum tax? Is the Minister prepared to take the NDP's challenge to come up with new additions to the minimum tax that will ensure that it is fair and that it makes wealthy Canadians pay?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, a few days ago in the House the Minister of Finance explained the tremendous progress we have made in terms of getting high-income individuals who paid no tax to pay tax. The number of high-income individuals who paid no tax declined significantly between 1985 and 1986.

• (1130)

In 1985 the number of those with incomes of $50,000 or more and who paid no tax was 7,947. In 1986 it was 5,220, a decrease of 34 per cent. Those with an income over $250,000 who paid no tax went from 254 to 40, an 84 per cent decrease.

Why are there still a few high-income Canadians who pay no taxes? The Hon. Member knows why—medical disability expenses, alimony expenses, charitable contributions, union dues. Is the Hon. Member saying he wants to do away with the deduction for union dues, or alimony, or medical disability payments?

Mr. Cassidy: Mr. Speaker, let us talk about the 40 high-income Canadians, the top 40 on the Minister of Finance's list, who had income over $250,000 in 1986 and did not pay a dime of income tax. That is not a group which has to pay union dues. That is not a group with a significant amount of alimony to pay.

Mr. Holtmann: How do you know?

Mr. Cassidy: We have checked the figures with Revenue Canada. What we do know is that almost three-quarters of those wealthy Canadians had carrying charges amounting to an average of $227,000 apiece. That is how they were able to bring their income tax down to zero. I will repeat that since the Minister looks a bit surprised. Twenty-nine of those 40 wealthy Canadians had carrying charges amounting to an average of $227,000 apiece. That is how they were able to bring their income tax down to zero.

TAX LOOPHOLE

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, will the Minister accept the NDP's challenge to bring in a minimum tax which is fair and just? Will the Government act so that where interest costs exceed a person's investment income, that is where there are excessive carrying charges, that loophole cannot be used by wealthy Canadians as a way of avoiding paying the minimum tax? Will he move on that now?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I noticed a few months ago that the NDP changed its view on a major tax deduction, flow-through shares. This Party has always believed in flow-through shares because of what they meant for northern Québec and Ontario and the development of the mineral industry in Canada. His Party totally flip-flopped on this issue. Deductions for flow-through shares can put you in a position where your tax liability is greatly reduced or eliminated. The NDP is now in favour of this, and maybe that is the reason why there are still a few who will not be paying taxes.

* * *

[*Translation*]

RADIO-CANADA

BUDGETS OF FRENCH NETWORK

Mr. Jean-Claude Malépart (Montréal—Sainte-Marie): Mr. Speaker, the Tories are jeopardizing the future of the French language in Canada. According to the *Gens de l'air*, French is downgraded by Air Canada; a study made by the Quebec Government indicates that French-speaking athletes are neglected at international events and the fact that a coalition has been formed to promote French at *Radio-Canada* are additional proof that such is the case; the French language network of the CBC is seriously affected. The Coalition for the defence of the French language services in the CBC has denounced the discrimination shown against the French network where budgets are reduced while those of the English network are increasing. As an example, the Coalition draws attention to a program *Le Point*, a program whose budget is much lower than that earmarked for *The Journal* of the CBC.

My question to the the acting Minister of Communications is as follows: Is the government ready to accept the recommendations made by the Coalition: 1. That the specific character and special needs of the French language network be recognized and 2: That the budget provided by Government to the French language network of the CBC be discussed and adopted separately from those granted to the English language network?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Minister of Communications is absent today and I am trying to fill in for her, and that is certainly difficult. The answer to the hon. gentleman's question of course is that the way in which the CBC allocates its budget among various priorities is a decision for the CBC and not the Government. If the Government interfered, the hon. gentleman would be one of the first on his feet screaming about the interference.

I believe the President of the CBC and other executives appeared before the Standing Committee on Communications and Culture yesterday to discuss their Estimates. These concerns could have been raised there. Perhaps they were. I want to assure the Hon. Member that the Minister is aware of and certainly supports the importance of the distinctive character of French-language broadcasting and this will be reflected in the new broadcasting legislation.

[*Translation*]

RECOMMENDATIONS MADE BY COALITION FOR DEFENCE OF RADIO-CANADA'S FRENCH SERVICE—MINISTER'S POSITION

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, the persons who formed this coalition did not do it for the fun of it or to play politics. These are serious non-partisan people of all political stripes. The reason is that the situation is serious, urgent, and alarming. I am not asking the

Minister to get involved in Radio-Canada's affairs, but to exercise his own and his government's authority.

These people have presented two other recommendations. Firstly, they ask that Radio-Canada's budget be managed separately. That is surely the Government's business, and I hope that the Minister will have a good answer because the coalition will meet with the Liberal caucus next Wednesday. Secondly, they want the Government to increase the French network's level of funding to ensure that all French-speaking Canadians get the same quantity and quality of service as the English network.

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I can certainly say that would be our objective. We want to see French-speaking people across Canada receive that kind of service. I will bring the hon. gentleman's comments to the Minister's attention and I know she will certainly do whatever she can to see that French language broadcasting is improved and strengthened in Canada.

* * *

CANADA POST CORPORATION

STANDARD OF SERVICE—GOVERNMENT POSITION

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is also directed to the Acting Prime Minister. As you know, he is well known for his words and his definition of words, and I wonder if he can answer this.

We are seeing postal substations being closed, rural post offices being closed, rural routes eliminated, and 200,000 Canadians have been told that they will be forced to use supermailboxes. The regular corner mailboxes are being removed. How can the Government describe this as an improved postal service?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I think the facts speak for themselves.

Some Hon. Members: That's right!

Mr. Crosbie: We now have a Government and Minister consulting with postal users on the merit of an independent third-party review of Canada Post's rates and services. Our predecessors would never have contemplated that.

When compared to average wages, our stamp prices are the lowest in the industrialized world. In fact, when we take account of inflation, Canadians are paying the same today for a stamp—you will hardly believe this because of the franking system—as they did in 1952. Stamp revenue this year will account for less than one-third of the needed revenue to make up for increased costs. The rest is made up by efficiency, productivity improvements, and volume growth. All of these are signs of tremendous improvements in performance and service.

Mr. Murphy: The Acting Prime Minister spoke the truth in 1983 and 1984 when he said if the Conservatives ever told the people of Canada what they were going to do they would never have been elected. If he is calling that improved postal service, he is obviously not telling the truth to the people of Canada.

RESIDENTIAL MAIL DELIVERY

Mr. Rod Murphy (Churchill): Mr. Speaker, will the Government guarantee that there will not be any increase in postal services until some effort is made to make sure that Canadians now receiving their mail at the door will continue to receive that service even if they move to the suburbs?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman has requested that we ensure there be no increase or improvement in postal services. That may be the NDP's objective, because their objective is to sabotage the postal service, or assist in the sabotaging of the postal service wherever they can. We are committed to an improved postal service and that is what we are accomplishing at less cost for the taxpayer, with the consumer paying for the service. The Minister is to be congratulated for his tremendous record.

Some Hon. Members: Hear, hear!

* * *

AGRICULTURE

OTTAWA—FUTURE OF CENTRAL EXPERIMENTAL FARM

Mr. David Daubney (Ottawa West): Mr. Speaker, my question is directed to the Minister of Agriculture. He will agree that the Central Experimental Farm partly located in my riding is the flagship of Agriculture Canada's excellent research effort and contributes greatly to the unique beauty and character of the nation's capital. Will he confirm for the House that the Government has no intention of disposing of any part of the Experimental Farm proper, and in particular that part bordered by Merivale and Fisher Avenues in the city of Ottawa?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's continuing interest in the future of the Experimental Farm here in Ottawa. I want to take this opportunity to indicate to him that Agriculture Canada, my Department, has no plans or thoughts whatsoever concerning disposing of any portion of that property at any time. There is no question about that.

• (1140)

I appreciate also the complimentary remarks the Hon. Member made with reference to that very unique facility. It has made a tremendous contribution to Canadian agriculture. It is one of the four original experimental farms established across Canada over 100 years ago.

In fact, next to the Parliament Buildings, the Experimental Farm is the second most popular tourist attraction here in Ottawa.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

BY-ELECTIONS

NUMBER OF OFFICES AT EXCLUSIVE SERVICE OF PROGRESSIVE CONSERVATIVE CANDIDATE IN LAC-SAINT-JEAN

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Government. I would like to get back to the by-election in the riding of Lac-Saint-Jean and the ministerial candidate who, after being temporarily parachuted into the riding via helicopter, will pick up his toys the day after the election and go play in his own backyard. It seems there are four offices in the riding, paid for with taxpayers money: two in Alma, one in Chicoutimi North, and a fourth office will open in Jonquière on June 6, and this is not counting the candidate's election office.

I want to ask the Minister how many offices this Conservative candidate needs to "fix" his election?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the question is extremely partisan. However, I realize that considering the Hon. Member's situation . . . Mr. Speaker there are two offices. One, an office of the Department of the Secretary of State, operates in Alma, with someone from the Department to respond to requests made in connection with Mr. Lucien Bouchard's function as Canada's Secretary of State. I think this is just a matter of providing a service to Canadians, which is normal. There is another office—all candidates have one in every election—to take care of the political side. We have said it before and we say it again, and, I think we can hardly accuse the Chief Electoral Officer of being partisan, that even he has stated he was aware of the situation and that operating expenditures for this office have no impact at all on election spending.

I think the Hon. Member is well aware of that. Canadians realize that there is an administrative side as well. Canadians are entitled to receive services from the Department of the Secretary of State and the Secretary of State, and they get those services and have access to them. The people of Lac-Saint-Jean are entitled to have a political office operated on behalf of a Conservative candidate, and I think the two are completely separate, and there is no connection between the two offices.

[*English*]

REQUEST FOR ACCOUNTING OF EXPENDITURES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, there are two other offices, constituency offices. I mentioned them in my previous question. One is in Chicoutimi North and one is in Alma. That makes five offices if one counts the election office of the candidate.

I want to repeat my question because it is very important. Four of those offices are paid for by public funds, voted for by this House. How many offices does Mr. Clean need to get elected? Will the Minister give a full accounting of public funds used in Alma, what has been spent to date to promote that candidate, and will he file with the House a complete accounting of all the money spent to keep those five offices open?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, of course the Liberal Party is desperate because it has not even found a candidate yet to run in that district. When it does, we hope it does not have any difficulty finding an office, because they were experts at finding offices when they were in government.

There is no office opened as yet for the Secretary of State in Jonquière. It was announced some months ago that the Secretary of State Department will be opening a regional office there. It is not yet open.

Mr. Boudria: You are paying rent.

Mr. Crosbie: It will be opened later in the summer.

Mr. Boudria: Next week.

Mr. Crosbie: The office that is now open is a temporary office. Everything has been operating properly.

I might say that when phone calls come in making inquiries about anything to do with the campaign at all, they are referred to a phone number to get information if they want it. These entrapment devices of the hon. gentleman opposite have been an absolute and complete flop.

* * *

[*Translation*]

THE ENVIRONMENT

RISKS CAUSED BY NUCLEAR SUBMARINES

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, in the absence of the Minister of the Environment I would like to direct my question to whomever wishes to reply for the Government.

It is common knowledge that nuclear submarines pose a threat to the environment, especially in an environment as fragile as the Arctic Ocean.

Will the federal Government initiate an open and public process to evaluate the kind of dangers to which the environment might be exposed?

[*English*]

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, the Hon. Member makes a statement in the form of a question. There has been no known leak from French, British or American nuclear submarines into the environment or the waters. They have 3,000 years of experience in their operation, and we believe it is a very good and safe system if treated properly. We intend to have safeguard mechanisms along with properly trained personnel to make sure that high level of expertise continues when we have nuclear-powered submarines in our Forces.

REQUEST FOR ENVIRONMENTAL ASSESSMENT

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, there is a federal environmental assessment process but it happens to exclude the military. This project could cause far more harm than many of the projects that are evaluated. Would it not be right, given the importance of this matter, the environment, and the number of lives whose survival depends on there being no nuclear radiation in the far north, to have an environmental assessment applied to the nuclear submarine project according to the same criteria?

Hon. Paul Dick (Associate Minister of National Defence): Mr. Speaker, it is somewhat of a difficult question. The nuclear powered submarines will be out in the ocean. As the Hon. Member knows, when we are trying to neutralize used uranium in the Pickering plant in Ontario, for example, they put it into a swimming pool full of water. There are very few swimming pools in this world that are larger than the Atlantic or Pacific Oceans.

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[*Translation*]

CANADA POST CORPORATION

TABLING OF 5-YEAR PLAN—CLOSURE OF POST OFFICES IN RURAL REGIONS—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister responsible for the Canada Post Corporation or to the Minister speaking on his behalf today.

Yesterday, Canada Post tabled its five-year plan which indicates, among other things, that the corporation's deficit will be wiped out very shortly.

In light of this fact, could the Minister explain to the House why the policy to close down rural post offices is still being pursued? Is he prepared to make a commitment today, on behalf of his Government, to put an immediate end to this policy? Could he also give the House the assurance that all post offices closed since the Conservatives came to power will be reopened and that this will be done as soon as possible?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman seems to think that the crass repetition of something that is untrue will somehow, some day make it true. That is just not the case. There is no program of closing rural post offices.

Ms. Copps: There certainly is.

Mr. Crosbie: The hon. gentleman knows the policy. If a postmaster retires or is otherwise incapacitated, a review is instituted to see whether service can be better provided in that area by using someone in the private sector and making an arrangement with the private sector to perform a postal service. In most cases there is an improved service because the facility is open longer and a better service is provided at lower cost. There is no danger that there will be closing of rural post offices. The policy is as I have explained it, and no amount of misinformation, or whatever it is that the hon. gentleman spreads—he is from a farming area—will change that.

Mr. Boudria: I won't apologize for my rural background, Mr. Speaker.

SUBURBAN MAIL DELIVERY—USE OF SUPERMAILBOXES

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, the Hon. Minister knows full well that I revealed in the House an internal document from Canada Post which explains how to shut down rural post offices. It is not a question of whether there is a policy of shutting them down because we know that is the case.

Let me return to the issue of suburban mail delivery. Given that this deficit is soon to be eradicated, is the Government planning to stop immediately the policy of installing new supermailboxes? Why can we not have the delivery to which Canadians have been accustomed and for which they have been paying? What is wrong with getting delivery of the mail?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the delivery of the mail and the on-time delivery of the mail are improving all the time. I gave some of the facts and figures this morning. I pointed out earlier this morning that if we were to have door-to-door delivery to all Canadians, it would cost something like $1.3 billion and would result in a 60-cent stamp. If the hon. gentleman wants to go out and campaign on the basis that Canadians should pay a 60-cent stamp, and that we should not try to improve the efficiency and economy of operating the Post Office, well, he can do that, but we will meet him on the corners, and we will meet him on the doorsteps, and we will fight him door to door on that issue, and win.

• (1150)

Mr. Boudria: We will fight you supermailbox to supermailbox.

* * *

IMMIGRATION

REGISTRY OF REFUGEE STATUS CLAIMANTS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. As the Minister knows, the immigration staff is creating a massive new registry of nearly 50,000 refugee claimants in Canada. Since Mr. Peter Harder, the senior assistant to the special adviser to the Minister, testified before the Standing Committee on Labour, Employment and Immigration on April 26 that the proposed new refugee division will not have enough members and support staff to process this backlog in addition to the new incoming claimants, will the Minister confirm that this new registry of claimants is to be used for a new administrative review or amnesty as was proposed to the Cabinet in early 1987?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I was very interested to read this article this morning myself, but if the *Toronto Star* cannot understand the difference between counting people and an administrative review, I do not know how to explain it, but I will try.

This registry was set up in 1986, at the same time as the last administrative review, to give the Department and Members of this House an accurate picture of what is going on in the area of claims processing, for example, how many claimants are there and at what stage are all of these claims, and what are the characteristics of particular claims. This began in 1986. I do not in any way put that together with dealing with the current backlog.

Let me say that I will not deal with the backlog, and I have said so publicly and in the Senate committee myself, that until I have the new Bills working on behalf of refugee claimants and the immigration process in Canada to make it better and faster, I will not make any decisions on the backlog.

DEPORTATION PROCESS

Mr. Dan Heap (Spadina): Mr. Speaker, the project to which the Minister refers as the "old" one has been renewed and rearranged and reorganized. This is what is reported by many people other than the *Toronto Star*. I am asking her, if it is not intended to use an amnesty or administrative review, if it is not intended to have these people processed by the new refugee division, which is what Mr. Peter Harder told us in the committee, why is she speeding up the deportations of people who have been under the administrative review in the past so that perhaps a few hundred will be deported before all the rest are given the amnesty?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, there are three ways to deal with the refugee backlog. First, would be a general amnesty. Second, would be an administrative review along the lines taken before, with more or less rigid criteria. The third would be to set up some temporary facilities for dealing with the backlog, which has been discussed as well in a number of committee hearings. I will not make a decision on those, I repeat, until the Bills are up and running. That is the most important priority for this Department.

Let me say as well that we are not speeding up deportations. There is a process in place in this country with which the Hon. Member is very familiar. He knows full well that once a claimant has been through that process, which ends for many in the Federal Court, those orders are executed. He also knows that I deal with special cases before they get to that level on a case by case basis, and will continue to do so.

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[*Translation*]

FREE TRADE

BENEFITS OF AGREEMENT MADE WITH THE UNITED STATES OF AMERICA

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister for External Trade. Yesterday, the C.D. Howe Institute published a report stating that free trade with the United States will not lead to an exodus of U.S. subsidiaries. In fact, free trade will expand investment in this country and in the U.S.

Mr. Speaker, considering the Liberal-Socialist coalition's promises to tear up the agreement, I wish you would tell Canadians today about the benefits of this agreement and its impact, and give them the assurance that it will be implemented very shortly.

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Well, Mr. Speaker, I will recognize the Hon. Member's concern because the Official Opposition is going to tear it up and the unofficial opposition is going to tear it down, so it is going to be quite a competition between them whenever they get their chance.

There has been a study by Professor Sopherian—

Mr. Gauthier: It is a bad deal, and you know it.

Mr. Crosbie: Please pay attention to this. He has concluded that companies in both countries are likely to respond to the free trade agreement by increasing their foreign direct investment and technology context, that we have a good reason to welcome foreign investment—and listen to this, Mr. Speaker—because foreign control of Canadian industry has fallen to 26 per cent at the present from 36 per cent during the Liberal 1970s.

We agree with his conclusions that the liberalization of Canada-U.S. trade will increase new investment and will not lead to widespread closures of existing subsidiaries in Canada. We welcome this report.

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EMPLOYMENT

SHORTAGE OF SKILLED WORKERS IN METROPOLITAN TORONTO

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Yesterday the community colleges in Metro Toronto released a report indicating that there was a serious shortage of skilled workers in that region principally because this Tory Government has cut the budget for training every year since 1984. In fact it has cut these budgets by 32 per cent, from $2.2 billion in 1984 to $1.6 billion in 1988.

Does the Minister not realize that skilled workers are essential for a dynamic economy and this means more dollars now? If the Minister and the Government will not listen to us Liberals, will she at least listen to the community colleges and the advisory committees in the Toronto area?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member clearly misunderstands the cause of the shortage of skilled labour in Toronto. The cause is a very vibrant economy generated by the policies of this Government.

Mr. Crosbie: Tory times are terrific times.

Mrs. McDougall: As the Hon. Member knows, because he comes from an area that is not as prosperous and does not have the same kind of problem, this is a unique problem to Toronto. What we have been doing through the Canadian Jobs Strategy has two sides to it. One is the economic side, through the Skill Shortages Program, if employers are having problems getting people, then we put those on the list and move those trades ahead faster. The other side is the human side. We are trying to help the long-term unemployed and ensure they get training and they get jobs. Those persons exist throughout the country and we are continuing to make that a high priority.

Mr. Speaker: The Hon. Member on a short supplemental.

COLLEGE DEAN'S CRITICISM

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, it is not myself and the Liberal Party, as I said, who are making the criticism, it is CITAC, the advisory council in Toronto, and the community colleges. In fact Fred Etherden, the Dean of Seneca College, said: "Ottawa's Canadian Jobs Strategy Program is keeping women and the unemployed from getting quick access to job retraining programs that could help meet the growing demand". When will the Government make the changes necessary so that this program will do the job that is required? When will we have some action and less rhetoric, some dollars into this program?

• (1200)

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first, there have been very important changes to the program criteria which Mr. Etherden was not familiar with until I discussed this matter with him yesterday.

There are two matters which are germane. The first is that the 24 out of 30 criterion, whereby a person had to be unemployed for 24 out of the last 30 weeks in order to qualify, has now been eased. Second, the requirement that women had to be acting as homemakers for the past three years in order to qualify for that portion of the program has also been changed.

Let me also say that the over-all level has not been slashed. Quite the reverse is true. It is the same as it was four years ago.

The difficulty is that the direction of the fund has changed because 42 per cent of the funding is now private sector driven, market driven, so that there is more flexibility within the training program.

Mr. Speaker: A single question from the Hon. Member for Hamilton Mountain.

* * *

[*Translation*]

FAMILY VIOLENCE

BATTERED WOMEN—GOVERNMENT POSITION

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister responsible for the Status of Women. Family violence remains a major problem in Canada. In 1986, the National Clearing House on Family Violence estimated that about one million Canadian women were the victims of domestic violence. Unfortunately, only 60,000 of these women could be helped in 264 shelters across the country.

When does the Conservative Government intend to keep its promise to help women who are victims of family violence?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the short answer, which I am sure you will appreciate, is very soon.

The slightly longer answer is that the Minister of National Health and Welfare has been working quite hard on a policy regarding family violence. My officials have been working with him as well. We will be producing a policy on this matter very soon.

Mr. Speaker: This will be the last question of Question Period. A single question from the Hon. Member for Hamilton East.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EFFECT ON JOURNALISTS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question concerns the disastrous trade deal, the effects of which are only beginning to be felt.

When the Canadian and U.S. negotiators signed a deal which stated that Canadian journalists who do not have university degrees will not be allowed to ply their trade in the United States, did the Minister for International Trade agree that the reason these people would not be allowed to go to the States was because "the Americans are worried about semi-skilled and blue collared workers"? Does the Minister really think that Peter Mansbridge and Mike Duffy constitute a semi-skilled profession and should not be allowed to practise their trade in the United States?

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I certainly sympathize with the hon. lady's desire to get on *The National* tonight. I hope that Mr. Peter Mansbridge and Mr. Duffy will be able to attain the high qualifications which we think are required for them to become journalists.

Some Hon. Members: Oh, oh!

* * *

POINT OF ORDER

QUESTION ON USE OF HELICOPTERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, earlier today during the Question Period a question was asked about the Secretary of State and helicopters. Since that question was asked, we have had an opportunity to talk to the Secretary of State. He cannot recall in his entire life being in a helicopter of any kind, certainly not within the riding.

There is some difficulty to the line of questioning over the last two or three days in relationship to the Secretary of State. I think it would be wise for the House and for Members who intend to ask questions to perhaps check their sources before laying innuendo on the House when somebody is not in the House and able to defend himself.

Mr. Speaker: I have listened carefully to the Parliamentary Secretary on his point of order. I might respond by saying that the Chair has also listened carefully to the questions that were asked and to the answers that were given. Of course the Chair will continue to do just that.

ROUTINE PROCEEDINGS

[*English*]

REMISSION ORDERS

TABLING OF GOVERNMENT REPORT

Hon. Tom Hockin (Minister of State (Finance)): I have the honour to lay upon the Table copies in both official languages of the Government's first sixth-monthly report on remission orders.

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to present, in both official languages, the Government's response to petitions, Nos. 332-4077 to 332-4101 inclusive, 332-4113, 332-4128, 332-4129, 332-4132, 332-4133, 332-4135, 332-4140 to 332-4142 inclusive, 332-4145, 332-4146, 332-4149 to 332-4155 inclusive, 332-4157, 332-4161, 332-4162, 332-4165 to 332-4167 inclusive, 332-4181 to 332-4184 inclusive, 332-4186, 332-4197 to 4208 inclusive, 332-4212, 332-4224 to 332-4227 inclusive, 332-4335, 332-4236, 332-4241 to 332-4243 inclusive, 332-4284, 332-4298, 332-4312, 332-4319, 332-4323, 332-4329, 332-4335, 332-4339, 332-4344, 332-4346, 332-4348 to 332-4351 inclusive, 332-4371, 332-4374, 332-4381 to 332-4385 inclusive, 332-4458 to 332-4463 inclusive, 332-4470, 332-4478, 332-4479, 332-4481 to 332-4485 inclusive, 332-4512, 332-4517 to 332-4519 inclusive, 332-4521 to 332-4523 inclusive, and 332-4540 to 332-4548 inclusive.

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

Mr. Les Benjamin (Regina West): Mr. Speaker, I rise on a point of order. I am not sure whether this matter will correctly fall under a point of order or a question of privilege. It arises with respect to the Government's response to petitions tabled by the Parliamentary Secretary. The responses I received are with respect to Petition Nos. 332-4481 to 332-4485 inclusive under my name. The responses are identical word for word. However, one set of petitions has to do with the calling of a general election on the free trade agreement. The other set has to do with the free trade agreement with the United States. Nowhere in the response from the Government on the first group of petitions is there any mention of what the petition calls for, namely, a general election on the free trade agreement. Yet I have received the identical response to two different petitions.

I wish to protest this. I ask the Government to look at its responses again.

If you rule, Mr. Speaker, that I have a point of order or if the Chair thinks it is more properly a question of privilege I will be glad to move the proper motion at a suitable time.

Mr. Hawkes: I am unsure of the point being made. I am unsure as to whether the wrong response was tabled in responding to the Hon. Member's question, or whether the Hon. Member is dissatisfied with the response given.

The particular point to which he draws the attention of the House is a difficult one, inasmuch as it is not the Government, under our British style of democracy, that has the power to call an election, but the Governor General of Canada. It is the Governor General of Canada who dissolves the House and indicates that an election is to be held.

If the Hon. Member's constituents wish to see the House dissolved, their request might more appropriately be directed to the Governor General. It is not something that is within the power of the Government of Canada.

That may be the issue. I am simply unsure as to the issue that is being raised by the Hon. Member. Certainly, I would be glad to speak to him privately in an effort to see if we can correct what may indeed be a legitimate complaint.

Mr. Benjamin: You are nit-picking.

Mr. Deputy Speaker: I am sure I can rely upon the two Hon. Members in question, being two distinguished and experienced Members of this place, to settle the matter between them.

* * *

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Les Benjamin (Regina West): Mr. Speaker, I have the honour and the duty to present a petition signed by a number of Canadian citizens most of whom reside in Swift Current, although there are a few from Saskatoon, Regina and even one from Edmonton. They state in their petition that the Government has no mandate from the Canadian people to conclude a free trade agreement with the United States and that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future and undermine our ability to build a society distinct from that of the United States. Therefore the petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

[*Translation*]

REQUEST THAT TREASURY BOARD CONCLUDE COLLECTIVE AGREEMENT WITH LANGUAGE TEACHERS

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have the duty to present a petition according to Standing Order 106.

Whereas the Government of Canada, represented by the Treasury Board, has not recognized the principle of a fair and reasonable amount of time of class preparation for federal language teachers; whereas that situation seriously undermines the bilingualism policy in Canada; wherefore the undersigned, your petitioners—and the names on the petition cover several pages, Mr. Speaker—call upon Parliament to commission the Treasury Board to negotiate a collective agreement with the federal teachers of the ED Group that provides for a preparation time of 15 hours a week.

• (1210)

[*English*]

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Walter Van De Walle (Pembina): Mr. Speaker, I have the honour to present a petition from the residents of Fort Saskatchewan, Vimy, Westlock, Morinville, St. Albert, Sherwood Park, and Legal, Alberta. The petition calls upon Parliament to enact legislation to protect the life of the unborn from the moment of conception.

IMMIGRATION—INCLUSION OF SONS AND DAUGHTERS IN FAMILY CATEGORY

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition on behalf of a number of residents of the City of Toronto, who are concerned with the immigration policy of our country as it relates to unmarried sons and daughters of all ages and the promise of this Government of nearly a year ago that they would be treated as members of the "family" class for immigration purposes, and that married children and brothers and sisters would be allowed 15 instead of 10 points.

The petitioners are concerned that the Minister has not yet fulfilled that promise, and they ask that the House ensure that the Government fulfils its promise now.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, I have a petition to present on behalf of a number of residents of Toronto, who are concerned that the fabric of Canadian sovereignty is threatened by the proposed Mulroney-Reagan trade deal, a deal for which the government has no mandate from the voters.

Because this deal would reduce Canada's ability to plan the economic, social, and cultural programs we need, and because it would integrate Canada further into the North American defence/industrial base, the petitioners call upon Parliament to ensure that a national debate take place on the Mulroney-Reagan trade deal in the form of a national general election before such an agreement is finalized.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Question No. 295 will be answered today. I would ask that all remaining questions be allowed to stand.

[*Text*]

CIDA—CONTRACTS AWARDED IN CONSTITUENCY OF CALGARY SOUTH

Question No. 295—**Mrs. Sparrow:**

Between (*a*) January 1, 1982 and December 31, 1984, (*b*) January 1, 1985 and December 31, 1987, inclusive, were contracts awarded in the constituency of Calgary South by the Canadian International Development Agency and, if so, in what numbers and, in each case, in what amount?

Hon. Monique Landry (Minister of External Relations): 1. Statistical information of the Canadian International Development Agency are recorded on a fiscal year basis, April 1 to March 31.

2. The following tables present the number and total value of contracts awarded and contributions allocated by CIDA form January 1, 1982 to December 31, 1984 and from January 1, 1985 to December 31, 1987 inclusive.

Agency	Canadian International Development Agency			
Riding:	Calgary-South			
Program	F.Y.	Number of Agreements	Amount $	Disbursed to date
Goods and services Agreements[1]	Jan. 1, 1982 - Dec, 31, 1984	1	14,116	14,116
Contributions under Industrial Co-operation[2]	Jan. 1, 1982 - Dec. 31, 1984	4	127,700	114,392
Contributions under Special Programs Branch[3]	Jan. 1, 1982 - Dec. 31, 1984	0	0	0
	Total	5	141,816	128,508

Notes:

1. Includes agreements for procurement of goods and services with individuals, firms, universities, non-governmental organizations and federal and provincial government departments.
2. Indicates contributions to businesses under the Industrial Co-operation Program.
3. Indicates contributions to non-governmental organizations and non-governmental institutions in the voluntary sector.

Agency	Canadian International Development Agency			
Riding:	Calgary-South			
Program	F.Y.	Number of Agreements	Amount $	Disbursed to date
Goods and services Agreements[1]	Jan. 1, 1985 - Dec, 31, 1987	3	136,450	114,986
Contributions under Industrial Co-operation[2]	Jan. 1, 1985 - Dec. 31, 1987	0	0	0
Contributions under Special Programs Branch[3]	Jan. 1, 1985 - Dec. 31, 1987	0	0	0
	Total	3	136,450	114,986

Notes:

1. Includes agreements for procurement of goods and services with individuals, firms, universities, non-governmental organizations and federal and provincial government departments.
2. Indicates contributions to businesses under the Industrial Co-operation Program.
3. Indicates contributions to non-governmental organizations and non-governmental institutions in the voluntary sector.

[*English*]

Mr. Deputy Speaker: The question as enumerated by the Parliamentary Secretary has been answered. Is it agreed that all remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—RESEARCH AND DEVELOPMENT

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

That this House condemn the Government for failing to provide adequate non-tax support for Research and Development and for its counter-productive policies and administration of tax support for Research and Development, including,

(1) tax reform measures that discourage research and development by reducing funds available for R & D, by increasing the costs of R & D and by delaying investment in R & D facilities and delaying the introduction of new products and new processes, all of which generally impair the ability of Canadian companies to compete in global markets; and

(2) management of R & D tax programs that has led to serious disagreements between industry and Revenue Canada over the kinds of activities that qualify for the investment tax credit for Research and Development resulting in long delays in obtaining refunds needed to finance ongoing Research and Development activities.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the motion put forward by the Hon. Member for Laurier (Mr. Berger) on behalf of the Liberal Party criticizes the efforts of the present Government in the area of supporting and encouraging scientific research and development in Canada. As such, it represents the height of Liberal arrogance and Liberal gall. There is quite a difference in how the Liberal Party talks when sitting in opposition as compared to when it is sitting on the government side.

For 33 of the 39 years between 1945 and 1984, this country was governed by Liberal Government. And what was the record of the Liberal Party when it came to scientific research and development? What was the view of those most knowledgeable in this area, the scientists themselves?

While the western industrialized countries belonging to the OECD and Japan were spending in the order of 2 to 2.5 per cent of Gross National Product on scientific research and development, Canada consistently, in all of those years, spent substantially less than 2 per cent. Notwithstanding the pleas of scientists in the university community, scientists in the private sector, scientists in government laboratories, Liberal Governments in that period refused to deal with the problem. Through all of those years, Canada was consistently last or second to last when it came to dedicating resources to scientific research and development.

That is the reality. For the Liberal Party now to criticize the Progressive Conservative Government, notwithstanding that it is deserving of criticism, constitutes an attitude of cynicism which is amazing.

And what about this Progressive Conservative Government? When the present Prime Minister (Mr. Mulroney) was the Leader of the Official Opposition, he promised that, if elected, a Progressive Conservative Government would "move rapidly to increase those expenditures and to set the goal for expenditures at 2.5 per cent of Gross National Product".

Well, Mr. Speaker, we are now some three and a half years into the mandate of this Progressive Conservative Government, and rather than seeing an increase in scientific research and development, we see that we are spending even less, with the scientific research and development budget being down to around 1.3 to 1.5 per cent of Gross National Product.

We are now spending even less on scientific research and development than was the case when the Liberal Party formed the Government.

How does the present Conservative Government propose to deal with this very serious problem? Well, it has suggested several ways. First of all, it proposed the establishment of a National Advisory Board of Science and Technology, with broad representation from the scientific community, from the university sector, from business, from labour. It was a board to be chaired by the Prime Minister, to emphasize how important a role it would play.

Well, Mr. Speaker, that board was in fact established, and has held meetings and made recommendations. It has analysed what is being done, and it is very critical of the Government's efforts in respect of scientific research and development—and I shall come back to that later in my remarks.

Yesterday we had the announcement by the Government that it proposes to establish a new super Ministry of Industry, Science and Technology, a Department which would have $1.3 billion to spend over the next five years.

What that Department will do, no one really knows. The National Consortium of Scientific and Educational Societies has called upon the Government to use $500 million of that $1.3 billion to double the base budgets of the agencies that now fund university research. Those granting councils have not had any real increases.

To show how deficient the effort has been, and continues to be, let us compare the niggardly efforts being made in Canada, rationalized on the basis of this Government's determination to reduce the deficit, with what is being done in Japan. Let me quote from statements made by Richard Samuels, Director of the Japan Science and Technology Program at the Massachusetts Institute of Technology. About the future, he said:

• (1220)

> The real economic challenge is to generate new products and services. And that depends on a country's ability to educate and encourage people with ideas and to develop expertise in science and technology.
>
> That's where Japan comes in. In the 1988 fiscal year alone, the Japanese Government plans to spend about $17 billion on basic scientific research, unrelated to defence. Total spending on research in Japan, including work by industry and universities, will amount to more than $100 billion.

Then he goes on to talk about the need to train students who are expert in scientific research. He says:

> For example, there are 13,000 Japanese students in the U. S. and of those who will earn doctorates, 80 per cent are in science and engineering.
>
> Japan now accounts for more than 10 per cent of the world's research spending and between 1983 and 1987 Japanese industry has opened some 80 new corporate research and development centres. Japan has had a trade surplus in technology products since 1974.

Where are we in Canada? We are not in the same ball game. We are not even in the same league. The Government proposed to deal with the problem and get greater effort by essentially freezing government expenditures on R and D and by persuading the private sector to increase its efforts substantially but it has not worked. The Government also indicated that it believes we have concentrated too much of our efforts, such as they are, on basic fundamental research and claimed that what we should be doing is putting greater efforts in research that will lead quickly to products that can be used commercially. That approach has been rejected by the two Nobel prize winners Canada has had among scientists, Dr. Hertzberg and Professor Polanyi.

Let us just look at how this supposed major effort to get industry involved is working. One of the best ideas to get industry involved was to set up an organization, Pre-carn Associates of Ottawa, headed by Gordon McNabb, to which belongs 35 major corporations in Canada including Alcan Aluminum, CAE Industries, Bell Northern Research and Falconbridge Limited. Just as it is getting going, the Government is proposing to change the federal Income Tax Act which will wipe out investment tax credits for consortium members who invest in research not directly related to their businesses.

I agree with the Hon. Member for Laurier who spoke earlier that the biggest and best research effort being done by any private sector business has been done by Bell Canada and Northern Telecom. They are part of this consortium, and their efforts to co-operate with other companies will be destroyed by the Government's very bureaucratic decision. Why did the Government make that decision? I suppose because it realized too late that the scientific tax research credit system established by the former Liberal Government was a scam. Instead of the $100 million which Mr. Lalonde, then Finance Minister, thought it would cost taxpayers, it actually cost $2.5 billion, and very little of that $2.5 billion went into real research. The present Government could have cut the $2.5 billion loss in half if it had not permitted the grandfathering of very preliminary proposals which had been made.

Let me give another example. Here we have the Canadian Advance Technology Association. Its President Roy Woodbridge said a few days ago:

> —a survey of 212 companies involved in 325 claims for R & D tax credits show that fully one-third of the claims took more than a year to be paid after they were submitted, and 22 per cent took more than 18 months.
>
> —the Government's cumbersome approval process for tax credits seems to be an overreaction to the political embarrassment it suffered from the program's predecessor, the notoriously sloppy Scientific Research Tax Credit, or SRTC, program.

That raises another question. What we have seen in the United States, both on the East Coast and on the West Coast in California, is a host of new small companies getting started, taking some of the new basic research findings discovered at universities like Harvard, MIT, and the California Institute of Technology at Berkeley, using those ideas to develop new products which will have large sales in the increasingly technological world. These new companies are just getting started. They have as yet made no profits. If they have made no profits, tax credits are of no use to them and the Government has not dealt with that situation at all.

Let me go on, Mr. Speaker. The Prime Minister made a great deal about the establishment of that National Advisory Board on Science and Technology, to which I referred earlier, with broad representations. It has been in operation for some months now. It has had an opportunity to look at government programs. What did the board say? It said that without a massive increase in spending on science and technology and industry, Canada's economic future is bleak. It said that any boost in spending must be accompanied by a major effort to upgrade workers' education and skills.

What is actually happening? In fact, as the Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand) pointed out there have been cut-backs in these programs by this Government in its determination to control and reduce the deficit. There have been cut-backs in funding for training. There have been no increases in the ability of universities to train people in the scientific areas in which training is badly needed.

Let me talk for a few moments about what this advisory council on science and technology has said to the Government. It has warned that Canada's weakened industrial position will deteriorate further without a massive increase in spending on science and technology to improve competitiveness. Among the problems cited by the study are that Canada ranks lowest of seven countries in research and development spending as a proportion of Gross National Product; in scientists and engineers as part of the labour force—I gave some indication of what Japan is doing—in international patents per 1,000 people; in industries in the high-tech field with a trade surplus, and in industry funded research and development as a share of economic output. The study points out that high levels of foreign ownership in Canada contribute to this situation and that Canadian-owned firms spent 60 per cent more on research and development as a percentage of sales than foreign-owned firms.

Some years ago in discussing this same subject, I pointed out that one of the largest and most successful companies in Canada with a very large labour force, Ford Motor Company, had not one person with a Ph.D. employed in Canada doing research. I doubt that anything has changed in that respect even now. The council recommends a number of initiatives which could come into conflict with the terms of the free trade agreement, including the use of government procurement to support emerging Canadian industry, although government procurement in the United States is a major way of fostering industry and research and development.

• (1230)

The council also recommended targeting government funds to firms which create new technology for world markets. That proposal could be challenged as being contrary to the terms of the free trade agreement. It recommended accelerating the purchase of Canadian developed high-tech products for use in Canadian industry through low-cost financing. Those are policies we have followed in the past through our regional development programs, and they could be challenged.

The report also calls for much more emphasis on developing science and technology training as part of the business school curriculum, improvements in labour adjustment programs and the establishment of paid educational leave to assist Canadian workers to adapt to the changing needs of a high-technology economy. These suggestions came from an advisory committee, broadly based, established by this Government. Is the Government listening to those recommendations? Is the Government trying to answer those criticisms? It is not, not as far as anyone can see.

The Government plans to spend, it says, an additional $1.3 billion on science and technology over the next five years. I have not been able to find out, nor has anyone else as far as I can tell, whether in fact this extra $1.3 billion will be added to the money which was devoted to scientific research and development efforts in the past or whether it is just a recycling of old money.

We know, for example, that when the Government made its decision to get involved in a major way in space research and in the development of the space platform at a cost of $750 million, a substantial part of that $750 million was to come from cuts in scientific and research programs which had been funded in other areas in the past. We know now, as some of us warned at the time, that the $750 million would not be the actual amount needed. In fact, we knew then and were told then, both in Canada and in the United States, that the estimates for the cost of building the space platform were escalating very rapidly. Now we are told that instead of $750 million, we will have to spend $1,250 million.

Where will that increased funding come from? Will it come from further cuts to programs which are already underfunded? I ask again, as I have in the past, where there is any scientific evidence that in fact the research efforts in space will be more productive, will produce more jobs and more scientific information which can be used by Canadians, than the research done in the areas in which hundreds of thousands of Canadians have worked since Canada became a nation. We have funded scientific research in agriculture, forestry, fisheries, human resources and medicine and all that research is now being restricted in order to help fund scientific research in space. We say that that is wrong.

Let me conclude by pointing out to the Minister the concerns of the universities. University research funding, which has been inadequate in the past, and was so admitted by the Conservatives when they were in Opposition, will be further eroded and harmed by the direction this Government has taken. The universities have called for a doubling of support for scientific research and development in universities over what the Government has proposed at this time.

We support this motion, although we have no confidence that the Liberals would have done better, nor did they do any better, than the Conservatives have done in their disastrous program.

Mr. Hockin: Mr. Speaker, I want to know if the Hon. Member is aware of a report prepared by a working group of officials of the Inland Revenue and Treasury of Great Britain in March of 1987. It said that for large manufacturing firms, the corporate tax system as a whole in OECD countries provides a strong incentive in Australia and Canada for firms to invest in R and D, and it goes on to talk about lesser incentives in other countries. It also says that in several countries, notably Canada and Germany, the fiscal system, broadly interpreted to include general grant programs, is much more favourable to R and D investment by small firms than by large ones.

This report was based on OECD research and was done for the British Government. It gives us some sense of the regard with which the Canadian tax and grant systems for R and D is held by other OECD countries. I wonder if the Hon. Member was aware of that.

I listened carefully when the Hon. Member made a point about small corporations. I agree that we have to take a special look at that, not simply looking after the large corporations. I do not know if he heard what I tried to make clear before Question Period which was that the enhanced 35 per cent tax credit available in respect of the first $2 million of R and D expenditures of a current nature was made fully refundable in tax reform. In effect, this provides direct payments of up to $700,000 per year for eligible corporations. Making it fully refundable is the way we avoid the criticism he worried about which is that ITCs would not be useful.

Finally, the Hon. Member asked me a question in the House yesterday on another subject. He asked why so many corporations are not paying tax in Canada today, and I think today the Hon. Member for Ottawa Centre (Mr. Cassidy) asked why so many individuals are not paying tax. Then, in the last half hour, the Hon. Member made a speech about increasing tax preferences still further, increasing the flow-out provisions to allow individual investors to shelter income against tax. He seems to be talking out of both sides of his mouth.

The Hon. Member wants us to make sure that no wealthy investor escapes paying tax, but then his prescription for the R and D sector is to have more flow-out provisions which allow investors to shelter their income from further taxes. One cannot have it both ways. I would like to hear his answer on that as well.

Mr. Orlikow: Mr. Speaker, the Minister asked so many questions that I think I will have difficulty answering them all. First, there is almost universal consensus in the university and scientific community in Great Britain that the British universities and research facilities which, for almost 100 years, were at the leading edge of scientific research and were comparable to almost every other country, are now in a state of disaster. British universities are becoming second and third-grade universities because of the Thatcher Government's determination to leave everything to the private sector.

Second, as far as scientific research in Canada is concerned, we have no objection to grants or tax credits if they are really used for scientific research. However, I remind the Minister that that scam which Mr. Lalonde fathered was only the last of many attempts by Liberal Governments to encourage the private sector to do research. There is very little evidence that the Conservative Government's attempts and proposals have had any better effect.

Mr. Hockin: The SRTC is gone.

Mr. Orlikow: The SRTC is gone, but we have nothing in its place. Let me put on the record some suggestions which make very good sense to me. They are contained in an article which appeared in *The Toronto Star* on February 9, 1988. It was written by Dr. John Evans, President and Chief Executive Officer of Allelix Incorporated. Prior to that he was President of the University of Toronto. He said, referring to corporations:

• (1240)

> Only 2 per cent invest in R and D and of these, fewer than 7 per cent account for nearly two-thirds of all R and D performed.
>
> But 98 per cent of Canadian companies have little appreciation of the potential of technology in improving the competitiveness of their products.

He also said:

> First, industries not engaged in science and technology should be encouraged to develop technological awareness and competence through exchange programs from universities and governmental labs.
>
> Second, industries with R and D activity should be encouraged to invest some of their R and D budget externally in university and government research groups—

He made some very concrete suggestions:

> —one approach to draw in more of the 98 per cent would be an R and D levy of about 1-2 per cent of pre-tax profits on all corporations—

He then went on:

> Those corporations performing R and D above this level would have their contributions refunded. The remainder would contribute unwittingly to the national support of R and D.

We are not opposed in any way to real efforts by the private sector, but we say they have to be made in conjunction with government laboratories. I remind the Minister that it was a government laboratory which developed rape seed, now a multimillion dollar product for Canadian farmers. We need support for our universities, and they are not getting it. We need support for basic research, yet the Government seems to feel that it is not necessary or should be done elsewhere.

Mr. Gagnon: Mr. Speaker, I am totally astounded that a member of the NDP can stand up and say that they want to put in place tax credits which will allow individuals and corporations to avoid paying taxes while their Leader is running around saying it is not proper for profitable companies not to pay taxes. Obviously if we go along with the suggestion made by the Hon. Member, profitable companies can use R and D tax credits to avoid paying taxes. His Leader is running around in the meanwhile saying all profitable companies should pay tax. I think he is speaking with a forked-tongue.

Mr. Orlikow: Mr. Speaker, of course all profitable corporations and all wealthy individuals, indeed all Canadians, should pay a fair share of taxes. Of course we are opposed to corporations making hundreds of millions of dollars and paying no taxes because the tax they should have paid is deferred because they invest in new buildings or equipment and so on. Some of them may very well never pay taxes and are proud of that fact.

We are saying we can accept the idea that companies or individuals will get tax credits if they actually do scientific research and development which is useful and will increase the ability of Canada to manage in the increasingly technical world in which we are and will be living for many years to come. We are saying we support that.

What we are opposed to is the kinds of things done by past Liberal Governments, and now by a Conservative Government, which permit companies and individuals to avoid taxes by claiming they were doing scientific research when in fact they were not.

[*Translation*]

Mr. Fontaine: Mr. Speaker, this is the first time that I speak in the House after the Hon. Member for Winnipeg North (Mr. Orlikow) since the crushing defeat of his party in Manitoba, where he worked for the provincial government for five weeks using his expense account as a Member of Parliament.

Mr. Deputy Speaker: May I remind the Hon. Member that his question or comment must be pertinent to the speech given by the Hon. Member for Winnipeg North (Mr. Orlikow). I would ask him to remember this, please.

Mr. Fontaine: Mr. Speaker, the Hon. Member boasts about technological development and research. I find him inconsistent, as usual, because when we were talking about Bill C-22 on pharmaceuticals, we even saw this Hon. Member rise several times to prevent its passage. This Bill would have immediately created 1,300 jobs in Montreal, 3,000 in Canada, and resulted in investments of $1.5 billion; he was against it. I ask him today as well why he speaks for the development of research and technology and is against free trade, which would help our high-tech companies, the best in the world, go to work in the United States without restriction. Free trade lets them sell their services and specialize, but he is opposed to it! So I find, Mr. Speaker, that his representations today are completely unacceptable and inconsistent, as one would expect from him. He is as inconsistent as the Hon. Member for Laurier (Mr. Berger), who presented the motion today. He too was against Bill C-22 and is against free trade. They are inconsistent with their policy. Today they are making us waste another day in this House because of their inconsistency, the inconsistency of the Liberal-socialist alliance.

[*English*]

Mr. Orlikow: Mr. Speaker, in our criticism of Bill C-22 there was not a single word in opposition to pharmaceutical companies, multinational or Canadian—

Mr. Fontaine: You forget!

Mr. Orlikow: I listened to the Hon. Member and did not interrupt. I would hope, particularly as my time is almost up, that he would do me the same courtesy.

We do not object to pharmaceutical companies doing research in Canada. What we object to is extending the length of exclusivity the companies had. We said, and all the evidence is there, that under the law we had until that Bill was passed the multinational corporations were able to recoup their investment in research and make substantial profits. We said drug companies are among the most profitable corporations of any in Canada. We said it was not necessary for them or anyone else to have this legislation in order to do research. For the Hon. Member to say that our opposition to that Bill would in any way harm scientific research is the same kind of nonsense we hear from him almost every day of the week.

Mr. Deputy Speaker: Resuming debate.

Mr. Len Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, first I want to compliment my colleague, the Hon. Member for Laurier (Mr. Berger), for putting forward this motion today. It is needed in order to bring out some of the inequities, indeed some of the misleading information, coming from the mouths of government Members.

In my speech today I want to zero in on the fact that the Government is reducing funds available for R and D. That certainly is true with regard to Crown corporations. At the same time, the Government is trying to give the impression that it is promoting private enterprise instead. I want to point out where that is not necessarily true either.

• (1250)

The Government has a habit of making high profile announcements so that people do not realize they are getting cheated. The Government makes its announcements in the midst of all kinds of publicity, with two or three cabinet Ministers in attendance or even the Prime Minister (Mr. Mulroney). The Government leads Canadians to believe that it is performing wonders, but they have come to understand the Government and the way it operates. That is why it cannot maintain credibility across the country. While it pretends to be doing more for the country, it is in fact doing less in many areas.

For example, the Government says that it is promoting private enterprise and will downgrade Crown corporations. It is creating the impression that it is against public institutions because private enterprise should lead the way. Today I want to point out how private enterprise is still living off the Government quite substantially in some areas.

On the other hand, we have seen the Government drastically cut the budget of one of the best research institutions in this country. In the 1985 Budget of the Minister of Finance (Mr. Wilson), the Government cut 50 per cent from its grants to Atomic Energy of Canada Limited in the research and development field.

Since then, it has lifted $60 million of that $100 million from Atomic Energy of Canada Limited, as well as $70 million from the reserves of that Crown corporation. This represents a total reduction of $130 million to date. That is the Government's contribution to one of the great research and development Crown corporations of this country. At the same time it was going to reduce the contribution to Atomic Energy of Canada Limited by another $25 million this year and another $15 million next year, which would give the Government its pound of flesh of a $100 million reduction.

However, the people who manage AECL have informed the Government that it just cannot continue to operate if it loses another $25 million this year. The Government has spent months thinking about this situation and finally decided on one amendment. It will require the Crown corporation to reduce its budget by $11 million this fiscal year, but has said absolutely nothing about next year or the year after. The Crown corporation does not know what its financial future will be. What will happen to the other $29 million that the Government still wants to reduce from the budget of AECL?

Many people only think about nuclear energy when we talk about Atomic Energy of Canada Limited. Not only does it deal with the peaceful use of nuclear energy, AECL does research in many fields. For example, it is at the labs of AECL in Chalk River where the new O-ring for the space shuttle has been developed. People will recall that the failure of the O-ring in the *Challenger* was cited as the cause of that explosion. The development of the new O-ring was done at Chalk River where AECL labs were contracted by the United States. That is just one example of the major projects it has done for international governments.

AECL also performs research and development for private enterprise. It can do this much cheaper because it already has the facilities to carry out R and D. The Government is of the opinion that if it dumps more money into major private companies, the money is better spent. The fact is that it could be duplicating research activities. Furthermore, a private enterprise company that receives substantial funds in the form of tax breaks for other incentives will likely request the right of property to that new research. Therefore, it will not be shared on a broader base in Canada.

When research and development in Canada is done in Crown corporations or government Departments, that research and development is available to all individuals and companies across the country. If they cannot perform the research and development, it can be contracted to a Crown corporation like the National Research Council. That is another Crown corporation which has suffered budget cut-backs by the Government since it took office in 1984.

Let me explain how the Government wants private enterprise to proceed and stand on its own feet. It is very interesting to analyse a financial report delivered by André Plourde of the Department of Economics of the University of Ottawa in October, 1987. It was prepared for Energy Options, a conference highlighted by the attendance of the Minister of Energy, Mines and Resources (Mr. Masse).

This financial report deals with exploration expenditure, tax expenditures and grants, northern and offshore eastern Canada. In 1985, these companies spent a total of $2.078 billion. Mr. Plourde points out that of the $2.078 billion, $1.587 billion was paid by the Government of Canada and the company paid $491 million. That is the Government's idea of private enterprise standing on its own feet without support as the Government would support Crown corporations. This means that 23.6 per cent of the total expenditures on exploration by oil and gas companies in Canada was paid for by private enterprise companies. The Government, which says that private enterprise must stand on its own feet, paid 76.4 per cent. So they are paid over 75 per cent of the money that those oil and gas exploration companies paid out during a one year term of this Government.

• (1300)

The Government says that private enterprise must stand on its own feet, that we are going to bring Crown corporations into line. But it cuts the budget of one of the best Crown corporations in Canada, Atomic Energy of Canada Limited, by 50 per cent, at the same time that it is giving 76 per cent of taxpayers' money for exploration by the oil and gas companies. Canadian citizens are certainly not seeing those benefits showing up at the gas pumps of this country.

AECL cannot write off taxes because it is not a profit organization. That is why it is a Crown corporation. But it can do the research cheaper, and the work it does for the companies is returned to those companies which in turn pay taxes to the Government. Long-term benefits is what we have to look at and the Government is looking at short-term, opportunistic politics and, of course, highlighting everything it does is its policy of leading people to think that it is doing more when in fact it is doing less.

The cost to the taxpayers of the oil and gas companies under this Government runs into the billions of dollars. Yet, it will cut the budgets of the National Research Council of Canada, which serves all people, all businesses and all corporations in Canada. It is the same with our other Crown corporations such as Atomic Energy of Canada Limited. We have also seen the cancellation and closing down of the Algonquin Radio Observatory in Algonquin Park in eastern Ontario. This was done without a whimper from the Associate Minister of National Defence (Mr. Dick) who tells us he is the Minister to protect eastern Ontario. Some protection. He never uttered a word.

This Government is paying out these billions of dollars to companies which are doing research and exploration for non-renewable resources, whereas in the nuclear energy field Canada has the safest and best record in the world for research. We have enough energy in that field alone to last for hundreds and hundreds of years. It is also cheaper.

I would like to read from an article in which Mr. de Grandpré was interviewed by a certain reporter. When asked whether Canadian politicians help or hinder companies like Northern Telecom to compete internationally it indicated: "He snaps forward and starts speaking with animated intensity, particularly with this Government. The politicians are all saying the same thing, that we have to have more research and development capacity in Canada, as the future of this country rests on high technology products. Yet Ottawa's new tax reform package would reduce the tax rates for research and development." There it is from one of our major industrialists. He says that that amply demonstrates that politicians "don't understand how the game is played".

He is quite willing to tell you what he is doing about it. He has written letters to key politicians and is making his arguments face to face with cabinet Ministers in the present Government. As a leading member of the powerful Business Council on National Issues, he has urged other chief executives of big corporations to do likewise.

I will relate back to something I have already said, and repeat that billions of dollars are being paid out to the gas and oil companies of this country by the Government which says it wants private enterprise to stand on its own feet. Do you, Mr. Speaker, think that the large corporations that represent oil and gas will speak out against the Government as long as they are getting these kinds of tax breaks from the taxpayers of this country? They are going to leave well enough alone. The article goes on to indicate that he was confronting senior bureaucrats about such matters as Ottawa's plan to eliminate tax deductions for the expense of buildings where R and D is done, and to say: "I told the Deputy Minister, 'do you think you can do research and development without a roof over your head?'".

There is a threat. If the Government reduces the tax rates, Mr. de Grandpré says that his company will do its research in some other country and take away several hundred well-paid jobs from Bell Northern Research, the largest private research development facility in Canada. He also says: "The Canadians who are graduating from our universities are going to walk over to BNR and say: 'Can I have a job' and we will say: 'Sorry, but we are not expanding our research and development facilities in Canada'. They will say: 'Why?' Well, because the Government has introduced this stupid piece of legislation.

When Mr. de Grandpré talks like that, the politicians have to listen because his company has single handedly given Canada an international presence in technology. When economic commentators say Canada is a world-wide leader in telecommunications, they do not mean Canada, they mean Bell and Nortel. That is part of the story.

I would also like to say that Crown corporations and government institutions in this country are still very capable of doing a lot of R and D in their field as long as the Government does not continue to cut the ground out from underneath them.

I talked about the good return companies get by contracting out research and development to Crown corporations such as Atomic Energy of Canada Limited. I talked about how foreign companies and other international governments ask that certain research projects be done. The Government does not seem to understand, nor does it want to understand, the nuclear industry side of research and development of AECL. It does not understand that it is doing a broad basis of research in this country, not just the narrow things that people attribute to it.

For example, the cobalt therapy unit which is used today not only in hospitals in Canada, but throughout the world, for the treatment of cancer, was designed at the Chalk River nuclear laboratories of AECL. That is something that is not talked about very far and wide today because we have critics of the peaceful uses of nuclear energy who want to have people think there is something horrendous about all of this. At the same time this type of research and development has produced CANDU the safest reactor in the world, which produces enough power to run 50 per cent of the industry in the Province of Ontario. Hence it can take credit for supporting 40 per cent of the jobs of the labour market in Ontario alone.

• (1310)

That is the type of research and development that has been done by this Crown corporation, Atomic Energy of Canada Limited, which is the Crown corporation from which the Government has cut its research and development budget by 50 per cent, from $200 million down to $100 million. It has lost some good scientists over this matter. The sad part of the proposals of the Government is that when our leading scientists find out that there is no support for their future in this country in high-tech fields they leave to go elsewhere.

I call upon the Government today to take serious note of the financial problems of National Research of Canada and of Atomic Energy of Canada Limited and to do something about it. It should treat these entities seriously because there is more involved than what the Government is paying attention to.

[*Translation*]

Mr. Fontaine: Mr. Speaker, while the Hon. Member for Renfrew—Nipissing—Pembroke (Mr. Hopkins) was making his speech and commenting on our scientific research programs, my colleague who happens to be a financial expert from the Province of Quebec, Parliamentary Secretary to the Minister of Finance, and Member for Trois-Rivières (Mr. Vincent) was telling me that the team of which he was a member in 1983 had advocated the scientific research tax credit program. It had been proposed by the then Minister of Finance MacEachen who is now blocking our legislation in the Senate. He had stated that the program would cost $100 million, but twenty-odd months later $2.5 billion had been sunk into it and we put an end to the program because it had not produced anything worthwhile.

I have a question for him. What would have happened had the $2.5 billion been wisely spent on genuine scientific research? Why did they fail to impose some kind of restraints on these scientific research programs? Why did they go ahead with this scientific research program which ended up costing Canadians an additional $2.5 billion?

Second, with respect to atomic energy research development, he said we could do a lot more to promote research in that field. I think it is a debatable issue because his own Government, his own Leader or so-called Leader of 11 out of 33 Members—22 are against and 11 in favour—and the Member sitting in the front row has been saying lately that he is against nuclear submarines... As his representative in caucus today, can he say he supports nuclear research while at the same time speaking against putting the results of that research to good use in our own nuclear submarines?

I wish he would enlighten me on these two questions.

[*English*]

Mr. Hopkins: Mr. Speaker, with regard to the program mentioned by the Hon. Member, he cannot defend his statement that there were no positive effects from that program. There were. I pointed out to the Government today where it has gone wrong. It still has not seen the light. The Hon. Member does not see very many lights around here either, as we hear him speak from time to time.

The Hon. Member talked about the nuclear submarine program. I want to point out to him that I was at a defence committee meeting when representatives of the nuclear industry were present. I asked them a question about what benefits this program would bring directly to Atomic Energy of Canada Limited. They said that they did not want to mislead anyone, that there would not be all that many benefits to that Crown corporation. The benefits would largely be to the nuclear related industries of Canada on the private enterprise side. The Hon. Member is trying to make a mountain out of a molehill.

He talked about 22 Members in this caucus. First, he cannot identify the 22 Members. As a matter of fact, I understood after it was all over—I was busy in a nomination contest at the time—that even my name was thrown around. I want to point out to the Hon. Member that my name was never involved in that.

When we consider the results of the polls that came out the other morning I think what the Hon. Member should be doing for the Conservative Party of Canada is recommending some differences in his own Party out in the open. He would be surprised at how they might rise up in the polls across Canada. The Hon. Member has a guilt complex. In fact, I think the way the Hon. Member discussed this when he was on his feet shows that he has a guilt complex. He is not speaking out against things with which he disagrees with his own Leader and other Members of Cabinet. Surely he cannot support the Government. I know that the Hon. Member is one who gets up dynamically to say things—not always well informed—but he says them anyway. I know that a Member such as that in that massive caucus has all kinds of disagreements about the Government of Canada.

Mr. Fontaine: No, sir!

Mr. Hopkins: Why does he not have the intestinal fortitude to stand up to be counted? He is always talking about people standing up to be counted. I do not mind standing up to be counted. I support my Leader. He is ahead in the polls—way ahead of the Leader of the Government. I know that the Hon. Member has a guilt complex and is very concerned. He is worried about the next election.

In the number of years that I have been here, I have seen vocal Members such as the Hon. Member come into the House, and I have seen them leave, too. Some of them leave within four years and some after having served one term. They do so because they are always up on their feet. The public realizes that they do not always have their facts correct.

I think that the Hon. Member might be jealous of being behind in the polls. He might feel a sense of guilt because he is not coming out and saying the things that he he really means to say. I suggest that he go up to the Chalk River nuclear laboratories and get a top-notch briefing so that will understand what the Government is doing to the nation.

At the same time would he ask the President of the Treasury Board (Miss Carney) why, when she was Minister of Energy, when the cuts were made she would not even see a delegation of municipal Governments from the upper Ottawa Valley who came here to talk about these massive cuts and what they would mean to the economics of the area and to employment? The Government talks about jobs, jobs, jobs. When the Government took office there were 2,350 jobs at that site. They are now down to 1,900. There will be more cuts if the Government continues the way it is going.

I plead with the uninformed Member opposite to go to the Chalk River nuclear laboratories, taking some other people who sit over there with him. They should find out what is going on in the high-tech field in the country so that they can then stand up with pride in the House to ask intelligent questions about energy, for example, and about research and development. He does not have to drag a red herring across the floor of the House about some mystical 22 Members in the Opposition Party and talk about their Leader. We have the best Leader in the country today. The Prime Minister of Canada lacks credibility, as does his entire Government. If the Hon. Member continues in the way he is going he will not have any left either.

• (1320)

Mr. Deputy Speaker: The Member for Vancouver—Kingsway (Mr. Waddell), on a brief question or comment.

Mr. Waddell: I find the logic of the Hon. Member really strange. Here we have a Liberal saying to a Progressive Conservative that, if the PCs stab their Leader in the back, maybe they too will go up in the polls. That is extraordinary.

Mr. Hopkins: They did it in 1982-83.

Mr. Waddell: Given the fact of the Chernobyl and Three Mile Island accidents, and given the fact of a lack of sales for CANDU reactors, and given the fact that Atomic Energy of Canada is all but bankrupt, where does the Hon. Member see the new thrust for nuclear energy coming? Or are we in fact at the point where atomic energy has perhaps seen its day, with energy consumers moving to non-generated forms of energy?

Mr. Hopkins: The question is typical of questions coming from the New Democratic Party.

Mr. Waddell: It was a straight question.

Mr. Hopkins: It is very typical of a New Democratic Party question. Here we have yet another uninformed Member. As a matter of fact, what the Hon. Member does not know is that the Soviet Union built many "Chernobyls" inasmuch as it failed to build into its nuclear plants the kind of safety features built into the CANDU reactor.

What the Hon. Member has not said to this House is that the reactor that was in use in Chernobyl, and which is in use in other similar facilities in Russia, has no relationship whatsoever in its mode of operation to the CANDU reactor. It is a different system altogether.

The Soviet Union built its nuclear plants without due regard to safety. That is not the case with the CANDU reactor. The Chalk River nuclear laboratories not only developed a safe reactor in and of itself, but built into it one back-up system after another. It is for that reason that the CANDU reactor does not suffer from the same problems as those in use in the Soviet Union.

And what is going on in the Soviet Union now as a result of the Chernobyl accident? The New Democratic Party Member does not make mention of what is happening in the Soviet Union now, because to do so would be to show the flaw in his argument. The Soviet Union today is accepting advice from Great Britain. As well, Canada has offered to the Soviet Union expert advice on developing nuclear energy for peaceful purposes. And I want to point out that when we are talking about CANDU reactors, we are talking about the peaceful uses of nuclear energy.

Is the Hon. Member saying that 40 per cent of the labour market in the Province of Ontario is not important to him or to his Party? As I pointed out earlier, were it not for the CANDU reactor, those jobs would not exist in Ontario today. At this point in time, 50 per cent of the energy consumed by industry in Ontario is generated by CANDU nuclear reactors.

To have that same level of energy generated by coal-fired plants would have involved the importing of over $7 billion worth of coal from the State of Pennsylvania.

The Hon. Member and his Party, the New Democratic Party, make a good deal of the fact that they pay a great deal of attention to the environment of this country. Just imagine what the burning of $7 billion worth of more coal would have done to the environment of the North American continent, to say nothing of Canada itself.

I think it is time that the New Democratic Party stopped talking out of both sides of its mouth. It is time that members of that Party got their facts straight. Nuclear-generated electricity is the cheapest energy source available. Without it, Ontario electricity rate payers would be paying an additional 33 1/3 per cent on their hydro bills.

We have the safest system in the world, and it is a system that produces sufficient energy to fuel 50 per cent of the industry in the Province of Ontario, Canada's industrial heartland. Just imagine what would happen to the social programs in this country without the industrial base in central Canada to generate the tax revenues to support such programs?

In knocking this program, the New Democratic Party is knocking the system that funds old age pensions, that funds the unemployment insurance program, and other social programs. In taking the position that it is in respect of this issue, is the New Democratic Party saying that it no longer supports labour in this country; that it no longer supports cheap electrical power for those Canadians who can avail themselves of it—and this service is available to citizens in parts of Canada other than Ontario. The CANDU is a Canadian-developed reactor, and it is the safest nuclear reactor available in the world today. In addition to being the safest, with built-in back-up systems, it is also the least expensive.

Are the members of the New Democratic Party saying that the taxpayers of this country should introduce a totally different system for hydroelectric generation, a system that is going to cost far more money and one which will take money away from every household in Canada?

Mr. Deputy Speaker: The Hon. Member for Ottawa West (Mr. Daubney), on debate.

Mr. David Daubney (Ottawa West): Mr. Speaker, I am pleased that the Hon. Member for Laurier (Mr. Berger) has raised the issue of research and development for debate today. It seems to me that these issues are not debated often enough in this Chamber.

The Hon. Member and I served together on the Standing Committee on Research, Science and Technology. In fact, we are both founding members of that committee. The fact that that committee was only founded in this Parliament is in itself an indictment of the policies of past Liberal Governments. Prior to the present Government taking office, there had never been a committee of this House dedicated to looking at the key issues of research, science and technology.

I have the greatest respect for the Hon. Member for Laurier, and I am pleased that he has raised the issue, inasmuch as the debate provides me with an opportunity to review for the House the Government's record in the area of research and development.

Today's economic environment is one of intense international competition. In this new order, science and technology have become the driving forces in national economies, in international trade, and within our workplaces and our homes. Over the next 25 to 30 years, these developments will produce social and economic changes as profound as those we have experienced over the last 200 years.

Innovation will clearly be the key to success, and it is industry that must lead the innovation process. But, in order to effectively execute science and technology, industry needs the support of Government. Government must provide the leadership, the co-ordination, the policies which foster a spirit of innovation.

Over the last four years, the Canadian Government has made it an urgent priority to pursue our national economic and social goals through the more effective use of science and technology. More important, it has approached that task in a thoughtful and co-ordinated fashion.

We all, of course, know that not everything can be accomplished overnight. Similarly, as our predecessors in Government showed us, little is gained by adopting a "quick fix, let's throw money at the problem" approach. The issues we must deal with are so pervasive and so fundamental that we literally require a complete rethinking and transformation of government policy, with science and technology at the centre of the government agenda.

I should like to touch briefly on some of the specific policy initiatives which the Canadian Government has brought forward, actions which underline its commitment to making technology and research and development national priorities. One of the federal Government's first tasks was to develop a national agenda for science and technology.

The Minister of State for Science and Technology (Mr. Oberle), and his colleagues, held major consultations with hundreds of individuals, groups, associations, and businesses across the country, as well as with other levels of Government. Up to the time that this Government took office, there had never been a meeting of federal and provincial science Ministers. Here we are, almost at the end of the 20th century, and successive Liberal Governments up to this point had not thought it worth while for Ministers at all levels to meet in order to deal with these fundamental issues. It is little wonder that this country fell so far behind other Western countries.

• (1330)

Last spring an historic national science and technology policy was signed by the federal territorial and provincial Ministers. Once again, Mr. Speaker, for the first time in our history we had a national science and technology policy. We had never as a country had such a policy, a shocking indictment of the previous Government. Through this agreement all regions of the country will work together to use science and technology to promote economic, social and regional development. The policy emphasizes that governments at all levels will work in partnership with business, universities and labour to encourage the widespread diffusion of technology throughout Canada. Every effort will be made to strengthen applied research and industrial innovation. Canadian industry will be encouraged to develop strategic technologies geared toward the manufacturing, service and natural resource sectors. Canadian universities will be supported in their efforts to turn out the highly qualified people we need to develop and work with the new technologies.

For the first time federal, provincial and territorial governments have committed themselves to promote entrepreneurial activity, to recognize how critical research and development are to our economic, social and cultural future and to set about removing the barriers to research, development and innovation in Canada. The national policy was the first instalment of the science and technology framework for action. The second was launched on March 24, 1987. Innovaction is a five-track strategy which focuses Canada's science and technology efforts in five critical areas; development of strategic technologies; industrial innovation and technology diffusion; effective management of federal science and technology resources; human resources for science and technology and, perhaps most important, public awareness in science and technology.

Under Innovaction, specific initiatives have been announced to strengthen key areas of science and technology where Canada's performance has historically been weak, and to build on areas of traditional Canadian strength. These initiatives have included a $97 million federal micro-electronics strategy, a technology diffusion policy and increased funding for a number of industry support programs which have been proven effective. Our Government has also taken concrete action to ensure that Canada remains on the leading edge of space technology. Just last month the Government announced that Canada would be participating in this space station project. Our participation in this project, the most significant international space project of this century and the largest international technology development project ever undertaken, is a measure of our technological maturity as a nation. The benefits that this initiative holds for all regions of Canada for our industries and universities are immense. We estimate that more than $5 billion in space and terrestrial spin-offs and 80,000 person years of employment will be realized in Canada over the next 15 years from the space station project. I daresay that even Hon. Members opposite would have to admit that this is a wise investment, an investment in excellence, an investment in our future.

May I say a word about the Canadian space agency which the Government has announced. It will be established to co-ordinate our activities in space. For perhaps the twelfth time my strong commitment is that the space agency be headquartered in the national capital region reflecting the truly national nature of Canada's space industry. Ottawa is not alone in having important space elements. Montreal is not alone in the excellence it has developed in the aerospace area. As I wrote in an article which appeared in Montreal's newspaper, *The Gazette* on March 31, 1987:

> Significant space related industries exist now in Vancouver, Toronto, Cambridge, Ontario, Saskatoon, Winnipeg and the National Capital region.

As well as Montreal. My article went on:

> The space program cannot be seen as the child of any region, without losing credibility with the rest of the country. Its headquarters must be located in politically or regionally neutral territory, so that the sub-contracting of some of its scientific facilities to the regions will not be subject to suspicions of regional favouritism.
>
> Canada does not need a single, regional centre of excellence in Montreal.

Or anywhere else for that matter:

> We need to make Canada a national centre of space science excellence. This means targeting all of our regional scientific resources to play a role in the development of our space program, and ensuring effective central scientific and political co-ordination of the program.

As I have said, working for and with all sectors of Canadian society, industry, universities, organized labour, researchers from the public and private sectors and young people is the cornerstone of our federal science and technology effort. It was one of the prime reasons for the National Conference on Technology and Innovation which the Prime Minister (Mr. Mulroney) hosted in Toronto this past January. I had the honour of attending that conference which brought together over 200 key decision makers from industry, universities and labour from across Canada.

Participants discussed some of the crucial challenges facing the economy as well as the ways in which we can take co-ordinated action to mount a truly national response to these challenges. I do not think I am being biased when I say that this event was a great success. I believe that most of the participants would agree with me when I say that the dialogue we forged in Toronto in January bodes well for the future.

As we speak, we are building on the consensus we achieved in Toronto and on the concerns and recommendations which were brought forward by the participants through a series of regional conferences. Regional conferences have already been held in Vancouver and Regina. The Atlantic regional conference is taking place today in Saint John and we will be convening conferences next week in Hamilton and two weeks from now in Montreal. These regional conferences have allowed more Canadians from all areas of the country to have input to this vital national dialogue. During January's national conference, the Prime Minister announced $1.3 billion in funding for new science and technology initiatives under the

Innovaction strategy. Our universities, I am pleased to say, will be the primary focus for these new funds. For example, we have already announced an $80 million National Scholarships Program to recognize and encourage our brightest young men and women to pursue studies in the sciences and engineering. We will also be establishing national networks of centres of excellence designed to support and enhance world class research in order to provide the scientific and technological base for our country's future long-term competitiveness.

Still on the subject of university research and training, the federal Government in the February, 1986, Budget introduced the first ever five-year financial plan for the granting councils totalling $3.4 billion over five years. This represents a $1.1 billion or a 50 per cent increase over the previous five-year period. A second announcement was made at the conference. While it did not receive the same volume of attention as the Prime Minister's announcement, it will likely have an even more pronounced impact on our future property as a nation.

The Minister for Science and Technology announced the launching of a $10 million national co-operative effort to increase public awareness about the importance of science and technology to Canada. This initiative will provide enhanced federal support for public awareness projects and activities undertaken by organizations outside of government. We will also be proceeding with a long-term national campaign involving governments, industry, educators and others to raise public awareness of science and technology.

Briefly, the Government's goal with respect to public awareness is to foster the development of a science culture in Canada. It is vitally important that we strengthen those cultural characteristics which can nourish the inquisitive mind the intellectual genius of our people.

• (1340)

More Canadians should be made aware of the significant accomplishments of our scientists, our engineers and our researchers. We also have to make more Canadians aware of the increasingly inexorable link between science and technology and economic growth and prosperity. Perhaps most important, we want to inform the young people and particularly young women of the opportunities offered by science and technology. We want to encourage them to study math and sciences and to make them aware of the exciting careers that they can pursue if they do so.

Having established a national policy and a federal strategy designed to improve our international competitiveness and create sustained economic growth and prosperity for Canada, the Government initiated a series of organizational measures to support and promote these developments. In February of last year, the Prime Minister chaired the first meeting of the National Advisory Board on Science and Technology, the first time in Canada that such a board has been chaired by a Prime Minister. The board, whose membership includes some of Canada's most eminent scientists, educators and industry and labour leaders, is assessing national goals and policies for science and technology and their application to Canada's economy.

We have established for the first time a council of science and technology Ministers to monitor the implementation of the new national policy and to continue consultations with Canada's science, technology and entrepreneurial communities.

As the House will know, yesterday the Government tabled legislation for the creation of a new Department of Industry, Science and Technology. The elevation of science and technology to a senior Department is yet another clear signal of the Government's priorities. The new Department will have the mandate to work toward a closer integration of Canadian industry with Canadian scientific knowledge and technological skills. Success in this regard will require a concerted effort with the business and science communities. One of the new Department's principal objectives will be to mobilize and to catalyse this effort.

Industry will come to see the new Department as its advocate with respect to other government Departments and agencies, whether we are talking about taxation policy as we are today or trade, resource development and regulations governing, for example, transportation or communications. The new Department will seek to ensure the efficiency of Canadian production processes, technological and managerial skill levels, availability of risk capital, access to markets and many other key issues in this all-important area of research and development.

Another key activity of the new Department of Industry, Science and Technology will be to foster the development of strategic technologies such as biotechnology, information technology and advanced materials. When talking about integrating science and industrial development, the strategic technologies are of particular importance. To this end, the Government will continue to pursue such vehicles as joint investments with firms and consortia, targeted research in government laboratories, international prospecting efforts and increased funding for the training of highly qualified personnel.

As a Member from the National Capital region, may I say a word about our national laboratories. Many of these laboratories were established over 100 years ago, and I think of the research being done at the Central Experimental Farm about which I asked a question in the House today as an excellent example of that. These laboratories have been contributing to the growth of science and technology in Canada for many, many years in an effective way. The scientists and researchers who work there are dedicated public servants who are enhancing our lifestyle and improving our national effort in science and technology. They need to work, in my opinion, in a closer way than they have in the past with the universities, community colleges and business. This is a part of the Government's effort in this area, building on the strength of those laboratories which are funded to the tune of $4.4 billion in the last fiscal year, while ensuring that the technology and ideas developed there are adapted and applied in the real world where they can create jobs and new opportunities.

All of us here are familiar with phrases like the information economy and the second industrial revolution. They are used in many obscure ways, but what they mean is quite simple. Science and technology no longer can play a minor supporting role in our society. Science and technology have become the key driving forces for social and economic growth. The task which confronts Canada in restructuring our economy, rethinking our attitudes and refitting our industries is immense. It presents all sectors of our economy and society with formidable challenges, and I can say with great pride that our Government's response to these challenges has been exemplary. Our track record in science and technology is commendable. It bodes well for the future of this great nation.

In closing, I again thank the Hon. Member for Laurier for giving me the opportunity to highlight some of the Government's significant accomplishments in science and technology.

Mr. Berger: Mr. Speaker, I thank the Hon. Member for his contribution to this debate today, and I would say as well that I have enjoyed working with him on the Research, Science and Technology Committee. I would point out to him that while it is indeed the first time there has been a Research, Science and Technology Committee, there was another committee of the House on which I served for a number of years which dealt with these issues. Therefore, the question was not totally ignored, as some people might conclude from the Hon. Member's comments.

I would have appreciated it if the Hon. Member had spoken to the motion a bit more than he did. By way of this motion, I have tried to raise some legitimate concerns which have been raised with me by people who are involved in research and development in Canada. I would have liked to have heard the Hon. Member's comments on that.

I realize that we do not always solve these problems through debate in the House, but my intention today was to put this on the agenda to indicate to the Government that we were indeed watching and that there is a concern about this. Hopefully, we will be able to see some further progress in addressing some of the concerns relating to tax support for research and development.

The Hon. Member indicated that the imperatives for science and technology would require a rethinking and transformation of the Government's agenda. I think I know what he has in mind. Certainly those people who are intimately familiar with science and technology and the rapid pace of technological change tell us very often that we in Canada lack an R and D culture. He referred to the need for enhanced public awareness.

I would remind the Hon. Member that John Evans, the President of Allelix, a company doing research in biotechnology in Toronto, spoke to the National Conference on Technology and Innovation in January. He said that if we are talking about developing an R and D culture, why should the Department of Finance be excluded. Indeed, the kind of concerns that Dr. Evans raised are the ones I tried to raise by way of the motion before the House this afternoon.

The Hon. Member talked about the national science and technology policy. I would suggest to him that a statement of objectives alone does not make a policy. The so-called policy that has been put forward by this Government is a laudable statement of objectives, but it is very difficult, in reading that policy, to conclude how the Government intends to go about reaching those objectives. That is what is really required to have a meaningful policy against which we can measure the Government's performance and indeed, the performance of the economy. I would also say that one important objective has not been committed to, and that is any kind of a spending target for R and D. I would like to ask him to comment on that.

• (1350)

I would remind him that the Leader of his Party, before taking office, committed his Government to doubling spending on research and development over the life of his first mandate. We know that has not happened. It has gone down. Not only that, there is no mention whatsoever of a target and we do not even know if the Government considers it a worth-while objective to try and raise spending to any particular level by 1990, 1992 or 1997. Does the Hon. Member regard that omission in the so-called national science and technology policy as a serious deficiency? Does he regard it as important that such an objective should be stated by the Government along with some kind of guideline so that we can judge the progress we are making? Does he not feel that in order to make this statement of objectives a true policy we need such a target?

I put it to him that all of the items he mentioned are worthy of mention. Before I go too far, some of them I would take issue with. He talked about the granting councils. I ask him to try and be accurate when he talks about a 50 per cent increase over the previous budget. He knows very well that the budgets of the granting councils have in effect been frozen and that even with the Government's contribution to match those of the private sector, the budgets of those councils will barely keep pace with inflation. Yesterday afternoon people from the Association of Universities and Colleges of Canada appeared before our committee and confirmed for the umpteenth time that that is the case. They talked about a decrease in purchasing power of the council's budgets since 1984 when the Government took office.

In any event, does he not consider, as a loyal Conservative if you will, that in business thinking we talk about a bottom line? There is a bottom line when it comes to R and D and that is the amount of spending as a percentage of the GNP. That is the common indicator used to compare the performance of one country versus another. If one goes by that bottom line, the Government, despite all its initiatives, has lead us in the wrong direction. We have moved backward in R and D spending since the last election. We have not increased scientific activity and spending on research and development.

Mr. Daubney: Mr. Speaker, I thank the Hon. Member for his series of questions. I wrote down about eight of them and I doubt that in the few minutes I have available I will be able to deal with them all. However, I will deal with them quickly in the order in which he raised them.

He referred to a previous committee of this House which dealt with these issues. I was also a member of the Standing Committee on Miscellaneous Estimates and, as the name implies, it was a grab-bag or catch-all committee which dealt with about 19 government agencies or Departments as I recall. It was a very disparate group of agencies which previous Governments felt did not justify their own committees. That meant we would meet perhaps once or twice a year to deal with key issues such as the estimates of the National Research Council and other agencies. That just was not good enough and I am delighted and proud that our Government recognized that and finally addressed the issue by creating this agency two and a half years ago.

The Hon. Member was concerned that I had not spoken to the motion. Let me say a few words about R and D from a tax point of view. I remind him and the House that prior to 1985 only scientific research was allowed for tax consideration, leaving aside the terrible boondoggle involved in the SRTC scam which robbed the national Treasury and taxpayers of billions of dollars. We are still counting the losses. That set back the whole process immeasurably, I am afraid. Leaving that aside, it was only in the 1985 Budget introduced by this Government that we added experimental development to the definition of research for tax purposes. That is a significant increase in the scope of eligible expenses for tax consideration. Our committee played a role in that.

I remind him that I and other members of the committee got together with the Deputy Minister of National Revenue and people like the Canadian Advanced Technology Association and, under parliamentary reform, we were able to get the kind of changes which have improved the tax situation for our high-tech firms. In fact, the level of R and D spending through the tax system is higher in Canada than in most other OECD countries. That level has increased significantly over the last four years. A number of international companies have looked to our tax system as one which encourages research and development. That is not to say it is perfect or that some of us would not like to see further changes.

Another area where I have fought a number of battles on behalf of firms in my riding concerns what in my view has been a slow process in the Department of National Revenue in getting tax audits of scientific research and development spending so that these credits can be approved and put into the hands of the companies so they can do the new research they want to do. I am pleased to say as a result of pressure from myself and other Members, the Government announced on April 11 a process to expedite refunds for research and development claimants.

Let me talk about this culture, which was the next issue the Hon. Member raised. I am very excited about the public awareness program because to me this country needs to be made aware in a popular way, perhaps through a program similar to Participaction which was so successful in the fitness area, of just how fundamental these issues are to our growth as a country. One of the really exciting things to me about free trade is it is going to force Canada to think more about research and development issues. Free trade is all about competitiveness and productivity. R and D is a key to attaining both those objectives without which we are destined to be, and would have been had we followed the thinking of the previous Government and the NDP, definitely in the ranks of Third World countries at the turn of the century. Free trade will force us to do a lot more R and D and be more focused in our management and spending in this area. That in itself will contribute, I am confident, to this science culture that we have to cultivate in Canada.

I see my time has expired, Mr. Speaker.

Mr. Deputy Speaker: Resuming debate.

Mr. Simon de Jong (Regina East): Mr. Speaker, I, too, wish to compliment the Hon. Member for Laurier (Mr. Berger) on introducing this motion today. It is important because the question of R and D and technological innovation goes to the heart of the well-being of our country and its future. All Members who have spoken in the debate this afternoon have emphasized the importance of research and development to the nation's future. Indeed, all Members agree on the importance of research and development.

• (1400)

Statistics show that investment in research and development guarantees more employment per dollar than any other form of investment. A study conducted by the Ministry of State for Science and Technology showed an employment growth rate 2.3 times higher than that of industries classified as performing no research. Those research-intensive industries showed a 66.5 per cent higher rate of real output. The study also showed that these industries had a 43 per cent increase in productivity and a 57 per cent slower rate in price increases.

As this and many other studies indicate, the greater the research and development, the greater the increase in productivity and job opportunities. As well, there is a substantially lower increase in cost of products produced than in industries that do not carry out research and development.

There is another dimension to research which has not been mentioned in this debate. I believe all Members will also agree that research and development also leads to a growth in human knowledge which, in itself, is an important goal. It is important that Canadians participate in this tremendous explosion of knowledge in the 20th century.

I recall listening to the famous futurologist, Buckminster Fuller, addressing a conference in which he stated that 90 per cent of all the important discoveries that have occurred in the history of the human race were made in his lifetime. There has been a tremendous acceleration in human discoveries and knowledge in almost every field which has made life so different than ever before.

Canadians are proud that there have been some very significant Canadian contributions to this growth of knowledge. Concern has also been expressed that we are not doing enough to ensure that Canadians continue to be involved in the growth of knowledge from which the Canadian economy and our way of life can benefit.

Let me emphasize that research does not only involve industrial benefits, but involves human benefits as well. An increase of human knowledge increases not only our philosophic understanding but our understanding of the universe. Increased knowledge will provide a better understanding of medicine so that we can alleviate sickness. An increase in knowledge and understanding allows us to manage our environment and reduce environmental risks. In short, knowledge in its fullest sense can contribute to the well-being of our way of life.

In a debate such as this we must also discuss the record of the present Government. I think it is fair to say that when the Government was elected in 1984 there was a fair amount of optimism and hope among scientists and the research community in Canada. After all, in his book *Where I Stand*, the Prime Minister (Mr. Mulroney) devoted much importance to increasing research and development. He pointed out that the goal of a Conservative Government would be to increase research and development in this country substantially. He wrote: "Even if Canada does reach the goal of 1.5 per cent of the Gross National Product by 1985 we will still lag behind other countries. In fact, if the U.S. effort were to stand still as of today, American R and D spending will be 14 times Canada's". He went on to propose that R and D under a Conservative Government should reach 2.5 per cent of the Gross Domestic Product.

The Prime Minister was right in his criticism of Canada's record on research and development. Compared to all other industrialized countries, Canada spent just a little more than Australia and Spain. In 1986, the last year for which figures are available, Canada spent 1.35 per cent of its Gross Domestic Product on research and development.

Let us compare that to the largest 12 OECD economies. In the United States, 2.89 per cent of its Gross Domestic Product went to research and development; Japan, 2.81 per cent; Sweden 2.79 per cent; Germany, 2.66 per cent; France, 2.38; United Kingdom, 2.33 per cent; Switzerland, 2.28 per cent; Netherlands, 2.06 per cent; Italy, 1.47 per cent; Australia, 1.14 per cent and Spain, 0.48 per cent. Canada did a little better than Australia and Spain.

The statistics show that we do not have a good track record in terms of what we spend on research and development as a percentage of our Gross Domestic Product.

This situation existed for years under the Liberal Government. Following the 1980 election I had the privilege of serving as the spokesperson for my Party on the Committee dealing with research and development and science and technology. There were many committee meetings in which we heard from the heads of granting agencies, the head of the National Research Council, from representatives of industry and universities as well as the scientific community. All were bemoaning the fact that there was insufficient funding.

They stated that Canada was losing its scientists and universities were unable to buy proper equipment or provide enough scholarships to keep graduate students at home. They stated that we were missing out on the growth of research and development and the job opportunities that it entailed.

We tried to get a permanent committee to deal with research and development. Even though we got the lip service from the Ministers, we never really did get any action. I must commend the present Government for at least establishing a permanent Standing Committee to deal with research and development. It is an important step in the right direction. However, I think government Members would have to admit that the Government's record is not quite what I think they intended or hoped it would be at the beginning of its term. I think it is true to say that we have not come close to the goal of 2.5 per cent goal of our gross domestic product going to research and development. The fact is that even though we have increased marginally since the Conservatives were elected, we are still at far less than the original goal.

• (1410)

One other area where I think we have really missed out, and the present Government is as bad as the previous Government, is the funding of the Social Sciences and the Humanities Research Council. Doing the research is one part of a process, doing the innovation is the second part which surely must be considered in devising a national strategy. We can do all the research we want, but unless we have a strategy that will help with the innovation of the newer technologies, we are going to miss the boat. That is why the Social Sciences and the Humanities Research Council must play an important role.

Unfortunately, funding for that granting agency has been significantly reduced under this Government. I must say that I find that extremely regrettable living in this day and age, an age of many changes, not just technological changes but economic changes, psychological changes and cultural changes. Surely the Social Sciences and the Humanities Research Council must play a pivitol role in allowing our society to adjust to the changes going on all around us. Cutbacks to the funding of that agency, I think, is a regressive step.

There is another area I would like to raise in this debate because I do not believe Hon. Members have made this point. Why is it we have so much less investment and expenditure in research and development than other countries? Why are our industries, in particular, investing less than other countries? I agee with government Members when they say it is not just up to the Government to increase the R and D expenditures. Industry must play a role. The Lamontagne committee, a number of years ago, pointed out part of the problem. The study by the Ministry of Industry, Trade and Technology in Ontario, printed in 1988, also points to the same problem. The major reason industry in Canada has such a low commitment to R and D is because most of our industry are branch plants. Branch plants do not do their research and development in Canada. They do their research and development at home, mainly in the United States. When we compare the amount of research done by Canadian-owned firms, we find that in many fields it is comparable to the research and development done by those same firms in in the United States.

Let me put on record some of the statistics the Ontario study came up with. For example, in business machines, the amount of R and D in the United States is 11.8 per cent. In Canada, it is 1.5 per cent. But Canadian controlled companies do 8 per cent while foreign controlled companies only do 1.3 per cent. In other machinery, in the United States it is 2.1 per cent, in Canada it is 0.9 per cent but Canadian-controlled companies do 1.1 per cent whereas foreign-controlled companies do 0.7 per cent.

In aircraft and parts, 11.4 per cent of the total outlays in the U.S. is devoted to R and D. In Canada it is 10.2 per cent, but Canadian controlled companies have a 19 per cent rate, whereas foreign controlled companies in Canada have only 5.2 per cent. It is the same in communications and equipment and drugs and medicine. The Canadian average is 4.7 per cent. Canadian controlled companies do 7.5 per cent, whereas foreign controlled companies do 3.5 per cent. It is the same situation with other chemicals. Canadian controlled companies do 2.6 per cent, whereas foreign controlled companies do 0.7 per cent, and the list goes on.

This table demonstrates that it is Canadian controlled and owned companies that are doing the industrial research and development in Canada, whereas the multinationals, the branch plants, do not do any at all. That is the major reason we have such a low R and D expenditure in Canada. The foreign controlled companies are not doing their fair share. It makes sense that a multinational corporation will have its research and development done in its home country rather than in countries like Canada.

To achieve our goal of 2.5 per cent of our gross domestic product going to research and development—and I think all Parties and all Hon. Members agree with that goal—is not a simple problem. Again, I agree with government Members when they state that just throwing money at it is not going to solve the problem. It is important and we are going to need money and we are going to need a public commitment. But it also requires intelligence to ensure that the public money we will invest, whether it is through tax incentives or direct grants, is fine tuned and directed so it is not wasted, so it goes to a group of winners that can support a broader industrial strategy.

We must use intelligence and husbanding of our scarce resources, in this case, money, to ensure that we get the maximum benefits from our investment in R and D. Such a strategy requires the co-operation and the working together of the public sector, that is, Government and universities, provincial Governments as well as federal Governments, industry, and I should also add labour.

One of the models we could look at that is very successful in research and development is the Scandinavian countries. These countries involve labour. In Denmark and Sweden there are labour contracts where the unions insist that management introduce new techologies. The trade union movement is in the forefront of technology change in those two countries. The reason is that the working men and women in the Scandanavian countries recognize that if there is technological change, there is also a social net. If a newer technology does away with a job, they know they will not lose the mortgage. They know they will be retrained. They know they will get another job.

In such an atmosphere you find that the labour movement fully participates in technological innovation. It has many important contributions to make. It is the person on the shop floor who will know how best to use the equipment to get the most out of the new machines. Very often, as the Swedes have shown, it is not the individuals making decisions in the management office, but the individuals on the shop floor who, in most cases, get the most out of the new machines being introduced into the firm.

It is a model of co-operation. It is a model of working together. We can take our scientists who are working at the universities or in the labs of companies and put them together with the trade union movements, the workers, and the public sector and co-ordinate them. Such models also exist in Japan and in Germany. In fact, such models exist in the more successful industries in Canada.

• (1420)

I know the Government has tried to bring some of these pieces together. However, to be honest, the Government has to admit that it has not succeeded. It has not created a critical mass that has brought all the actors together so that we have a strategy and so that our money, our energies and efforts are also focused. If the Government had done that we could claim that Canada is in the forefront of technological discoveries, innovations and development. Instead, I am afraid we remain behind. We are followers rather than innovators. Unfortunately, the Government has not lived up to the expectations, the hopes and promises that existed in 1984.

I find this not from a partisan point of view but as a Canadian unfortunate. We missed an opportunity here. As so often happens, opportunities do not come again and again. Hopefully, at some future date we will have an opportunity to bring all the elements together so that we can have a policy that is focused and which can indeed make a major contribution to the well-being of our country.

Mr. Berger: Mr. Speaker, I want to thank the Hon. Member for his intervention in this debate. I listened with interest to his remarks, in particular when he referred to the contribution of the social sciences and humanities. Our committee yesterday afternoon met with representatives of the Social Science Federation of Canada. We were talking about the new Centres of Excellence Program.

There is concern that while, nominally, the Government says that research and the social sciences is not excluded from the Centres of Excellence Program, as medical research is not excluded from the program, the actual fine print will mean that no proposal from the social sciences field will be entertained. There was a criterion in the Ontario program which required industrial support, industrial funding for any Centres of Excellence project to go forward. As the Hon. Member knows, this in some cases may prove to be an insurmountable obstacle to a project involving the social sciences because of the dearth of private sector companies which are willing to contribute to research in that area. I do not think that it is out of the realm of possibility that some such support could be developed in the future.

A related obstacle is the provisions of the Income Tax Act which the Hon. Member referred to, if I am not mistaken. Therefore, for this Centres of Excellence Program to include the social sciences and to cover that field of endeavour, it will be necessary to pay close attention to the criteria as they are developed by the Government. It will be incumbent upon the Government to make some consequential changes, or this long awaited change to the Income Tax Act which will ensure that indeed there can be individual or corporate contributions to research in the social sciences, otherwise the Government's statement that social sciences are not excluded is meaningless.

Mr. de Jong: Mr. Speaker, I thank the Hon. Member for his question. It is a problem that the social sciences face.

I am part of the Finance Committee and was instrumental in getting it to make a recommendation, which was unanimously approved, to ask the Minister of Finance (Mr. Wilson) to change the definition of science in order to broaden it. It was suggested that it should allow some of the work that is done by the social sciences and the humanities people to be included, therefore to become eligible for some types of tax credits and similar treatment. The Department of Finance is a little unwilling to do that, and in some ways understandably so. By opening up the definition, we open up the possibilities of abuse.

For example, is motivational research which results in a different type of packaging proper research? In terms of the social sciences, motivational research is a legitimate form of research. Can what a firm spends on advertising be stuck in and be claimed to be part of legitimate research? It is a problem that I understand people in the Department of Finance have. Part of the difficulty I have in dealing with scientific research under a tax regime is that we come up against these definitions, thus opening the door to abuse.

Hon. Members have mentioned the Lalonde boondoggle which was supposed to have cost around $100 million and which ended up costing $2.5 billion. While Conservative Members point this out, I hasten also to point out that one-third of the $2.5 billion lost in tax revenues occurred when the Conservatives took office. They recognized that it was a scam. In October they tried to put a halt to it but they grandfathered it instead. This meant that if two people had an agreement written on the back of an envelope then it was still a valid agreement. The Government allowed whatever deals were made to continue until finally in May, 1985, it became too much and it shut the program down.

The whole effort by Mr. Lalonde illustrates how easy it is to abuse the tax system. Programs really have to be very well defined. Because of that the social sciences and the humanities have suffered.

The initiative of the Government to act through the income tax system as a way of boosting R and D expenditures is not the appropriate way for the social sciences to receive increased funding for the Social Sciences and Humanities Council. They must go much more into a direct granting system. Unfortunately, the government policy, both with respect to the Centres of Excellence Program and by using the income tax system, as a means of getting more R and D investment will invariably hurt the humanities and the social sciences.

[*Translation*]

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I welcome the opportunity this afternoon to take part in the debate on the motion tabled by my colleague, the Hon. Member for Laurier (Mr. Berger).

First of all, I would like to congratulate the Hon. Member on the admirable motion he moved in the House today. It is, of course, a motion to condemn the Government for failing to provide adequate non-tax support for research operations.

Mr. Speaker, I think it is important to recall the promises and commitments made by the present Prime Minister (Mr. Mulroney) as Leader of the Conservative Party, before he became Prime Minister of this country, because, as all Canadians are aware, the Prime Minister made a habit of promising just about anything . . .

Mr. Berger: The moon!

Mr. Boudria: Yes, the moon, as the Hon. Member for Laurier (Mr. Berger) just said. The Prime Minister promised the moon to just about anyone who would listen, before he became Prime Minister.

I have here a collection of all the promises made by the Conservative Party. We note the promise made by the present Prime Minister on March 2, 1984, when he said, and I quote:

"We will double our common national commitment to research and development during our first term. This will create hundreds of thousands of jobs and produce billions of dollars' worth of new sales for Canada, on an annual basis".

The Prime Minister, who was Leader of the Opposition at the time, made this promise on March 22, 1984, when he spoke to the Montreal Chamber of Commerce. I know it isn't fair to quote the Prime Minister verbatim, Mr. Speaker, and I am sorry I should have to do so. However, Canadians have a right to hear this, and as the Official Opposition, we have a duty to remind Canadians of the commitments made by the Progressive Conservative Party.

Now, what has happened since? Before the 1984 election, the previous Government spent or invested 1.5 per cent of GNP for research and development. Since the Progressive Conservative Party came to power, this percentage has dropped and is now only 1.3 per cent.

So, remember the promise the Prime Minister made in 1984, and I will get back to the Prime Minister's promises later on. You already know what has happened since the present Government came to power.

• (1430)

[*English*]

In the unlikely event, Mr. Speaker, that you think me partisan—and I know that that is probably the furthest thing from your mind—let me present you with some evidence of the fact that I am not the only one who takes the position that this Government is not doing a good job in the area of research and development. For that matter, it has not been doing a good job in any other area, either.

Restricting myself to research and development for the moment, in addition to my view and that of the Hon. Member for Laurier in respect of this Government's lack of effort in terms of research and development, we also have the view of the Canadian Manufacturers' Association, as set out in a discussion paper published in February of 1986. The document is entitled: "Improving our Industrial Competitiveness: A Science Policy for Canada". One could certainly not consider the Canadian Manufacturers' Association to be a partisan group. It is a totally independent group.

At page 17 of the publication in question is a table showing tax and non-tax government support for industrial R and D as a percentage of R and D performed in industry. The table sets out what various countries do in terms of government tax support and non-tax support as a percentage of total industrial R and D.

In the United States, the table shows that 33 per cent is funded through non-tax support means and 7 per cent via tax support means, for an over-all grand total in terms of government support of 40 per cent. When the table speaks of non-tax support, it has reference to government grants or other incentives, including government procurement.

For the Federal Republic of Germany, the figure is 18 per cent for non-tax support and 6 per cent for tax support, for a total of 24 per cent. For France, it is 22 per cent and 7 per cent respectively, for a grand total of 29 per cent. For Canada, it is 12 per cent and 8 per cent, for a total of 20 per cent; and for the United Kingdom, 29 per cent and 8 per cent for the same respective categories, for a total of 37 per cent.

In terms of that group of countries, Canada is clearly last in terms of government support for research and development. These are not my figures. These are figures which come from the Canadian Manufacturers' Association, as set out in a discussion paper provided to Members of Parliament in February of 1986.

We have no reason to believe that there has been any substantial improvement since. That same level of funding continues to be the case. In fact, one could argue that it has become worse, or it will get worse with the passage of time.

Several prominent Canadians have indicated to us that, with the Government's tax reform program, investments in the area of R and D will diminish. I readily admit that using tax vehicles to fund research and development has its drawbacks. We are all aware of what happened with the Scientific Research Tax Credit.

We know that some people rejoice when certain tax incentives are discontinued. Without naming anyone, those of that view sit to my left in the House, and they are sometimes known, collectively, as the "not-so-new" New Democratic Party. Members of that Party sometimes rejoice when tax incentives are removed, only to end up, a few days later, asking questions in the House as to why the Government cancelled an incentive that they were asking be cancelled. However, I will let the NDP worry about the effect of their changing their policies mid-stream on the same issue.

Mr. Turner (Ottawa—Carleton): They are confused.

Mr. Boudria: The Hon. Member across the way says that they are confused. I suppose they are. Otherwise they would not belong to the New Democratic Party to start with.

In coming back to the use of tax vehicles and how they can be beneficial in the area of research and development, I should like to bring to the attention of the House the views of Mr. Jean de Grandpré, Chairman of Bell Canada Enterprises, as reported in the April 1988 *Report on Business Magazine*.

Certainly Mr. de Grandpré is not one who spends his time looking for issues to assist the Opposition; rather, he spends his time for the benefit of the corporation for which he works. But listen to what he had to say about Ottawa's new tax reform. I quote:

> The politicians "are all saying the same thing, that we have to have more research and development capacity in Canada, that the future of this country rests on high-technology products." Yet Ottawa's new tax reform package would reduce the tax breaks for R & D. That, he says, amply demonstrates that politicians "don't understand how the game is played." And he's quite willing to tell you what he's doing about it.

The article goes on as follows:

> And there is a threat. If the government reduces the tax breaks, de Grandpré says his company will do its research in some other country and take away several hundred well-paid jobs from Bell-Northern Research, the largest private R&D facility in Canada. "The Canadians who are graduating from our universities are going to walk over to BNR and say, "Can I have a job", and we'll say "Sorry, but we're not expanding our R&D facilities in Canada." And they'll say "Why?" "Well, because the government has introduced this stupid piece of legislation."

• (1440)

That is Jean de Grandpré speaking. That is not the opposition Member from Glengarry—Prescott—Russell who may be slightly partisan from time to time.

Mr. Turner (Ottawa—Carleton): Never.

Mr. Boudria: I am getting reactions from the other side of the House, Mr. Speaker. I am glad that I am keeping Members awake on this Friday afternoon. It is important for all of us to remember what the head of the largest research and development company in our nation is saying. We are cutting from underneath him what has been effective in the past.

The Government is promising to increase R & D. I read a while ago a promise made by the Conservative Party which came from the great book of 338 Tory promises, which I happen to have right here, Mr. Speaker. If any Canadian wants a copy of it, anyone can write to me, no postage stamp is necessary, and I will gladly send it out. I may have said that before but it is always nice to make the offer again.

I want to refer to other promises made by the Government. I read promise number one a while ago which had to do with increasing research and development to 2.5 per cent of GNP. The Government reduced it, so there went that promise. The second promise is to change and simplify the tax system—listen to this folks across the way—"to strengthen the capital base of Canadian companies and provide greater incentives for private sector investment". Do you hear that, Mr. Speaker? The Prime Minister (Mr. Mulroney) promised this. Because the Prime Minister always tells the truth, I figured this would happen, but that is not what Mr. de Grandpré said. He said that we are not expanding our R & D facilities in Canada because the Government has introduced its stupid piece of legislation. That does not seem to coincide too much with the promise made by the Prime Minister. It is important for us to remember that.

I have another document here called *Research and Development Impacts of Corporate Income Tax Reform* by Kenneth D. Hart, principal research associate to the Conference Board of Canada. It is a manuscript report prepared for the Science Council of Canada. The document talks about the effect of some of these tax reform measures on research and development. Here is one effect. The proposed new $46 million research complex in Calgary may not proceed or will be significantly downsized. I say to my Conservative colleagues from Calgary that this is almost enough to make a Member of Parliament from Calgary not want to run again. If I were a Tory from Calgary I would not run again, having heard what the Government is doing to my city.

Mrs. Mailly: Jealousy will get you nowhere.

Mr. Boudria: I do not wish that I were a Tory, Mr. Speaker. Believe me, that is one thing I do not wish.

Mrs. Mailly: Especially, in Calgary.

Mr. Boudria: That is a fate worse than death.

The next item is migration of research and development projects out of Canada over the next two years by large international companies, cancellation of long-term R & D projects which proposed building new buildings, reduction of new projects which would involve increased requirements for work space because of losing its ITC on base cash.

Mr. Turner (Ottawa—Carleton): Shameful.

Mr. Boudria: Shameful, as the Hon. Member for Ottawa—Carleton (Mr. Turner) says. I want to say to the temporary Member for Ottawa—Carleton that this is prepared for the Science Council of Canada by the Conference Board of Canada. Again these are not partisan groups which know very objectively—

Mr. Turner (Ottawa—Carleton): I worked there.

Mr. Boudria: Yes, the Member says he worked there. He knows that these are very credible remarks. He surely realizes what the Conservative Government is doing to research and development in Canada. I hope he has that intestinal fortitude required to twist the arms of the Minister of Finance (Mr. Wilson) and can tell him to scrap that tax reform proposal or at least change it in such a way that it will not have the ruinous effect on research and development that it has now.

Mr. Turner (Ottawa—Carleton): Talk about free trade.

Mr. Boudria: The Member says talk about free trade. I do not know what the Member intends about trade in the area of research and development. But I say to him that with some of the provisions of the free trade agreement, we as Canadians will be less able to encourage government purchases and many other purchases from the private sector giving preferential treatment to Canadian companies and we will thereby decrease opportunities and decrease encouragement to those same companies to invest in R & D. We got nothing reciprocal in that area. I say to the Hon. Member for Ottawa—Carleton that he should know of several restrictive measures in the United States in defence procurement and so on which deliberately encourage United States research. There is no parallel here. Whatever little bit we had we gave away in the Prime Minister's trade deal. That is the sad reality.

The Government is saying it is doing all kinds of nice things. It produces nice brochures. I have to compliment the printer. There is always a nice picture of a Minister in them. There is one here of the Minister of State for Science and Technology (Mr. Oberle). It is a beautiful pamphlet. I do not know what it is supposed to do. It is glossy in any case. Maybe it encourages research and development in the printing industry for the people who produce the reports. I have another pamphlet here called National Science and Technology policy. There is not much policy in it but it has lots of printing. It is a little science and technology kind of document. You could actually make a placemat out of it, it is so neat. But it does not contain anything. It is a sort of charter of economic sell-out, I guess. I really do not know what it is but it does not do anything that would encourage research and development in Canada.

I want to talk about the flow-through shares provisions that were altered in the last Budget and, of course, in the tax reform proposal as well. There is a company in my constituency which installs low head hydro generating stations. These are installed in northern Ontario and elsewhere. It is a good industry, a new one, which developed with these tax incentives. It has mini-hydro generating stations which are plugged into the grid in my Province of Ontario. They delay construction of such megaprojects as nuclear stations and so on. They provide good jobs. These stations are generally 50 megawatts or less. They are small hydraulic plants. Things have been going fairly well. A company in Toronto did the research, manufacturing and development of these mini stations and this company in my constituency had been installing them. Both of them are seriously threatened. As a matter of fact both companies may actually go down the tube. Here was a Canadian industry with research done in Canada, development done here and so on. Now it is all gone or it will be if the Minister does not do anything. I wrote to the Minister of Finance. He wrote a two page letter to me dated April 22, 1988 in which he described all the different deductions and so on. He never said he would change anything or assist this industry which had been thriving until the Government stepped in and made a mess of it.

• (1450)

[*Translation*]

In concluding, I would like to congratulate the Hon. Member for Laurier (Mr. Berger) for deciding to remind Canadians of the fact that this Government has unfortunately failed to remember or deliberately chosen to forget its promises to the Canadian people. However, Mr. Speaker, there is still time. I hope the Government will take today's message to heart and take immediate action to increase research and development in this country.

Mrs. Mailly: Mr. Speaker, I had the good fortune to write Mr. de Grandpré's speeches when he was executive vice-president for Bell Canada's Eastern Region and I must tell you that the language he used then was very different from the expression that the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) seems to have given us today. I do not know why Mr. de Grandpré is frustrated, but I must tell him that when I wrote his speeches, what frustrated him most was the wastefulness of the Liberal Government of the time and also the very little research and development that were done precisely because of the total anarchy in Canada's development and science and technology policies. That is a personal comment.

I would also like to quote a document. It is a thesis prepared by . . .

[*English*]

—the Department of Communications of the Simon Fraser University, who said exactly the same thing that Mr. de Grandpré said in 1971 and in 1972 when I was working for him and writing his speeches. The paper is entitled *Policy anarchy*, Industry, technology and the political agenda in Canada; the case of government support for R & D.

Mr. Leiss makes it very, very clear that this anarchy has existed since 1947 and it came to an ugly apex in 1983 under the SRTC. In his document, he quotes the Auditor General talking about R and D expenditures being out of control, but he also adds that outstanding disagreements about the meaning of the basic components of R & D activities as well as the habitual avoidance by many participants in the ongoing debate of any mention of evaluation criteria are in part the logical outcome of two decades of R & D policy anarchy.

He makes it very clear that this is a problem that existed for a long time. He also makes it very clear that something had to be done, and in that piece, he congratulates Revenue Canada for the way it has handled this absolute necessity of finding some clear evaluation criteria for these programs.

He says it is such a pity that so much money was wasted when it was required for our development, and he says also that the frequent changes in tax incentives make the task of evaluation almost impossible to perform, since various provisions are not in place long enough for meaningful comparison with R and D performance to occur. He says that this is even supposing that adequate data is being collected or analysed, and this is why, in his article, he congratulates Revenue Canada for coming up with a structure that allows for such a good analysis. He refers, for instance, to the fact that for the first time in Canadian history, there is consultation with scientists in a structured way, analysing the tax incentives which are given in these programs.

[*Translation*]

Furthermore, Mr. Speaker, I would also like to point out to my hon. colleague that when he talks about election promises, one of them was to clean up government finances, and I believe that we have done so. Indeed, the policy of grants and assistance for research and development was changed precisely to fulfil this election promise of making our programs more effective and of restoring our public finances to health. For example, when the Minister of Finance (Mr. Wilson) announced changes in May 1985, he talked about encouraging investment through tax credits that would be particularly beneficial for private companies controlled by Canadians.

So rather than burying his head in the sand and shouting that the nasty Americans are coming to take everything, he should remember one thing: we cleaned up the finances and solved the problems we had in that regard. We are now solving the problems of program effectiveness; besides, I have just come back today from a press conference held by a multinational in my riding that has invested $130 million over five years. Two hundred employees work for Erco in Buckingham, so it represents an investment of $65,000 per employee. I do not see why he is trying to pass his crazy ideas on to us this afternoon. It is always the same story. It is a tale of fear and exaggeration and it will do nothing to help Canada's development. Quite the contrary! Properly applied policies, such as those to clean up the public finances and those for research and development that are not based on wishful thinking, percentages tossed around at random—we really have to know whether we get results. And considering that a billion dollars has already been invested thanks to the existing R & D policy, I think that . . .

[*English*]

The proof is in the pudding.

Mr. Boudria: Mr. Speaker, no, the proof is not in the pudding, or at least not in the pudding that the Hon. Member is trying to make us eat here today. The proof of the pudding is in the eating, as my colleague from Laurier so eloquently says.

I was talking about the comments of Mr. de Grandpré on the Minister's recent tax reform. That did not exist 20 years ago, though the Hon. Member can try to make us believe that.

Let me read some of those comments again. I kind of like reading them. The article reads:

> Yet Ottawa's new tax reform package would reduce the tax breaks for R & D. That, he says, amply demonstrates that politicians "don't understand how the game is played."

When someone asks Mr. de Grandpré if he could have a job, he will say: "Sorry, but we're not expanding our R and D facilities in Canada". He'll ask why, and the answer is: "Well, because the Government, this Government, has introduced this stupid piece of legislation". That refers to this present Government's tax reform package, not the package of 1969, 1972 or 1947. It is not the package of 1931 or any of those other years before I was born. This is something that is going on right now. This is the April 1988 edition of the *Report on Business* magazine, an interview with Mr. Jean de Grandpré.

The Hon. Member says that we are fear-mongering. She thinks that my comments are a tad partisan. That is okay, as unrealistic as that proposition may be. However, surely she cannot say the same thing about the Conference Board of Canada which has prepared a serious document on Research and Development entitled *Research and Development Impacts of Corporate Income Tax Reform*, and it dealt with all these cancellations in construction facilities, one of them which is right in Calgary. I see that an Hon. Member from Calgary is over there.

Mrs. Mailly: What year?

Mr. Boudria: This document was presented in December of 1987. It was made in response to the Government's tax reform package, not by me or by one of my caucus colleagues but by the Research and Development section of the Conference Board of Canada.

Mr. Gagnon: Mr. Speaker, I noted that the Hon. Member for Glengarry—Prescott—Russell (Mr. Boudria) attributed to me motives for not seeking the nomination and not running in the next election. The motives he implied are totally false.

If the truth be known, I am tired of listening to the drivel, the half-truths and the misstatements of people like the Hon. Member for Glengarry—Prescott—Russell. Furthermore, if Amnesty International or any impartial body were to sit here and listen to this sort of thing, they would call it cruel and unusual punishment.

Mr. Boudria: Mr. Speaker, I know that it is hard to take. If I were a Tory, perhaps I would have a hard time taking it too. However, I have the good fortune of not being a Tory, thank God for that. The reports I was citing today are indeed very credible reports, and I say that it is time this Government smartened up.

Mr. Deputy Speaker: It being three o'clock, it is my duty to inform the House that pursuant to Standing Order 82(12), the proceedings on the motion have expired.

This House stands adjourned until Monday next at 11 o'clock a.m., pursuant to Standing Order 3(1).

The House adjourned at 3 p.m..

HOUSE OF COMMONS

Monday, May 16, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

PARLIAMENTARY GROUP ON HAITI

TABLING OF AD HOC COMMITTEE REPORT

Mr. Jean-Guy Hudon (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, on behalf of the Secretary of State for External Affairs (Mr. Clark), I wish to table, in both official languages, the Report of the Parliamentary Group on Haiti, a report produced by the committee appointed by the Secretary of State on January 26 this year. The report is unanimous, and the committee included, in addition to myself as chairman, the Members for Windsor—Walkerville (Mr. McCurdy), Papineau (Mr. Ouellet), Chicoutimi (Mr. Harvey) and Saint-Boniface (Mr. Duguay).

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

* * *

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour of tabling, in both official languages, the Government's response to eight petitions numbered as follows: 332-4281 to 332-4283, inclusive; 332-4340, 332-4342, 332-4343, 332-4345 and 332-4347.

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

[*English*]

PETITION

OPPOSITION TO CANADA-U.S.S.R. AGREEMENT—EVIDENCE ON ALLEGED WAR CRIMINALS

Mr. Andrew Witer (Parkdale—High Park): Mr. Speaker, it is my privilege to present to the House today a petition on behalf of Canadians from Vancouver who oppose the Memorandum of Agreement signed between Canada and the U.S.S.R. dealing with the gathering of evidence on alleged war criminals on the basis that the agreement pertains only to Nazi war criminals and not to all war criminals, contrary to what the Government promised in its response to the report of the Deschênes Commission of Inquiry. The petitioners call upon the Government to renegotiate the agreement to reflect the prosecution of all war criminals, and I add my strong support to their petition.

* * *

• (1110)

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following question will be answered today: Question No. 316.

The Acting Speaker (Mrs. Champagne): The question as enumerated by the Parliamentary Secretary has been answered.

[*Text*]

UI—ADVERTISING OF RULES AND REGULATIONS

Question No. 316—**Mr. Young:**

Does the Government spend any money on advertising the rules and regulations pertaining to applying for unemployment insurance and, if so, on average, in what amount per year?

Hon. Barbara McDougall (Minister of Employment and Immigration): While the government does not spend money to "advertise" UI rules and regulations it does have an extensive public awareness strategy to inform UI claimants, employers and the general public about the UI program. The strategy consists of both audio-visual presentations and print material.

The 1988-1989 budget for this strategy is $2.9 million which includes the production of brochures, information sheets,

posters and inserts on the UI program for approximately three million UI claimants and the general public; a yearly direct mail campaign of the Record of Employment Guide to close to 700,000 employers; and the production of three audio-visual presentations for claimants, employers and the general public on the UI program.

In addition to the above strategy, all people have access to the UI Act and regulations at any Canada Employment Centre.

[*English*]

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—CANADA-U.S. FREE TRADE AGREEMENT—POLITICAL SOVEREIGNTY

Ms. Lynn McDonald (Broadview—Greenwood) moved:

That this House condemn the government for voluntarily relinquishing political sovereignty in the "trade" deal with the United States, namely by limiting the power to decide on new or expanded social programs and cultural industries, including those by the federal, provincial, territorial or municipal governments, present and future.

She said: Madam Speaker, I rise on this Opposition Day to deal with the loss of political sovereignty in the trade deal. This is not a free trade deal which has been negotiated with the United States. It does not save us from countervailing duties being applied by the Americans. It is not free trade under GATT. It pursues a deviation allowed by GATT for two countries to come together when they want to achieve an economic union. We know there is a political price to pay for economic union because institutions have to be changed. It is called harmonization, and that means a loss of our distinctiveness as a country in favour of adopting American institutions, and increasing influence by the American market.

What this is really all about is constitutional change. This deal will bind future Governments. The federal Government is saying it has the power to negotiate an international treaty, but while it is doing so it will bind the provinces, the municipalities and even Indian bands. Indian self-government will be affected. The Territories lose as well. They all lose the power to make economic decisions, create jobs, and pursue social programs unhindered by external considerations such as the trade deal.

Women understand this very much better than men do, it seems. Prominent in the struggle against the trade deal are women's organizations. Right now we have the National Action Committee on the Status of Women in a lobby session with parliamentarians. They have focused on the trade deal because women are going to be prominent among the economic losers. They also care a great deal about our social programs and institutions such as public broadcasting. They see the need to continue to have the power to design institutions to suit Canada's needs.

Women are not so ideological. They are not in pursuit of the buck. They are prepared to use the public sector, the Government, political power. Women are increasingly entering the mainstream of political life and they do not want to come in and find that their votes do not mean very much because the decisions are going to be made in the U.S. by market forces instead of citizens as voters and parliamentarians.

The Americans understood this aspect of the trade deal very well. They welcomed, for example, the section expanding control over services. They say the agreement establishes the very first international understanding of a comprehensive nature over the service industries under which each side will provide treatment to each other's citizens that is no less favourable than that granted to its own citizens with respect to all new measures affecting services. The agreement provides the right of establishment, the right to cross border sales, and disciplines on public monopolies.

What does that mean? It means whipping them into shape, keeping down the public sector, providing more space for markets and profits. They welcome that. This reference to discipline on public monopolies never appeared on the Canadian side of the elements of the agreement. Why not? Because the Canadian Government is a little bit embarrassed about giving away power, acceding to pressure from the Americans to put this in the trade agreement.

How will the exercise of power be affected by this trade deal? First, if a province wants to start a new social program or expand an existing one or start something like car insurance or a cultural program, it will first have to consider whether it will constitute an unfair subsidy. We do not know the answer to that question in many respects because unfair subsidies remain to be decided upon. We also know that covered services are going to be expanded. We have a list of certain services covered already but more are going to be included as negotiations proceed.

The provinces will also have to consider whether or not whatever it is they want to do infringes on the monopoly section. That refers to covered services which may expand in scope. They will have to look at Section 210 and Section 211 of the trade deal. If what they want to do constitutes a monopoly under the deal, they would have to ask the federal Government to in effect to negotiate on their behalf. The trade deal requires that the provincial, territorial and municipal Governments, as well as Indian bands, ask the federal Government to notify the U.S. Government of an intention to establish a so-called monopoly. In the meantime, the U.S. could retaliate against Canada in some other sector to get equivalent commercial

value for the anticipated benefits it might not get if the so-called monopoly went through.

What if the provincial Government concerned is a more progressive Government than the federal Government and wants to do certain things? Perhaps the federal Government will not have a veto, we do not yet know what is in the legislation, but the provincial or territorial Government might not have a great deal of confidence that its interests will be well looked after by the federal Government.

If the matter goes to dispute settlement a panel will be set up. Who is on the panel? At least two Americans, at least two Canadians, and a fifth person to be decided upon by the other four. If they fail to decide, the fifth person would be chosen by lot from a list of potential panel members. These panel members are supposed to be objective. I wonder how objective they can be. Are they going to ignore totally the interests of their country or region? What if there is a conflict? What if the federal Government puts on its list of potential experts only those with the privatization ideology? What if they do not really represent the point of view of the provinces, territories or municipalities which might want to do something a little bit different? We do not know.

I was in a briefing session recently and asked trade officials about car insurance. We have four provinces with public car insurance services. Right now insurance of all kinds is a covered service in the trade agreement. The officials told us they did not know if car insurance would be affected by the trade deal. We would just have to trust them and wait and see. I do not think this is good enough.

Mr. McDermid: That is not true. That is nonsense.

Ms. McDonald: I was at the briefing and certainly it was stated that we would not know if car insurance would be included as a covered service. I suspect it would be.

Child care is not covered right now. Fortunately it looks safe. It would not be a monopoly in any event, but what about the management of this service? The management of health care and all kinds of other services comes under the trade deal and that means American corporations have to be treated the same as Canadians in working in what we have normally treated as public sector areas.

Mr. McDermid: Our rules.

Ms. McDonald: It will not be we who decide. That is what is crucial.

Mr. McDermid: It certainly will.

Ms. McDonald: It means we will not have the power to undo decisions made by a previous Government.

Mr. McDermid: Nonsense.

Ms. McDonald: We have some give and take. For example, FIRA was brought in by a Liberal Government to allow review of foreign investment for a particular purpose to see what good it would do Canada. The Conservative Government had a mandate and changed that as it was entitled to do. It got rid of FIRA. However, under this trade deal we will not be able to make these kinds of changes. Investment policy will be right in the trade deal and the threshold goes up with respect to the kind of decisions that can be reviewed. If another Government comes in and wants to change it back, which is normal in our political process, it will not have that power. That power will be traded away in the trade deal. It is a weakening of the power of people to use the political process. That is being given away in one fell swoop. These things will be incapable of correction. This weakens the political process.

• (1120)

Women are especially concerned about health care. Large numbers of women work in this industry. Women, of course, are major consumers and they are the health care organizers for their families. This deal looks toward increasing Americanization of our health care services. We have achieved a very high standard of non-profit, publicly organized health care. We are proud of our system. It has been called the best health care system in the world.

The American system excludes coverage of many people. It provides excellent services to some people, those who can afford to pay for highly specialized services, but it is a two-tiered system. If we allow our institutions to be changed in that direction we will move toward having a two-tier system with costly services available to some and high quality care not available to all.

We have chosen a different route, the not-for-profit route. Our system is so efficient that there are complaints that it constitutes an unfair subsidy because employers in Canada can rely on our health care system to provide benefits. American employers have to bring in private plans which allow for a profit. They cost a great deal more money and are inefficient. They consider our system such a benefit that it can constitute an unfair subsidy.

According to our Constitution, health care is supposed to be entirely a provincial matter. We have joint programs, but the jurisdiction is provincial. However, under the trade deal aspects of health care get bargained away. The management of all technical services related to the health care system has to be open to American corporations. That is interference with something which should be under provincial jurisdiction.

Our hands will be tied in a very special way in culture despite all the promises that culture was not on the bargaining table. Section 2005 of the trade deal contains a very special notwithstanding clause which is a very important loophole in the deal. It reads:

> 2. Notwithstanding any other provision of this Agreement, a Party may take measures of equivalent commercial effect in response to actions that would have been inconsistent with this Agreement but for paragraph 1.

Paragraph 1 otherwise exempts culture. Again, it is an exemption with exemptions from the trade deal. It is a clause notwithstanding any other measure in that agreement.

It has been said, and I think correctly, that the trade deal says that we can do whatever we want in culture, with some exceptions, but the Americans can do anything they want in retaliation. This is a very considerable loophole for us.

Further, the Americans realize this and they welcomed it. I will read from the text of the summary of the Canada-U.S. free trade agreement put out by the United States Embassy—right from the horse's mouth. It says:

> The U.S. recognizes the importance to Canada of maintaining its cultural identity. At the same time however, the U.S. wants to ensure that Canadian cultural policies do not constitute a discriminatory and unnecessary barrier to U.S. trade.

In other words, whenever they can make a buck they want to be able to make it and not be impeded by our so-called exempting culture. I quote further:

> Recognizing Canadian sensitivities, the U.S. has agreed that certain cultural areas are not subject to the specific provisions of the agreement.

Certain are not, but it is very clear that certain are. It continues:

> However, the U.S. retains the right to redress any adverse commercial effects of any future cultural measures enacted by Canada.

In addition, Canada has agreed to alter some other things. It says, therefore, that we are on warning that they can retaliate if we take any measures in the future to improve our distinctive Canadian cultural identity.

For example, film distribution is a cultural industry. Is it covered in this agreement? Suppose we wanted to have a policy of Canadian ownership in film distribution, as we have in broadcasting, as was recommended by a task force established by the Government. The current Government does not want to pursue this, but if a future Government wanted to pursue it, the United States could retaliate on behalf of the film distribution interests in the United States. They could use Section 2005 2 against us.

We do not know how many other things they may want to use against us. What about the All News Channel? Would that be against the trade deal? What about newspaper ownership? Suppose we had the threat of a major take-over of our newspapers and wanted to have Canadian ownership. Would our hands be tied in the future? Would we have the possibility of limiting foreign ownership in the cultural sector? It is not at all clear that we could this without retaliation because Section 2005 allows for retaliation.

[*Translation*]

Madam Speaker, with Meech Lake, Quebec will again become a member of Canada's constitutional family, but what good will that do? Because of the changes imposed by the free trade agreement, the Constitution will have lost much of its strength. Both federal and provincial powers will be diminished. The provisions of the free trade agreement are in fact so many major amendments to the Canadian Constitution, amendments that cannot be changed later on because there is no formula for amending the free trade agreement. With this so-called international trade treaty, the federal Government is about to weaken the political powers of our federal, provincial, territorial and municipal governments.

Understandably, there is a mass movement of protest against this agreement. The unions, churches, environmentalists, women and Quebec's united stand against free trade are to be commended.

Quebec has used government measures to promote its social programs, investment, performance standards, culture and the use of energy resources to create jobs. A distinct society needs such measures. Quebec needs them. Canada, across the border from a society that is ten times as big as this country, needs such measures.

The free trade agreement with the United States relinquishes the power to use such measures, both at the federal and provincial level. Why become a distinct society under the terms of Meech Lake, without the tools to do the job?

I understand why the big corporations in the private sector support this agreement, especially the multinationals which rely on large imports from the United States. Any pressure to lower salaries and social benefits is very much to their advantage. Newspapers controlled by big corporations share this attitude. However, I fail to understand why Quebec's two major political parties have sided with the corporations against the interests of the vast majority of Quebecers. They must have overlooked those parts of the agreement that relinquish political power to the U.S. market.

I accuse this Government of abandoning all principles of honesty and fair play as far as this agreement is concerned. I accuse this Government of proceeding without a mandate from Canadian voters. I accuse the Conservative Government of relinquishing the political powers of the provinces and the federal Government to the economic forces of the U.S. market. On behalf of my Party I demand that an election be held as soon as possible.

[*English*]

We want an election. If ever there was a Government without a mandate, this is it. It has broken promises and attacked social programs. It has failed to achieve tax reform or bring in adequate child care programs. It has an appalling record on patronage and friends in high places. It has refused to plug the loopholes in election law and to bring in real controls in conflict of interest. Its trade deal has sold out Canada in our distinctive culture, our social programs, our natural resources and in the possibilities for industrial strategies, job creation and regional equalization.

• (1130)

For all of these reasons, I call on the House to condemn the Government and I call on the Government to go to the people of Canada by calling an election now.

Miss MacDonald: You cannot even get anyone in the House to support you. Not a single Member.

Ms. McDonald: The Hon. Minister wonders where some of our Members are. The NAC lobby is on the Hill presently. Most of our Members are meeting with the National Action Committee on the Status of Women, answering their questions and their concerns. I think they ought to be at that lobby, and they will certainly be in the House to deal with this question for the rest of the day. They are where they ought to be now.

Mr. McDermid: Madam Speaker, a great deal of what the Hon. Member said today is not exactly accurate. I will cover that later in my remarks.

All that the NDP and Liberals do is to knock the trade deal. Neither have come up with a policy—the Hon. Member from Montreal, a former Minister, holds a document. Have you read that?

Mr. Allmand: Yes.

Mr. McDermid: It certainly does not make any sense to us. It does not meet the realities of what is going on in the world today.

How does the NDP propose to handle the protectionist mood in the United States today? How does it plan to handle the various good Canadian industries that are under attack by special interest groups in the United States? How does the NDP propose to handle these problems in Canada?

Ms. McDonald: Madam Speaker, I do not think giving up our political sovereignty and caving in time after time is a very good way to handle the problem. We heard constantly before this trade deal was signed that it would save us from the countervail powers of the United States. We were told it would be a trade deal to cut off the protectionist pressures in the United States. It did not achieve that.

We have seen the Government cave in time after time, with film distribution as the latest example of a government without the courage to pursue Canadian interests.

The Government has no mandate to act this way. Before the election it was against any kind of bilateral trade deal. It said clearly that it would not pursue that kind of option because Canada would be smashed. It used the elephant and the flea analogy. The Government's mandate was to oppose the trade deal. It does not have a mandate at all to pursue a trade deal.

What would we do positively? We have spoken frequently about what we would do. We issued a report stressing other objectives—

Mr. McDermid: Like nationalization.

Ms. McDonald: Our report outlines possibilities for development of municipal infrastructure for local job creation, mechanisms to deal with irritants on a particular case basis. It is not a question of a bilateral deal that includes everything and in which we give up the power to act in the future. We would deal with matters on an industry by industry basis. We believe that is the safest way to proceed and also defend Canadian interests. It is a way to make sure that regional interests are not lost in the deal.

The Conservative Government has simply caved in in the hope that the friendship between the President and the Prime Minister (Mr. Mulroney) will save us from U.S. protectionism. It has not saved us from any protectionist measure by the U.S. in the past and it will not in the future.

Mr. McDermid: Madam Speaker, I understand the NDP policy on trade is to help municipalities with job creation. That is what the Hon. Member answered.

Ms. McDonald: One measure among many.

Mr. McDermid: The other measure she says is to handle them case by case as they attack our industries one by one. That is what she said.

That is what has been happening in the past and it has been costing industries in Canada millions and millions of dollars to defend those actions. The NDP policy is to perpetuate that. That is what the Hon. Member just told the House. I cannot believe it.

Ms. McDonald: You are just going to cave in.

Mr. McDermid: The NDP are back in the 1960s. They do not want to change. They wear blinders so that they will not see what is happening around them. They want to look straight ahead rather than see what is happening. They are a bunch of standard bred horses with blinders. I might add that they are not breaking any track records with their attitude.

The NDP has no policy. We know what it opposes but we certainly do not know what it proposes.

Ms. McDonald: Madam Speaker, the Hon. Member talks about being against change. What is most profoundly offensive about this so-called trade deal is that it prevents change in the future. It takes away the flexibility of the federal Government, provincial Governments or territorial Governments to make decisions because the deal binds future Governments. It states that we cannot use the political process 10, 20, 50 or 100 years from now when conditions may be different and a different strategy may be needed. We will not be able to use a different strategy because the decision has been made.

For example, there has not been nearly enough discussion on the section dealing with monopolies. There has been a cover-up on the part of the Government because it does not want Canadians to know what it has given away.

The section on monopolies provides for a dispute settlement by a panel on which we do not control the membership. We would be a minority on that panel.

Mr. McDermid: Wait a minute.

An Hon. Member: Horsefeathers.

Ms. McDonald: We have two Canadians, two Americans and a fifth person chosen by them.

Mr. McDermid: Chosen by whom?

Ms. McDonald: Chosen by two Canadians and two Americans.

Mr. McDermid: Where does the panelist come from?

Ms. McDonald: We have no idea.

Mr. McDermid: It could be the Chairman of GATT.

Ms. McDonald: We have no idea who the fifth person would be. We know further that the panel reports to a trade disputes commission, the Canada-U.S. Trade Commission. We do not know how many members would be on this commission in terms of people, but there are two parties to it. It could be the two trade ministers. Their decisions would be made on the basis of so-called consensus. How can there be a consensus with just two bodies, one of which is 10 times more powerful than the other? What kind of recourse do we have when that body says: "Do it our way or else?" We are trapped in that decision. We cannot develop another strategy because we are bound to it.

It is not like the system in Europe which has a Parliament with permanent institutions involving a variety of countries that give their power to a whole.

We are giving our power to a neighbour 10 times larger and 10 times more powerful than us. We will not be able to stand up to their demands.

Therefore, the Government is closing off options for the future and taking away decisions that should be made in this Parliament and the legislatures of the provinces and the territories, decisions that should be made by local councils, Indian bands, all of these citizens who have minds and hearts, and care about Canada. It is giving away that power to panels and a commission that we do not control either now or in the future.

Mr. Kilgour: Madam Speaker, the Member knows that I have much respect for her. However, I say with great respect that what she has said this morning represents, if anything, the line of Bob White and the Canadian Auto Workers. I suggest to her that it is anathema to the outer eight provinces in Canada and those who work in the forestry and mining industries in British Columbia.

Let me confine the argument to her own Province of Ontario. Does she realize that if the trade agreement is not ratified, the Auto Pact can be cancelled on one year's notice? Does she realize that the trade agreement would enshrine the Auto Pact so that if it is cancelled, everything would be cancelled? In that sense, it provides protection for the 100,000 or more people who work in the automobile industry in Ontario.

Does she realize that we have had free trade in the auto industry since 1968, other than for a few months in the early 1980s when Chrysler was in trouble? Fortunately, Ontario has been the great beneficiary of that free trade.

Is Mr. White not saying that what has worked so well in Ontario with respect to the auto industry is something that must not happen in other parts of Canada?

Will she deal with the argument relating to the Auto Pact?

• (1140)

Ms. McDonald: Madam Speaker, the Auto Pact can be cancelled, as the whole trade deal can be cancelled, according to the terms. It is not free trade in the automobile sector. It is managed trade with the possibility of the reintroduction of tariffs if investment is not made according to what is specified. It is very, very different. Here we are going to be wide open to investment going both ways. We lose the protections. We lose the penalties in this trade deal that we previously had in the Auto Pact.

The Auto Pact was not supposed to be on the bargaining table. We ought to have more Auto Pacts. That is the kind of thing we should be pursuing on an industry by industry basis so that other parts of the country can profit from it.

The Hon. Member refers to British Columbia and Alberta. All the provinces lose political sovereignty. All the provinces lose the power to make decisions about natural resources. Natural resources are supposed to be a provincial responsibility, according to our Constitution. By having a continental approach to resources, it is giving away the provincial jurisdiction over resources we have in our Constitution. That means that the federal Government is assuming that jurisdiction illegally, in my opinion, and handing it over to the Americans in a continental energy pact. That is flagrantly wrong.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The time provided for questions and comments has now expired. Resuming debate. The Hon. Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand).

[*English*]

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Madam Speaker, the Liberal Party fully supports this motion before the House today because it restates the position the Liberal Party has taken with respect to this bad trade deal ever since it was revealed to the public last year. We have said over and over again that this trade deal between the Prime Minister (Mr. Mulroney) and the President of the United States threatens our present social programs, our medicare,

health care, family allowances and old age pensions and limits our ability to bring in new social programs such as day care, and so on.

We also say that this bad trade deal threatens other social programs and programs related to social life in Canada such as marketing boards, affirmative action programs, environmental programs, and in a moment I will spell out exactly how that will happen. Even this morning, in answer to questions from the National Action Committee on the Status of Women, our Leader, the Right Hon. John Turner, made it very clear again, that is our position, and that is why we will support this motion today.

Before I get into the substance of the matter, I want to respond immediately to the question put by the Hon. Member from Brampton to our colleague in the New Democratic Party. He asked: "What is your alternative if you do not do it our way?" Well, the Liberal Party has published an alternative and I stated it in an ad lib way when he was posing his question to the Hon. Member, to which he replied: "Well, it is not worth anything". First he says we do not have an alternative, and when I point out very clearly that we do, he then dismisses it. Of course, he will dismiss it because it completely disagrees with his approach on these matters.

What is our alternative? It is to pursue trade barriers through the multilateral process and through the sector process. I want to point out that it has worked in the past. We cannot understand why the Conservative Government would change that pattern, that approach, and in doing so give up vital elements of our sovereignty and independence.

Let us look at the record. Since the end of the Second World War, mostly under Liberal Governments, we have been able to reduce tariffs between Canada and the United States to the point where approximately 80 per cent of all goods and services now move between the United States and Canada without tariffs. That was done through the Kennedy Round, through the Uruguay Round, through the Tokyo Round. It was done through multilateral bargaining to the point where 80 per cent of our goods and services now move between these two countries without tariffs. In addition, when we started this process back in the 1940s and 1950s, the average tariffs between Canada and the United States were about 29 per cent. They have been reduced to about 7 per cent only on the 20 per cent remaining goods and services. That is a pretty successful record in lowering tariff barriers.

The major outstanding barrier that remains between Canada and the United States is not the tariff barrier. It is important but it was going down anyway. The remaining outstanding barrier is countervail. This deal between the Prime Minister and the President does nothing about countervail. It is the most harassing barrier against Canadian business and traders, and this agreement does not do one thing about it. When the Conservative Government started out, that was its goal, to get some sort of agreement that would reduce the applicability of countervail by the Government of the United States against our Canadian business and traders. That was not done.

When Members opposite ask for our alternatives, I find it quite amusing. I like to put these quotes on the record as often as I can. During the Conservative leadership campaign in 1983, what did leading Conservatives say about a possible free trade deal with the United States? In 1983, before the election of 1984, the Prime Minister said: "Canadians rejected free trade with the United States in 1911. They would do so again in 1983. Canada must increase its share of total world trade which has dropped by 33 per cent in the past two decades". The Minister of Finance (Mr. Wilson) said: "Bilateral free trade with the United States is simplistic and naive. It would only serve to further diminish our ability to compete internationally". What a flip-flop. That is what was said in 1983, and in 1985 they are saying exactly the opposite.

The former Minister of State, the Hon. Member for Rosedale (Mr. Crombie), said about a potential free trade agreement with the United States: "It is silly. Canada must improve relations in trade with the United States, of course, but our natural destiny is to become a global leader, not America's weak sister". Is that not a great statement? No wonder he left the Cabinet. I suppose he was feeling uneasy about some of these things and thought he would take the honourable way out.

The Secretary of State for External Affairs (Mr. Clark) in 1983, at the very same leadership convention, which was manoeuvred by the Prime Minister to get rid of Mr. Clark, said the following: "Unrestrained free trade with the United States raises the possibility that thousands of jobs could be lost in such critical industries as textiles, furniture and footwear". This is what the leading members of the Conservative Cabinet said in 1983 about a so-called free trade agreement with the United States. That was one year before the election of 1984, and in the 1984 election campaign they did not give us one hint they would pursue this kind of agreement which threatens our social, environmental, affirmative action policies, and so on.

What did happen? Our Prime Minister, at the first opportunity, went down to Washington and did an Irish jig with the President of the United States and they patted each other on the back and drank champagne. The Prime Minister jumped right into the President's pocket and there he was ready to accept anything the President proposed to him. We ended up negotiating the free trade deal which will sell out our sovereignty and independence unless we defeat it.

This so-called free trade agreement, and I call it "so-called" because it is not really a classical free trade agreement, not only limits our ability to decide on new social programs in the future but threatens our present social programs. How does it do it? It does it in two ways.

• (1150)

First, it does it directly since it forbids, in many ways, subsidized programs. The Americans like to have what is called a level playing field. That means that all businesses must compete without any subsidy and under the same rules no matter whether they are big, small, new or old, and regardless of what their hold is on the market-place. With that sort of clause in the free trade agreement our regional development policies are threatened. Our marketing boards are threatened, as are our environmental programs. They all involve subsidies to small businesses, to start up businesses and so on. That in turn affects our social policy, particularly in the slow-growth areas of Canada such as Atlantic Canada, the North, some of the prairie provinces, and northern Québec. That is how the deal directly threatens social programs and the levels of social welfare in Canada.

However, it also attacks them indirectly, and in this regard I mentioned some of the programs. I mentioned our health programs, our minimum wage, our unemployment insurance program, our old age pensions, and others. It attacks them indirectly because there will be very strong pressure to harmonize our Canadian programs with American programs.

How will that happen? Let us look at some of the testimony that was given to the Standing Committee on External Affairs and International Trade by certain big businesses. I am referring particularly to McCain's. My hon. colleague behind me is from New Brunswick. He knows what McCain's said about the deal. I also refer to the President of Quaker Oats.

These people have said the following. At the present time in Canada they buy their raw food materials for food products which are processed from marketing boards. They have said that they do not oppose marketing boards in general. They feel that they are good for farmers since they give them a steady and fair income over the years. However, they said, if this deal is brought in and they as food processors have to compete with American companies that do not have to buy their raw food products from marketing boards and they can sell to Canada without tariffs, then they will be at an unfair advantage. They said: "We are against marketing boards in that particular environment. You will have to get rid of the marketing boards so that we can buy our raw food products on the free market, or we will move to the United States where we will have access to the Canadian market since there will be no tariffs or barriers".

What this agreement has done is to have put some of our food processors into a position in which they say: "Either get rid of marketing boards or we go to the United States". That is what it has done. At the present time they are not facing that dilemma. We are suggesting to the Government that it should not have put these companies in front of that dilemma.

The same is true about many other programs since Canadian companies that have their plants and head offices here in Canada will have to compete on this so-called level playing field with American companies that have lower social programs in the United States, lower minimum wages to pay, and lower unemployment insurance. Yet our Canadian companies that have to pay the taxes to support these social programs, which we believe are important, will say at one point: "Because we are in Canada, we are paying taxes to our provincial and federal Governments to support important social programs. We have always paid those taxes and we have not objected to them. But now, because we have to compete with American companies that are not paying taxes to support medicare and a reasonable unemployment insurance system, those companies are coming into Canada and underselling us". These Canadian companies will say to the Government: "Either you reduce these programs so we can compete, or we will go to the United States".

The pressure will arise. I might say that that sort of pressure arose when we were discussing the Bill on pharmaceutical drugs during the last year. People in Montreal were saying: "Either you support the Government's Bill to weaken support for reasonable drug prices or we are going to do our research and development in the United States or some other country". They were trying to put that pressure on us even then. But of course the Government had made this deal with the United States. It pushed through its Bill despite the objections on this side of the House. We have now seen drug prices go up in Canada for ordinary Canadians. Already they are paying the price for the Government's policy on free trade.

I have already mentioned with respect to jobs—I forget how much time I have left, Madam Speaker. I could spend the whole day attacking this agreement.

With respect to jobs—

Miss MacDonald: In Montreal, in the pharmaceutical industry.

Mr. Allmand: I have dealt with that. The Government has already raised the price of pharmaceuticals through its Bill. We will be watching to see how much research and development and new employment there will be in Canada as a result of it. We have not seen it yet, but we will be watching very closely. With respect to that Bill, we had a formula as a result of a commission that would have solved the problem without selling out to the United States. So there was another way of doing that without pursuing the same means that the Government put before us.

This trade deal with the United States is a means of entrenching a Conservative agenda for a long period of time. That is the hidden side of it. What this agreement will do is more or less to entrench us into a free market system with a Conservative agenda, an agenda against reasonable social programs, minimum wages, unemployment insurance and affirmative action programs. Once we get into this deal with the United States it will be hard to change. The sort of society which prevails in the United States will be imported into

Canada through this deal. For the Government to suggest otherwise is complete nonsense.

When a country of 25 million people, Canada, is up against a country of 250 million people, the United States, one does not need much intelligence to conclude who will win. It certainly would be nice if the Americans would harmonize to our medicare programs, to our hospitalization programs, to our unemployment insurance system and so on, but they will not. The pressure on Canadian companies will be to do it the same way as they do it in the United States so that we can compete.

Very often the Government likes to compare the Canada-U.S. trade deal with the European Common Market. It says: "Look, free trade works in Europe, therefore, this is a great deal. It is similar, it will work here. The Canada-U.S. trade deal is not at all the same as the Common Market. First, the European Common Market involves a large number of countries. Several of them are larger countries, such as Britain, Germany, France and Italy. There are some smaller countries, such as the Netherlands, Belgium, Spain, Denmark, and others. They all have their own languages and their own cultures. There is not the opportunity for any one of those countries to overwhelm the other. The Germans will not overwhelm the French, and the French will not overwhelm the English. They balance each other off so that one side will not predominate.

Unfortunately, in this particular deal we have a country of 25 million people, Canada, in which two-thirds of the people speak English. We are already bombarded by American magazines, television, films and so on. We are side by side with a country of 250 million people who speak the same language as two-thirds of our own people. The threats that are present in this one-on-one deal are not present in the European Common Market. One cannot compare the Common Market to this particular deal. Nor can it be compared to the Auto Pact. The Auto Pact is not a free trade deal. It is a managed trade deal. It obliges the United States to invest in Canada. It obliges the United States to maintain so many jobs in Canada. It is a managed trade deal. It does not allow the United States to do whatever it wants with respect to these matters.

With respect to jobs, we have all sorts of estimates. I suppose that jobs are the ultimate social policy. One's policy on employment is one's ultimate social policy because the first goal is to have people working in good, solid jobs. There are safety nets in case they are not working, for example, if a worker is ill, handicapped or thrown out of work.

There have been so many statements with respect to jobs. One day the former Minister of Employment said that 300,000 jobs would be lost. The next day he retracted on that and was contradicted by the Minister of Finance. There have been all sorts of estimates. Some were that we would lose jobs, and some were that we would gain them. The most recent one, about a month ago, in a report of the Economic Council stated that over a 10-year period we would have a net gain of over 200,000 jobs. That is an average of 20,000 to 25,000 jobs per year in all of Canada. That is what was said we would gain.

The report pointed out—and a great many people did not look into the fine print of that report—that 188,000 jobs would be lost. Most of those jobs are in industry. Most of the jobs that would be gained are in the service sector. We all know that, for the most part, in industry the jobs are high paying, full time, unionized, with benefits, pensions, and so on. The jobs that will replace them under this deal will be non-unionized, minimum wage, part-time, and involve contracting out. That is the American way; lay off full-time workers and contract out to a small company that can avoid the minimum standards of national programs. They will hire the same people to do the job whether it is maintenance or repairs, and it will be done at the minimum wage, whereas before it was done for a reasonable wage where a man could support his family. That is what will happen as a result of this deal. There will be good industrial jobs lost to service type jobs in this wild mêlée with the United States over trade and markets.

• (1200)

Despite this adjustment that will have to take place between industrial type jobs and service type jobs, it is interesting to note that the Government has not provided for any special retraining or adjustment programs. Two committees of the House, in unanimous reports, recommended special adjustment programs. That means that the Conservative Members on those committees agreed with those reports, because they have the majority.

In the Standing Committee on Labour, Employment and Immigration there are five Conservatives, one Liberal, and one New Democrat. Together, the seven of us issued a report stating that there must be special adjustment programs in order that the person who has been kicked out of an industrial job and has to go into a service type job will have some type of retraining.

What did the Government say when we asked for those special adjustment and training programs? It stated that the present programs are good enough. People all over the country are saying that they are not good enough. Last week the community colleges in Toronto said that the Canadian job strategy was not adequate. They stated that they could not train people to fill the jobs in Toronto at the present time where there is a very good economy. They said that they cannot even get the people trained to do those jobs.

The reason that the Canadian job strategy is not doing the work that it should do is that the Government has cut training programs by 32 per cent since 1984. In 1984 those programs received $2.2 billion, and now they are down to $1.6 billion. That is the type of programming that will be used to adjust workers who are thrown out of good jobs when the free trade agreement goes into effect. No, Madam Speaker.

I wish to reiterate that we support this resolution. The trade deal threatens our social programs. It threatens our job

policies. It threatens our cultural programs. This agreement is not only about trade, and it is not only an economic agreement. This is a deal with very serious social and political implications. The real question in this debate, not only here today but throughout the months to come, is what type of country do we want. What type of place do we want Canada to be? What is our vision and dream for Canada? Is it a Canada that is a semi-sovereign appendage of the United States, harmonized to United States standards, harmonized to United States social programs and culture? Is it submitting to the doctrine of manifest destiny which was enunciated in the United States over 100 years ago? Or is our vision of Canada of a free, independent Canada, friendly with the United States and other countries but developing its own policies, pursuing its own goals, maintaining its own identity and sovereignty? That is what this debate is about. My choice is with the latter option, and we will completely oppose this agreement to the bitter end.

Ms. McDonald: I agree with a great deal of what the Hon. Member had said about condemning the Government on this trade deal. I particularly agree with the Hon. Member on his interpretation of the trade deal as bringing in the Conservative agenda, that the Government would not have the nerve to attack our social programs and our cultural institutions in a direct manner. Therefore, in this indirect manner it is able to pursue the neo-Conservative agenda along with Ronald Reagan and Margaret Thatcher. I heartily agree with all of that.

I would like to ask the Hon. Member why, given the concerns that he has raised in his speech, Quebec Liberals are not opposing the trade deal? It seems that because of the loss of sovereignty, the loss of power to make decisions, to pursue the distinct society, to use performance requirements, to have a provincial energy policy as opposed to a continental energy strategy, to use the energy sector for job creation, to have a differential pricing policy, and all of those things that Quebec has used effectively in the past, under the trade deal Quebec will lose the opportunity to make those types of decisions. I wonder why Quebec Liberals are not fighting with the Hon. Member against the trade deal.

My final question is the following. With the increasingly hypothetical possibility of the Liberals forming a federal Government in the near future, how can we be sure that they would tear up the trade deal? Some days they say that they would tear it up, and on other days they are not so sure that they would. What type of day would it have to be for the Liberals to decide one way or the other on this absolutely crucial question for the future survival of Canada?

Mr. Allmand: I wish to make it clear that it is the Quebec Government, a government of the Québec Liberal Party, which has taken that position. There are many Liberals in Quebec who take the same position as the federal Liberal Party which means that they oppose the deal. The Government of Robert Bourassa supports the deal. If the Hon. Member is asking me to explain why they are supporting the deal, I am afraid that I cannot explain why Mr. Bourassa is supporting the deal, because I do not agree with him. Unfortunately, I take issue with Mr. Bourassa on this. By the way, the Liberal Party, different from the New Democratic Party, has two separate Parties in Quebec. There is the Quebec Liberal Party and the federal Liberal Party in Québec. A large number of people belong to both Parties. The reason they split years ago was that things are often seen from a federal perspective or a provincial perspective.

Having said that, I guess one would have to elicit the reason for the Québec Government supporting the deal. I feel that the deal is contrary to the interests of Quebec; Québec farmers are opposing the deal, Québec workers are opposing the deal. If energy is the principal reason why Mr. Bourassa is supporting the deal, I do not see that as a legitimate reason. Mr. Bourassa is already selling a good deal of Quebec energy to the United States. It is true that he has to respect the mechanisms of the Energy Board, as long as it stays in place., The fact of the matter is that I do not know how this would help Québec in promoting its energy business.

On the other hand, I think it would hurt Quebec citizens since they may not be able to have a lower price for their own energy as they have had for years. It has always been a natural thing to do that if there is a lot of electricity, oil or gas, the citizens of that province receive a lower price. We have been benefiting in Québec from low hydro prices for many years. If I understand the deal correctly, and many experts have told me that this is the case, we will not be able to charge one price to Quebecers for energy and another price to Americans. The same price will have to be charged. Therefore, if a market in the United States dictates a higher price, then that is what we will have to pay in Québec. I am not an apologist for the Quebec Government of Robert Bourassa, and I cannot tell the Hon. Member what his arguments are. In any case, I do not support those arguments.

The other point raised by the Hon. Member was that on one day we say that we will tear up the agreement, and on another day we say we will not. I would like the Hon. Member to cite the days when our Leader has stated that he would not. He states that, if elected to office, as the Leader of the Party and as the Prime Minister of the day, he would tell the United States that this deal is not acceptable to us and we want out. He has stated that over and over again. I do not know what the Hon. Member is talking about when she says on some days he states that he would tear up the agreement and on other days he states the opposite.

• (1210)

I challenge her and anybody else in this House or elsewhere to show me one quote from the Hon. Member for Vancouver Quadra (Mr. Turner) where he would agree to this trade deal. He said over and over again that he will not agree to this trade deal, that he prefers the alternatives set out in our Liberal Party booklet called "Reaching Out. A Liberal alternative to the Canada-U.S. Trade Agreement", which is to pursue lower

tariffs and lower trade barriers internationally through the multilateral process and through sector agreements as we have done for years and years with great success.

Mr. Winegard: Mr. Speaker, let me comment on my hon. friend's discussion. I think everybody in this House wants a free and independent Canada. We want a free and prosperous Canada, but we also want a Canada able to afford its social programs, own cultural programs and its own sovereignty. The choice is not between the status quo, as many would have you believe, Madam Speaker, and free trade with the United States; the choice is really between a competitive, vigorous Canada and a Canada which will sink into an abyss of protectionism and government intervention to make us uncompetitive in the whole world. That is what this is all about.

Some Hon. Members: Hear, hear!

Ms. McDonald: Why didn't you say that before the election?

Mr. Winegard: I have two questions for the Hon. Member. Where in the agreement, specifically, I ask the Hon. Member to give me page, chapter and article number, does it say that Quebec cannot make any deals it wants on electricity with whoever it wants to sell it to? I ask the Hon. Member to give me the article number.

Second, could he give me the article number where it says that we cannot protect our cultural industries and cannot continue to promote the CBC, where we cannot subsidize all the things we have been subsidizing now, and where the United States cannot take reciprocal action. It is not in Section 20.05. Section 20.05 specifically says that under Section 1 of that article the cultural industries with the exception of 4 are protected. Why don't people learn to read the thing properly, Madam Speaker?

Mr. Allmand: Madam Speaker, first, the Hon. Member suggests that we need this deal in order to afford our social programs. He says we need this deal in order to become competitive and work toward a growing economy so that we can have social programs. Canada has developed one of the best social networks in the world without a free trade agreement with the United States.

Mr. Stewart: With a deficit.

Mr. Allmand: The Hon. Member says "with a deficit". Since the Conservatives have come to power the deficit has increased by billions of dollars.

Miss MacDonald: No, it has been reduced.

Mr. Allmand: It has gone down.

Miss MacDonald: Yes. The deficit has gone down.

Mr. Allmand: It has not gone down. The deficit has gone up. Everybody in the country knows it has gone up. The Minister of Finance has even announced that.

In this country we have developed excellent social programs without a free trade deal with the United States and over the years Canadians have ensured good jobs and prosperity. As a matter of fact, in the last year for which we have trade figures Canada had a $200 billion trade surplus with the United States. Yet the Government was begging for this free trade agreement with the United States which gives up our sovereignty and threatens our social programs.

The Hon. Member asked me where in the agreement it says that certain social programs are threatened or our ability to bring in new programs is limited.

Mr. Winegard: What about electricity?

Mr. Allmand: I will deal with electricity. Of course it does not say that explicitly, but I refer to the the testimony of the people from Quaker Oats, the people from McCains and others who have said that if they are to compete with American companies in Canada they will not be able to afford the taxes and special payments which they make for these social programs if they compete with these companies which do not have that same infrastructure.

With respect to energy, what the agreement does say—I have the elements of the agreement here and I will have somebody here this afternoon with the final agreement—is that there is broad agreement to ensure the freest possible bilateral trade in energy, including non-discriminatory access for the United States to Canadian energy supplies and secure market access for Canadian energy exports to the United States.

One has to ask, and many experts have, what does non-discriminatory access by the United States to Canadian energy supplies mean? It means that you cannot charge a higher price to Americans than to Canadians. I will go on with the elements of agreement at page 17. It states that both sides have agreed to prohibit restrictions on imports or exports including quantitative restrictions, taxes, minimum import or export price requirements or any other equivalent measure subject to very limited exceptions. It goes on. If the Americans are to have non-discriminatory access to our energy supplies, then it means we cannot charge them a higher price than we charge Canadians.

By the way, Peter Lougheed, former Premier of Alberta, was asked that question when he came to the committee chaired by the Hon. Member. He said, "Despite the fact that we will not be able to give Albertans a lower price for oil and gas because of this deal, I still support it because, on the balance", according to him, "it was a good deal". He supported it despite the fact that he would not be able to give a lower price to Albertans for oil and gas and other energy supplies in that province. That is what Lougheed said to the committee. It is on the record. Look at the transcript.

Supply

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Minister for Communications (Miss MacDonald).

Hon. Flora MacDonald (Minister of Communications): Madam Speaker, it has been a very interesting morning so far as we have listened to the spokespersons for the New Democratic and the Liberal Parties trying to outdo one another in undermining Canada's position as a trading nation. Obviously they are completely, introverted in their outlook. It does not say anything much for the future of the country when we get such a narrow introverted policy being espoused by members of the opposition Parties.

Within a few days now the House of Commons will debate in earnest the free trade agreement which was negotiated between Canada and the United States. If what I have heard so far from Hon. Members opposite is any indication of that debate, then I think it will have less to do with the future of Canada and more with the election hopes of the New Democratic and Liberal Parties.

In fact, as I read this motion and as I listen to the arguments put forward so far I really do not have any sense that Members in the Opposition really believe what it is they are saying simply because they know just how ludicrous their claims are. But I very much have a sense that they want the people of Canada to believe what they are saying. They want Canadians to believe that the Government would abandon its social or its cultural policies despite overwhelming evidence to the contrary that has been shown time and time again. But one thing stands in the way, the truth. Not a version of the truth, not a perception of the truth but the truth, plain and simple. That is really what the people of Canada are seeing. The truth proves indisputably, clearly, that Canada's sovereignty, Canada's right to establish and expand our social policies and cultural policies is as strong today six months after the agreement was signed as it ever has been.

Of course, the New Democratic Party is not about to let a little thing like the truth stand in the way. New Democrats want people to be frightened. That is the aim. They want people to doubt the future of this country, especially those in our society who are the most vulnerable, our older Canadians on fixed incomes, single parent mothers and children, Canadians on disability pensions and veterans' pensions, and Canadians in job retraining programs who rely on child care allowances in order to learn new skills. These are the people to whom their remarks are directed in the hope that they will create fear and concern among them. However, the truth sets out quite clearly what has been the trend in Canada over the last 50 years.

• (1220)

For the last 50 years, Canada and the United States have been progressively liberalizing trade between our two countries. Today, just 15 per cent of our trade carries any sort of tariff or any sort of restriction. The other 85 per cent is already free, and one must ask oneself what exactly is the result of these 50 years during which we have been reducing trade barriers to arrive at 85 per cent of our trade free. What exactly has happened? Have we seen our social programs diminished? Have we seen our powers limited in any way? Of course not. The exact opposite to that has occurred.

This half century has been marked by the greatest progression forward of social and cultural policies in our history. Programs such as medicare which is available to every Canadian, the Canada Pension Plan with disability allowances and survivors' benefits, the spouse's allowance, the child tax credit and many, many others. These have all been implemented during the time when our trade with the United States has been progressively liberalized.

What holds true for Canada's social programs also holds true for our cultural programs. Obviously, we have been introducing programs in both fields over this period of time when our trade has been liberalized to the point where only 15 per cent remain with any kind of barriers, tariffs or restrictions.

Mr. Allmand: Through the multilateral process.

Miss MacDonald: Through bilateral and multilateral processes.

The fact is, and the record will prove, that the free trade agreement with the United States guarantees and strengthens the bonds of Canadian culture and identity by writing into the agreement a special exemption for culture. As with social programs, it is precisely the last 50 years, in which we have seen trade barriers and tariffs being reduced between the two countries, that we have seen as well an establishment and growth of independent and viable cultural industries and institutions in Canada. Because they are independent and because they are here, we insisted on having exemptions in the field of culture. We do have an independent culture, a culture that we can be proud of, one that we want to see grow, because it is so very special to each and every one of us.

This, of course, brings me back to this petty-minded motion that is before us today. Those who support this motion show that they have not understood the first principles, not only of the exemptions but of our Canadian culture itself. What do the cultural exemptions which Canada insisted upon in the free trade agreement mean? The exemptions mean that Canada will use support and policy measures to promote the financial viability of Canada's cultural industries, whether they involve individual artists or large organizations. Our purpose is to promote the ability of Canada's creators to reach the Canadian audience.

Opposition Members are so tied up with relying on what Americans have to say that they forget the purpose of our cultural policies. Cultural industries are exempted because the arbitration of continental market forces alone, with economics of scale determining success, should not govern whether an adequate Canadian choice is available in our lives.

The exemptions mean that Canadian content rules will continue to apply in broadcasting policy. They mean that simultaneous substitution and Bill C-58 as it applies to advertising will remain cornerstones of the Canadian broadcasting system. Why is this? It is because we insisted that those exemptions should be there.

The exemptions mean that the CBC will remain a central figure in the way our cultural growth and development take place, as with the Canada Council and our other cultural institutions. Every one of them is free to develop as they and the Government of the day see fit. Why is this? Again, because we were determined to see that all of these industries and agencies were exempted from the free trade agreement.

The exemptions mean that our publishing industry will continue to grow and prosper under majority ownership, because the Baie Comeau policy is preserved intact. In fact, if anything, free trade strengthens the policy by insisting that when there is no other Canadian purchaser available, the Canadian Government itself will pay fair market price for a foreign-owned publishing concern that is required to be sold under the divestiture terms of the policy. That is a new and even better guarantee for our publishing industry, and we have done that in the case of Ginn and Company.

I might also observe that the Baie Comeau policy has now been applied on four different occasions, directly or indirectly. It has been applied on Doubleday, Holt, Rinehart & Winston, Ginn and GLC. However, I might say that we are not in the business of protecting warehouses, whether American or British, as in the case of the Penguin takeover of NAL. Instead, we have directed our attention to the retention of postal subsidies and to the retention of Bill C-58 as it applies to advertising because these too are part of our exemptions. That, of course, is what Hon. Members opposite seem to forget.

These exemptions strengthen and secure the roots of a thriving Canadian culture, no matter what opponents may claim to the contrary. It is thriving, because for the last three and a half years, this Government has made an unprecedented commitment to an independent and secure cultural future for Canada, equal to and, in the opinion of many, surpassing anything that has been done before. Opposition MPs, of course, pull no punches when telling the people of Canada what the Government has failed to do in this area, or what they think it has failed to do.

Just let me give Hon. Members a brief sampler of the things that have been done. If Hon. Members object to these, I would like to see them rise and say so. It is this Government which set up the Canadian sound recording development program, a program to give Canadians an opportunity to hear their own singers, their own songwriters, their own composers and their own musicians. For the next five years, $25 million has been put into this program, and it is having tremendous benefits.

It is this Government which created the Public Lending Right Program, something for which writers had argued for 40 years. This Government brought in a program that has given long overdue recognition and compensation to Canada's writers for the public use of their works.

It is this Government which established the Baie Comeau publishing policy to ensure Canadian control of this vital industry. It is this Government which created the book publishing industry development fund. We have moved to strengthen Canada's national museums and their contributions to cultural activity all across Canada.

It is this Government which achieved what no other Government in over 60 years has achieved, that is, to begin revision of the Copyright Act which is so absolutely vital to our creators. If Liberal Members opposite would just convince their colleagues in the Senate to pass the copyright Bill we will provide a greater guarantee for creators than we have seen in this country heretofore.

• (1230)

It is also this Government which made the broadcast program production fund an ongoing program involving $60 million every year. It has made Telefilm Canada a major producer of quality Canadian programming. We have also created a separate five-year $165 million fund for feature films. It is this Government which accomplished what other Governments only talked about, an independent film distribution system. This is not a record of abandonment or limitation. It is not a record of faint measures. I might add for the benefit of Hon. Members opposite that much of this was achieved in the past two years precisely while negotiations for a free trade agreement were going on.

There are others who say what I have just said as well. It is not just I. In an editorial last autumn the *Winnipeg Free Press* said that "Canadian authors have enjoyed national and international success. More Canadian plays have been appearing in Canadian regional theatres. A host of Canadian ballet companies have sprung up. Canadian films have begun to make their way on to Canadian and foreign scenes. Canadian television programs are finding larger Canadian audiences. Certainly if culture expression is any measure, the Canadian identity has never been stronger". Never stronger, Madam Speaker, directly because of the contributions and initiatives of this Government.

Let us look at what has happened since the signing of the free trade agreement and its tabling in the House. Just look at that period of time alone. If the agreement signals, as Hon. Members opposite would say, the "voluntary relinquishing" of Canadian sovereignty to decide upon newer expanded cultural programs, then surely we would see some indication of this. Yet what do we see instead? Just take a look at the last six months in the Department of Communications alone. We have increased the public lending rights to authors by some $800,000. We have increased grants paid out through the Canada Council by $8 million. We have announced the go-ahead on the CBC's new broadcast centre in Toronto. CBC

resources have increased this year by $53 million. In fact, total program spending in this portfolio will increase by $115 million this fiscal year alone.

The new Canadian film distribution program, as I have already said, has accomplished what no Government before ever attempted. That is, we have created a separate national film distribution market by governing the importation of foreign films. That is something which has been requested for years. The Hon. Member for Broadview—Greenwood (Ms. McDonald) may not want that measure in Canada, but those of us who believe in the future of Canadian culture and films certainly do.

That policy, of course, does even more than establish rules giving access by Canadian distributors to independently produced films. It also creates a $85 million film distribution fund to help Canadian distributors achieve this objective and invest in and market Canadian-produced films. The program also gives another $115 million to Telefilm Canada and the National Film Board to make culturally significant Canadian films over the next five years. Again, the Hon. Member for Broadview—Greenwood may not want to see that come into effect, but those in the Canadian film industry do. As Peter Simpson, President of Norstar Distributors said, it is a terrific piece of legislation. The people in the industry know.

Then there is another program, that of postal subsidies. Canada's publishing industry sees this Government's billion dollar plus commitment to continue postal subsidies as yet one more affirmation, one more proof, that this Government has lived up to its word on culture and free trade. It is building for the future. Governments have traditionally renewed postal subsidies one year at a time. We have moved to give the publishing industry long-term security and stability by announcing that this program will continue in effect for the next five years so they are able to plan adequately.

What we have done in film programs we have done in the field of sound recording and so many other fields. Only Members opposite cannot see what we have accomplished and what the industry recognizes as the contribution made to them. The reason they cannot see that is that they do not have either the foresight or hindsight, they only have the short-sightedness to look at themselves, what it is they want to carp about at any particular time, with no policies whatsoever in this field.

In closing, I want to say that the evidence that we have respected and lived up to in the free trade agreement with regard to culture is all around us. We see it reflected in the industries as they grow and develop and become stronger. Others during this day will speak to some of the issues raised this morning. I close merely by saying that fear and the creation of fear will get Hon. Members opposite nowhere because Canadians understand the game they are playing. Canadians understand what it is they are trying to do and they simply will not buy it.

The Acting Speaker (Mrs. Champagne): Questions or comments.

Mr. Allmand: Madam Speaker, at the beginning of her remarks the Minister acknowledged that over the last 40 years there has been a considerable decrease in tariffs between Canada and the U.S. My figures show that at the present time about 80 per cent of goods and services are without tariff. She said, about 85 per cent. She also acknowledged that during that period of time there was a great increase in social and cultural programs. What she did not say was that all that was done without a special comprehensive trade agreement with the U.S.

If we were able to bring down tariffs to the extent that she acknowledges without a special bilateral comprehensive trade agreement with the U.S., why is it necessary to enter into such an agreement in order to get these decreases in tariffs?

In order to get further decreases in tariffs we have to give them, one, non-discriminatory access to our energy supplies. We have to treat all American companies as nationals. We have had to abolish our capacity to screen foreign investment to control U.S. investment in Canada. In order to get further tariff reductions we had to throw our agricultural industry into the same market-place as the Americans, even though we have long and harsh winters with all the costs associated with them. We had to weaken the Auto Pact.

• (1240)

Why was it necessary to enter into such an agreement when we were getting lower tariffs over the last 40 years without such a comprehensive agreement, without selling out our energy, our ability to screen foreign investment, our agriculture, and the Auto Pact? Why was it necessary to enter into such an agreement when we were getting these things through another process which was effective?

Miss MacDonald: Madam Speaker, I know that the Hon. Member is a student of history and he may want to look back at the beginning of this arrangement whereby we have seen, over the past 50 odd years, the liberalization of trade between Canada and the United States.

It began in 1935 with the signing of the Most Favoured Nation Treaty between Canada and the United States. At that time that was the largest trading arrangement between any two countries in the history of the world. That Most Favoured Nation Treaty went on to become the forerunner of the GATT. After World War II that agreement between Canada and the United States became the prototype for the establishment of the GATT.

We have progressively followed that route bilaterally and multilaterally over the past 50 years. With the free trade agreement we now see the possibility for history to repeat itself, for the free trade agreement between Canada and the United States to become another model for the GATT with

regard to the liberalization of world trade which most countries desire. That is what the Uruguay Round is all about. In fact, we can help to move that process forward as we did in 1935 when we signed the Most Favoured Nation Treaty between our two great countries.

Ms. McDonald: Madam Speaker, I remember when the Hon. Minister was an ardent nationalist and an activist within the Committee for an Independent Canada. I would have thought that she would be the Conservative who would lead the exodus from the Conservative Party over this trade deal. I thought that she would stand up for Canada and fight the deal instead of succumbing. She is today defending the indefensible, and I would like to ask her some very specific questions.

She talked about Bill C-58 but she did not talk about Article 2007, the print in Canada requirement which says that Canada shall repeal various sections of the Income Tax Act which define a Canadian issue of a newspaper or periodical for purposes of deduction of income tax expenses. This was the very controversial measure brought in to give a boost to magazine periodical publishing to encourage advertisers to advertise in Canadian publications.

Without this measure we probably would not have had the weekly *Maclean's*. *Maclean's* thinks it can do just fine without it in the future, but I do not think it could have got started without it. Certainly it only went weekly after we got that. Many magazines, which constitute a thriving industry in Canada now, depend on that. Would the Hon. Member comment about the pressure she has received from the smaller magazines especially which provide a very important cultural service for Canada and would want that?

She talks about the exemption for the cultural industries but it is a fairly limited list. Printing is not on the list. I wonder what Gutenberg would think about the suggestion that printing is not an artistic cultural activity. What about a province that wants to improve and develop book publishing within its own jurisdiction? What if it wants to see more Canadian publishing? We know it is important to get more textbook publishing done in Canada and some provinces, particularly Ontario, have had a printing policy. Would it be possible for a province to have a requirement that school textbooks be printed within the country, or would this be against the trade deal?

With regard to film distribution and ownership, the Minister has talked about her scheme, which is a very pale imitation even of the one about which she spoke a year ago. That, itself, was a far paler imitation of what had been recommended by the task force set up by her predecessor, that is, to have film distribution Canadian-owned.

My question on this is very specific. I cannot see the Liberals doing this because they have chickened out on this issue so often in the past, but if Party X gets into government and wants to bring in a film distribution ownership scheme, would that be against the trade deal? Would Canada be able to stand up on that issue.

What does it mean when the Government of the United States, in its summary of the free trade agreement, states very explicitly:

> However, the U.S. retains the right to redress any adverse commercial effects of any future cultural measures enacted by Canada.

Would the Hon. Minister tell us what kind of future cultural measures the United States Government might have in mind? This is not fear-mongering. What are these future cultural measures that the United States would be able to stop as a result of this shameful trade deal?

Miss MacDonald: Madam Speaker, it is always a sad spectacle to hear people speak who do not believe in their own creators, their own artists, and their own culture. It is a very sad state of affairs when we hear this kind of comment emanating from the Hon. Member for Broadview—Greenwood.

Ms. McDonald: Answer the questions.

Miss MacDonald: She is so nice and polite, Madam Speaker. First, she asked about the book publishing field. Printing is not a cultural activity, it is an industrial activity. Printing is carried out back and forth across the border now. People have their books printed where they can get the best possible financial deal. That is what is referred to. Nothing else in Bill C-58 has been touched; nothing to do with the cultural aspects of the measures of Bill C-58. Of course the Hon. Member would never think to acknowledge that, as she has never acknowledged anything that has been done.

The Canadian Book Publishing Industry Development Program funding has been increased substantially over the past few years. She would not acknowledge that of course. The postal subsidy has been maintained, a billion dollar plus program which, of course, the Hon. Member did not even mention.

Ms. McDonald: It wasn't supposed to be on the table. You're admitting it was on the table.

Miss MacDonald: Let me tell you what the book publishers and the periodical associations are saying. They say:

> The members of the Canadian Book Publishers' Council, a national trade association representing more than three quarters of all books sold in Canada annually, congratulate the Hon. Flora MacDonald, Minister of Communications on her successful and critically important efforts to freeze the postal subsidy at its current level for five years.

The Canadian Periodical Publishers' Association says:

> I am writing on behalf of the CPPA's 268 members to express our appreciation for your tireless efforts—to maintain the postal subsidy programme.

Ms. McDonald: You're not answering questions about the trade deal.

Miss MacDonald: These are the programs that are so critically important to our publishers and they were exempted from the free trade measures and maintained here in Canada.

Ms. McDonald: What about the others?

Miss MacDonald: The Member has asked about Section 2005. She cites this Section as being somehow sinister to Canada's cultural purposes and undermining the significance of the cultural exemption. Since she does not seem to be able to recognize this, I will explain to her that this is both a clarification and a protection. On the one hand, it makes clear that since cultural industries are exempt under the agreement the dispute settlement mechanism specified in the agreement generally does not apply. For actions taken by one side or another in the area of cultural industries the existing trade remedy laws continue to apply, as they have in the past.

• (1250)

The difference is that while in the past the U.S. could take counter measures of any value against Canada, with this agreement they can only do so to the equivalent value of the measure taken in this country. In other words, it is a big improvement on what we have at the present time.

Ms. Marion Dewar (Hamilton Mountain): Madam Speaker, I am pleased to participate in this debate because some of the matters involved in the trade agreement have been grossly misunderstood. Certainly the Conservative Party seems unwilling to share its information with the people of Canada. It has been packaging a sales deal without discussing the real substance of the agreement.

We were told that many items would not be open for negotiation at the table, including culture and social services. We were asked to trust the Government and wait for the agreement. We are very concerned about what we see because the Minister who just spoke admitted that the question of postal subsidy was on the table and was a struggle to protect.

Miss MacDonald: That is right. But we protected it.

Ms. Dewar: We were assured that it would not even be part of the discussion. We are concerned about how many other items were on the table and how many long-term deals have been made.

The Minister talked about protecting 15 per cent of the market for the Canadian film industry.

Ms. McDonald: We are going to get 20 per cent.

Ms. Dewar: We did not think there would be any suggestion about any percentage. Traditionally, we have only had 3 per cent, but we now find that Canadian industries must compete internationally against huge corporations in the American market. They will only be subsidized with some funds to help them make proposals, but there is no guarantee for any part of their own market. That certainly interferes in our cultural industry.

We were also told that social programs would not be part of the negotiations in this trade deal. Lo and behold, we find that the administration of health care is part of the deal. Private corporations will be able to administer our non-profit public institutions.

A profit oriented health care system will cost the consumer more. Second, it reduces the delivery of service to the consumer. We must also compare non-profit health care delivery in Canada with that in the United States where health insurance is voluntary. We know that 40 per cent of the American population is not covered and that we have been able to provide health care services at less cost than the Americans. Yet the Government has opened the doors to the Americans for them to administer our health care system and our hospitals for a profit.

Ninety-seven per cent of Canadians treasure our health care delivery system and will not give it up easily. We will not accept this measure in the agreement, and the Government will recognize that as soon as it goes to the electorate for support.

We are also concerned about child care. There are some two million children under formal child care with standards of which we are not certain. For the first time in our history, the Government is providing public funds to private sector corporations in order to subsidize child care. This means that our tax dollars will go to help multinational child care facilities make a profit from child care.

Those who have been closely involved with child care over the years say that a lobby group has asked for a reduction in the standard of child care for such things as the number of staff, health conditions and space. The reason is that the current standards are too expensive and prevent the facilities from operating at a profit. The Government is saying, with its so-called national child care strategy, that it is willing to subsidize these multinationals with public funds.

We know that the trade agreement will require American companies to be treated the same as Canadian nationals. Canadians never thought their Government would go so far as to allow their children to become pawns in an agreement between two countries.

Never before has a trade agreement in the western world included services. Government officials, the Economic Council of Canada and others have consistently stated that they do not know the implications of trading services and have recommended that the Government not enter into such an agreement. Yet that is what the Government has done, and it is absolute nonsense to suggest that our sovereignty is intact.

I am sure the Minister was influenced by this trade deal and could no longer protect 15 per cent of our market for our film distribution. There was also great pressure on the Government to pass its drug legislation in order to tell the multinationals it could have free access to Canada with higher drug prices. It

was trying to show the Americans that we have an enticing market.

We heard this morning that the reduction of tariffs over the years has been positive for Canada and that we have been part of the GATT negotiations. Everyone agrees that there is a need for freer trade. But the Government accuses the NDP of trying to keep a fortress, protectionist mentality. The Government has made sure that we have a North American fortress mentality so that we will be unable to experiment and take on the challenges of the Pacific Rim or expand our trade to become an equal player in the world.

The Government's action means that we will have to answer to another country when we want to expand our trade. We cannot review any kind of foreign investment. If we will have no say about foreign companies operating in Canada because the national interest will include the North American continent, according to this agreement. That is not acceptable to Canadians.

The Acting Speaker (Mrs. Champagne): I am sure the Hon. Member will want to complete her remarks after lunch.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

EMPLOYMENT

FOREIGN STUDENTS—PERMISSION TO WORK IN CANADA

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, on February 24 the Minister of Employment and Immigration and the Secretary of State for External Affairs (Mr. Clark) announced a change in policy which would allow foreign students studying in Canada at Canadian universities to work in Canada for their universities and for agencies of the universities. The policy also permits the spouses of international students to work in Canada.

This policy went into effect on March 1, two months ago, in all provinces of Canada except Québec, simply because the Conservative Government did not properly consult with the Quebec Government beforehand. Since there are thousands of international students in Quebec who need employment this summer, when will the Government straighten out this mess it created?

S. O. 21

ENVIRONMENTAL AFFAIRS

METROPOLITAN TORONTO—CALL FOR PRESERVATION OF ROUGE RIVER VALLEY

Mr. John Oostrom (Willowdale): Mr. Speaker, the housing crisis has reached a critical stage in Metro Toronto. A solution for affordable housing must be found or Toronto will be facing social upheaval in the near future. However, the Peterson Government, for purely cynical, political opportunism is eyeing the hundreds of undeveloped acres in the Rouge Valley.

The Rouge River Valley is the last remaining land in Metro which contains much of the flora and fauna which were indigenous to Toronto before concrete became king. The Rouge Valley is a priceless opportunity for present and future generations to experience the beauty of our natural environment.

The Minister of the Environment (Mr. McMillan), after touring the Rouge, has added his support to preserving this national treasure. The Peterson Government should look at the causes of the housing crisis, such as rent controls, instead of destroying our heritage.

* * *

FINANCE

YELLOWKNIFE—TAX RELIEF FOR HOUSING ADVOCATED

Ms. Audrey McLaughlin (Yukon): Mr. Speaker, a number of federal Departments have combined to deny residents of Yellowknife, Northwest Territories, their legitimate northern tax benefits for housing costs. Upon the advice of CMHC, Revenue Canada has singled out Yellowknife as the only community north of 60° to have a viable rental and housing market for tax purposes despite the fact that Yellowknife, like all northern communities, has a very atypical market where most housing is employer supplied, and where waiting lists and large minimum deposits are a way of life due to a 10-year zero vacancy rate.

The result of this arbitrary housing assessment has been that Yellowknife residents are experiencing a substantial increase in their tax burden despite paying very high rents, or housing expenses equal to those in surrounding communities not so designated. Most Yellowknife residents will no longer receive the full value of the northern allowance's deduction and some will lose access to other tax benefits, such as single-parent families who are losing a proportion of their child tax benefits.

In the interest of fairness to northern Canadians, I call upon the Minister of Finance (Mr. Wilson) and the Minister responsible for Revenue Canada (Mr. Mackay) to end this discrimination against Yellowknife residents and accord all communities in the North equal status for the purposes of providing tax relief for housing.

S. O. 21

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

GRANTING OF FINANCIAL ASSISTANCE TO BAIE BLEUE PRODUCTS INC.

Mr. Darryl L. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, during the weekend, I had the pleasure of announcing that federal financial assistance was approved for Baie Bleue Inc., a company in the riding of Bonaventure—Îles-de-la-Madeleine. The federal funding is provided as part of the industrial development plan for Eastern Quebec. The company will also be able to take advantage of lower interest rates and loan insurance under the Atlantic Enterprise Program.

The project, which is expected to cost a total of nearly $1 million, will create at least fifteen new jobs in my riding.

When a commercial mussel farm is established in Carleton—St-Omer, where the mussels will also be prepared and processed, the Company will be the biggest producer in Quebec.

I want to say in concluding, Mr. Speaker, that this is another example of our Progressive Conservative Government's commitment to regional development.

[*English*]

I thank you, Mr. Speaker, and once again everyone is welcome to invest in Bonaventure and the Madeleine Islands.

* * *

ENERGY

ALTERNATIVE ENERGY INDUSTRY—EFFECT OF TAX CHANGE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the chickens are coming home to roost. When the Minister of Finance (Mr. Wilson) chopped capital cost allowance write-offs for people investing in energy conservation equipment, he was warned that such a move would have a serious impact on the alternative energy industry in Canada. "This decision has already meant the collapse of small hydro, wind, gas cogeneration, solar and biomass projects across the country", says Jeff Passmore, Chairman of the Conservation and Renewable Energy Industry Council.

One estimate calculates that as much as $800 million in investments will be lost as a result of the Minister's removal of the tax incentive to invest in alternative energy projects.

We urge the Minister to read the Brundtland Commission report and restore the tax incentive he removed last February.

[*Translation*]

THE NATIONAL GALLERY OF CANADA

TRIBUTE TO BUILDERS

Mr. Claude Lanthier (LaSalle): Mr. Speaker, this week, which will be memorable for the opening of the magnificent National Gallery of Canada, it is a pleasure and an honour to invite the distinguished Members of this House to pay tribute to the outstanding construction team that built this monument to Canadian architectural genius.

Mr. Speaker, three cheers for the Canada Museums Construction Corporation, ably directed by Mr. Art Wilson, who carried out this masterly project designed by the brilliant Montreal architect, Moshe Safdie, whose solidly avant-garde work confirms his international reputation as a master of aesthetics and practical design.

This is another impressive accomplishment by one of our world-class Quebec architects.

* * *

• (1405)

[*English*]

NUCLEAR ENERGY

TREATMENT OF NUCLEAR WASTES—MINISTER'S POSITION

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the prize for the most incredible answer in Parliament must surely go to the Associate Minister of National Defence (Mr. Dick) for his response to my question last Friday concerning an environmental assessment of the risks of nuclear submarines, particularly in the fragile environment of the Arctic Ocean.

The Hon. Minister said:

> The nuclear powered submarines will be out in the ocean. As the Hon. Member knows, when we are trying to neutralize used uranium in the Pickering plant in Ontario, for example, they put it into a swimming pool full of water. There are very few swimming pools in this world that are larger than the Atlantic or Pacific Oceans.

I wonder if the Minister would care to take a dip in the nuclear swimming pool at Pickering, or any other nuclear swimming pool, perhaps with the Minister for National Defence (Mr. Beatty). Would the Minister of National Health and Welfare (Mr. Epp) go along with him, or the Minister of the Environment (Mr. McMillan)?

This is incredible policy for the environment, that nuclear wastes would simply be spilled into the Atlantic or Pacific Ocean. Shame on the Government!

TOURISM

CONTRIBUTION OF INDUSTRY TO ECONOMY

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, this is National Tourism Awareness Week. It is important for all Members of Parliament, and all Canadians, to reflect on the significance of tourism to our country. We have established a tourism industry which has built upon Canada's strong and unique attractions, and our reputation for providing world-class hospitality.

Canadians can expect tourism to be our second largest industry by the year 2000.

Canadians were proud of the way in which all sectors pulled together to put Canada at the centre of the world in Expo 86. We did it again this year with the Calgary Winter Olympics which turned our winter weather into a Canadian asset.

I am proud that our Government is a full participating partner with the private sector in building a strong tourism industry. I fully support the Government's view of tourism as a priority industry of great importance to Canada's future.

* * *

[*Translation*]

TOURISM

NATIONAL TOURISM AWARENESS WEEK

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, this week is National Tourism Week, and this year's theme reflects the importance of tourism for this country.

Tourism is one of our most important industries. It generates over 600,000 jobs directly in this country and more than 600,000 jobs indirectly, which means that one out of ten Canadians is involved. Tourism is the fastest growing job creating industry. It is already worth $22 billion to our economy.

[*English*]

Tourism is a vital industry in Canada. Its job creation capability and other positive economic spin-offs for our economy cannot be overestimated. Tourism is presently Canada's fifth largest industry, and is expected to be second largest by the year 2000. Though it is expected to grow, the Government still has a great deal to do to help the industry along and provide leadership where it is necessary.

Canada grows with tourism, and National Tourism Awareness Week is a good opportunity to reflect on the many positive benefits Canada receives from this vital industry.

[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

DEVELOPMENT OF EAST MONTREAL—CONGRATULATIONS TO GOVERNMENT

Mr. Edouard Desrosiers (Hochelaga—Maisonneuve): Mr. Speaker, on behalf of my constituents, I would like to pay special tribute to the greatest Prime Minister of all time.

Mr. Speaker, as you know, in my riding in Montreal East we had twenty years that were absolutely disastrous. Montreal East was abandoned, hundreds of thousand of jobs were lost and the Liberals showed a total lack of concern for this area.

From 1980 to 1984, Mr. Speaker, 4,000 jobs were lost in the riding of Hochelaga—Maisonneuve. Since 1984, 114,000 permanent jobs have been created.

That is why, on behalf of my constituents, I wish to thank a Government that has invested hundreds of millions of dollars in Montreal East. This is an extraordinary example of economic renewal. Mr. Speaker, on behalf of my constituents, I wish to thank the Prime Minister and his Cabinet who have done a fantastic job for Montreal East.

* * *

• (1410)

[*English*]

ABORTION

SUPREME COURT DECISION—POSITION OF GOVERNMENT

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, despite an historic Supreme Court ruling last January that struck down Section 251 of the Criminal Code, women of this country still do not have access to comprehensive reproductive health services.

The federal Government has refused to take any leadership to ensure that women are not denied access to safe therapeutic abortions. It has allowed several provinces not only to ignore the intent of the Supreme Court ruling, but it has allowed them to ignore the principles of the Canada Health Act.

The Canada Health Act clearly states that medical services should be comprehensive and accessible. These are the principles that should guide the Government's policy on abortion as on all other health services for Canadian women.

At the same time the federal Government should finance the search for safe and effective methods of birth control, and it should support the work of responsible education organizations such as Planned Parenthood, rather than drastically cutting back its funding.

S. O. 21

STATUS OF WOMEN

CRITICISM OF GOVERNMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this morning we heard from the National Action Committee on the Status of Women about the litany of difficulties facing women across the country. No matter what the issue, it seems that the Government has broken a promise.

It started off with the Government's promise that we would have an expanded, accessible child care system across the country. Instead, it brought in a sham which is completely unacceptable. It has not been brought forward in Bill form, but it certainly does not reflect the aspirations and wishes of the women across the country.

On the issue of Indian women, with much fanfare the Government brought in legislation which stated that Indian women would be treated equally across the country, but the Government refuses to put its money where its mouth is. We are seeing a situation where discrimination still exists among our aboriginal peoples, discrimination which the Minister of Indian and Northern Affairs (Mr. McKnight) refuses to address. He will not even meet with the women's groups involved.

Homemakers' pensions are another broken promise. On the issue of family violence the federal Government has totally washed its hands of responsibility for federal programs in this particular area.

I would not be surprised if the Prime Minister (Mr. Mulroney) does not participate in the women's debate in the next election, because he knows that he will be held accountable for the list of broken promises that characterize his Government's work on the issues that affect women.

* * *

CHALLENGE '88

INCREASED FUNDING FOR HIGH UNEMPLOYMENT AREAS

Mr. William C. Winegard (Guelph): Mr. Speaker, I would like to take a moment to say a few words about Challenge '88, a program designed to help students find summer jobs which, for the most part, are career related.

At the moment the economic performance in Ontario is very good. The same is true for some parts of Québec. Unfortunately, it is not true for the country as a whole. Some parts of the country are in difficulty, and the Government must respond accordingly.

Within the total funding of $180 million, Newfoundland will receive an increase of 92 per cent over last year; New Brunswick will receive an increase of 45 per cent over last year; and a large portion of the funds allocated to Ontario will go to Northern Ontario.

What a pleasure to see a Government responding in the proper manner to the realities of Canada, and using our taxes in the right manner. We owe the Minister our thanks.

* * *

TRADE

SUPPORT FOR CANADA-UNITED STATES FREE TRADE AGREEMENT

Mr. Ron Stewart (Simcoe South): Mr. Speaker, all morning I have listened to the purveyors of doom and gloom—the NDP-Grit coalition—decrying free trade. Free trade is the greatest thing for Canada since Confederation. I abhor David Peterson and the Leader of the NDP (Mr. Broadbent) for their fearmongering.

I polled the chief executive officers of the 27 largest employers in the city of Barrie and asked: "Do you favour free trade?" One replied "No", one replied "Undecided", and 25 replied a resounding "Yes". Overwhelming approval.

Support is strong. Who are opposed? Socialists, unionists, and left-wing media. Individuals such as Bob White, Mel Hurtig, and Shirley Carr. Why do they oppose free trade? Because it implies a free market economy, and this is diametrically opposed to the vital principle of a left-wing Government which believes in state control of the economy.

John Turner has more ups and downs than a Moldex toilet seat in a bus terminal. What about his paranoia? He who says he will tear up the free trade agreement. Well, I don't want that doubting Thomas tearing up my children's and my grandchildren's future.

* * *

• (1415)

TRADE

FISH EXPORTS—UNITED STATES SENATOR'S ACTIONS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, last fall on the initiative of a United States' complaint GATT ruled against Canadian regulations prohibiting the export of unprocessed herring or salmon. This directly threatens the jobs of some 4,000 to 6,000 shore workers in British Columbia, many of whom are women.

In an attempt to protect these jobs the Government announced that it would bring in regulations requiring that all these fish would have to be landed in Canadian ports.

Now we have an American Senator, George Mitchell from Maine, bringing in regulations requiring the United States to retaliate for any action that Canada takes in this regard.

How much longer will Canada submit to this kind of action on the part of the United States? How often will we back down to U.S. action in the Government's mad desire to get an agreement, any agreement, on the free trade proposal?

ORAL QUESTION PERIOD

[*English*]

IMMIGRATION

REFUGEE STATUS ADVISORY COMMITTEE—REVERSAL OF DECISION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Deputy Prime Minister. It concerns the extraordinary interference of the Secretary of State for External Affairs in the independence of the refugee determination system over the case of Mr. Santokh Singh.

Following a unanimous ruling in favour of refugee status by the three distinguished members of the Refugee Status Advisory Committee, two former ambassadors to the Vatican and the UN, and one former head of the RSAC itself, the Secretary of State for External Affairs wrote two secret letters to the then Minister of Immigration, and on the basis of what seem to be purely personal, political, and diplomatic pressures, the Minister asked for and received an immediate reversal of this decision.

Can the Deputy Prime Minister inform this House and through this House give Canadians a rational explanation why an independent favourable decision based on advice from refugee experts was suddenly and politically overturned, and why the Department of External Affairs is allowed to dictate how refugee policy is run and operated in this country?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Hon. Member is stretching it a bit when he suggests that the actions of the Secretary of State for External Affairs could be classified as extraordinary interference.

I think what we have here is an exchange of correspondence between two Ministers of the Crown. Obviously certain information was brought to the attention of the Secretary of State for External Affairs, which he has a duty and an obligation to impart to the Minister and the officials responsible, and that is precisely what was done.

Mr. Marchi: The Deputy Prime Minister ought to realize that the Secretary of State for External Affairs is the External Affairs Minister for Canada and not the Foreign Minister for India. He ought to be pushing for Canadian interests, respect for Canadian institutions and Canadian citizens. That has not happened in the simple exchange of correspondence.

DEPUTY MINISTER'S MEMORANDUM

Mr. Sergio Marchi (York West): Mr. Speaker, I have another question for the Deputy Prime Minister. In this correspondence there is a suggestion that the letters were written from a security viewpoint. Can the Deputy Prime Minister explain to this House a memorandum dated February 10, 1988, from the Deputy Minister of Immigration to the then Minister, which stated that both the RCMP and CSIS concluded that "no evidence or intelligence exists to substantiate the suspected involvement of Mr. Singh in any subversive activities"?

If the gentleman was such a security threat, can the Government explain why this man was allowed to stay in Canada for over two years and there was no effort by the Government either to deport him, as it could have, to detain him, or to exercise the extradition treaty which the Government recently signed with India?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think it would be unfair to suggest that there was any interference with due process. The Secretary of State for External Affairs in imparting the knowledge to the then Minister of Employment and Immigration enunciated certain concerns that had been expressed to him of a general nature. He simply suggested and asked the Minister of Employment and Immigration to consider seriously the factors when evaluating the recommendation.

I think that is an appropriate and a responsible manner in which the Minister involved should act and respond.

• (1420)

REFUGEE PROCESSING SYSTEM—REQUEST FOR RE-EVALUATION OF CASE

Mr. Sergio Marchi (York West): Mr. Speaker, I will direct my third question to the Minister of Employment and Immigration who, I hope, realizes the serious damage that has been done by the harassing actions of the Canadian Sikh community by the External Affairs Minister, and the capitulation to those pressures by the then Minister of Employment and Immigration. Therefore, I would like to ask the current Minister of Employment and Immigration what steps she plans to take to ensure that the Canadian system of refugee processing will not be interfered with blatantly and politically, thereby undoing the foundation of independence and individual merits of cases. Can she also inform the House if she plans to re-evaluate the case of Mr. Singh so that he can receive a most favourable and fair decision, and through that attempt to repair the damage that has been done to our system?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, there are three things I would like to point out. One is that if a colleague of mine felt that he had some information that was germane, from whatever source, I

would not be offended if he wrote to me. I would be offended if he did not.

The second point I would like to make is that in Bill C-55 the way the refugee determination process is structured is that, if there are two opinions, the decision will always be made on behalf of the claimant. That is in the legislation.

Third, in the case under discussion today there is the right of appeal. I believe there is a 15-day period still to come in which this decision can be appealed to the Immigration Appeal Board, and I do not want to comment any further on it in case that appeal goes forward.

* * *

[*Translation*]

WOMEN

TRAINING AND ACCESS TO LABOUR MARKET

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister responsible for the Status of Women.

[*English*]

We know that there were large cuts in the language training program and we also know that immigrant woman have no access to the official language training which the Government offers to heads of immigrant households.

When will the Government end this discrimination against immigrant women, discrimination which condemns them to a life of isolation outside the mainstream of Canadian society, and restricts them to the kind of low-paying, low-skill manufacturing jobs which will be eliminated by the trade deal?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, let me just say that 22,093 women received language training as compared to 27,724 men. That is about 64 per cent men and the rest are women. The Settlement Language Training Program was also introduced as a pilot project by this Government in order to provide language training for people who are not headed for the labour force, a group which largely includes women.

We have made it a real priority to assist immigrant women to participate fully in our economy. The jobs that immigrant women have in some industries in Canada, such as the apparel industry and the textile industry, are threatened with competition not from the United States, so free trade will not have an impact on that. The impact comes from overseas countries, and indeed, because the Canadian industry is so competitive we believe that there will be more opportunities under the free trade deal.

GOVERNMENT EXPENDITURES ON DAY CARE

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I would like to remind the Minister that the 1988-1989 Estimates reveal a $9.7 million cut in spending on immigrant language training in the past year.

[*Translation*]

As you know, a lack of day-care facilities prevents women from having access to the labour market. I wish the Minister would inform the House why funding allocated for day-care when mothers participate in trading programs is discontinued when these women are qualified to enter the labour market. Why does the Government give with one hand and take away with the other? Why does it provide training and then prevent access to the labour market? Why does the Minister accept this lack of continuity on the part of her Government?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I would like to remind the Hon. Member that when day care was declared an urgent problem in 1970, the Party to which she belongs did absolutely nothing. It was this Government that brought in a day care strategy. She has done nothing but talk about this issue, and nothing was ever accomplished.

• (1425)

We do regard this as an urgent problem. We know how difficult it is for women in training programs. We do provide child care allowances, and the new child care strategy will also incorporate more subsidized spaces which will help women in training and those already working, as well as those who stay at home.

* * *

IMMIGRATION

REFUGEE STATUS ADVISORY COMMITTEE—REVERSAL OF DECISION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the same Minister concerning the important refugee case. She will know that Canada was selected in 1986 by the UN as the country of the year for dealing in an equitable way with refugees, which is a human rights problem on a global basis.

The Refugee Status Advisory Committee unanimously ruled in favour of Mr. Singh. According to what we see in the press today, both the RCMP and CSIS said there was no security problem whatsoever in this case. Therefore, could the Minister explain to the House of Commons how this incredible decision could be reached by her Department when it seems to fly in the face of fundamental human rights?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the normal processes were followed in this case. Advice came from the Secretary of State for External Affairs. The Minister had an internal advisory process, and this happens frequently in cases from the Refugee Advisory Council where there is some controversy. There is a right to appeal to the Immigration Appeal Board, and I suggest that the Hon. Member allow that appeal to continue without inflaming the issue in a way that may bias the hearing.

Mr. Broadbent: Mr. Speaker, I have very often heard Ministers say that a certain matter was *sub judice* and therefore they did not want to comment in the House. However, I think the Minister has just set a record. She is saying there should be no comment even before it has been appealed. It is not before the Immigration Appeal Board. It is not before the courts. It is before her Department and she is responsible for her Department's action.

LETTERS WRITTEN BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to direct my supplementary to the Deputy Prime Minister. The two letters written by the Secretary of State for External Affairs, one last April and one last June, do not deal with the merits of a particular case, they simply make two points. One is that bilateral relations with India and not genuine refugee status claims ought to determine such cases. Second is the incredible offer of legal advice to the Department of Immigration, suggesting that his Department would help them get away from the cumbersome or perhaps embarrassing decisions of the IAB.

Does the Deputy Prime Minister think such irresponsible recommendations by the Minister ought to be tolerated?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, may I repeat that I think the Hon. Leader of the NDP would be the first person to criticize the Secretary of State for External Affairs for failing to draw the attention of a Minister, in this case that of Employment and Immigration, to certain information about a certain person who was proceeding through the refugee process. Certain facts were drawn to his attention. He had a duty, a responsibility, and an obligation to make that information known to the Minister of Employment and Immigration, which he did. He asked that it be considered as one of many elements which have to be considered when this matter is being adjudicated.

Mr. Broadbent: Mr. Speaker, if we were talking about something other than a particular case of which we have information, what the Minister said might make sense. However, we know, according to what has been said, that the particular gentleman was cleared by CSIS, the RCMP, and a special advisory committee, composed of very distinguished Canadians, which looked into his case also said he ought to be accepted.

• (1430)

We on this side of the House say that the Secretary of State for External Affairs is simply continuing unwarranted persecution of the Sikh community. That is what the evidence points to.

[*Translation*]

REQUEST THAT TWO LETTERS BE TABLED

Hon. Edward Broadbent (Oshawa): But the Minister suggested that the opposite was true. The Secretary of State for External Affairs wrote two letters to the Minister of Employment and Immigration, and Canadians have a vital interest in the contents of these letters. Will the Deputy Prime Minister decide to have these two letters tabled in the House?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, it is very important that there is a process in place, and all the information will be made available throughout that process. There is an appeal process which can be followed. Whatever the Hon. Member may think about commenting on it at this stage, it is a sensitive matter and I am not going to jeopardize the potential for this appeal.

INFORMATION PROVIDED BY SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Hon. Bob Kaplan (York Centre): Mr. Speaker, continuing on the same subject, both Ministers have indicated that there was certain extra information which they felt it was justified for the Secretary of State for External Affairs to bring to the attention of his colleague and which, of course, resulted in the adverse decision being made. The Minister claimed that due process was followed in this case.

I will direct my question to either Minister. Was that additional information, of which CSIS and the RCMP evidently were not aware, brought to the attention of Santokh Singh in order that he would be able to challenge it if he did not consider it to be true?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, all the information in the file at the time was made available to the Chairman of the Refugee Advisory Committee. Given that the decision was only recently released, Mr. Singh has an opportunity to appeal. All relevant information will be made available should he choose to do so.

GOVERNMENT POLICY

Hon. Bob Kaplan (York Centre): Mr. Speaker, it is known in Canada that there are foreign countries which try to manipulate their expatriates who live in Canada for their own political purposes. In fact the CSIS legislation passed in the last Parliament recognizes and defines that as a threat to our national security.

I will direct my question to the Deputy Prime Minister. Should it not be the policy of the Government of Canada, as it

has been in the past, to protect multicultural communities from that type of pressure coming from abroad, rather than acting as henchman for foreign powers in their attempts to manipulate domestic events inside our country?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, of course it is the duty and obligation of the Government to protect the multicultural interests of Canada. That has become a very clear characteristic of our country. However, at the same time all Ministers in the Government that is mandated to govern the country have the clear obligation and responsibility to ensure that the security of the nation is preserved.

Whenever anything is drawn to the attention of any Minister that suggests certain security threats, certainly that information must be examined, looked into, and considered. That is exactly what was done in this particular case.

DEPUTY MINISTER'S MEMORANDUM—REQUEST THAT MINISTER'S LETTERS BE TABLED

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and deals with a matter which, contrary to the what the Deputy Prime Minister just said, is not a matter of security information according to the evidence we have quoted from the correspondence.

We are told that the Deputy Minister, Mr. Lussier, wrote:

> —Mr. Clark suggested that the Canadian Government's granting of convention refugee status to Bagga would have a negative impact on Canada's bilateral relations with India.

Although this does concern the rights of one person which will no doubt be examined by the Immigration Appeal Board, it also concerns the integrity of the whole process, including the Immigration Appeal Board itself, with regard to whether there will be interference, not on the basis of law and fact as to whether he is a refugee, but on the basis of whether Mr. Rajiv Gandhi would be unhappy if this person were accepted by Canada.

Therefore, will the Minister table in Parliament the correspondence, in particular the two letters from the Secretary of State for External Affairs, inasmuch as they concern not only the case of one person but the entire process and the integrity and credibility of the Immigration Appeal Board?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I want to go on the record supporting the integrity of both the Refugee Advisory Committee and the Immigration Appeal Board.

This information was appropriately shared with the Minister of Employment and Immigration at the time as one piece of information which should go into the making of this decision.

In terms of tabling the letter, it is a Minister-to-Minister letter. That is not something which the Government will table in this House. We will conduct ourselves on the advice, not only of Ministers, but of other people. This was one piece of information.

INTEGRITY OF IMMIGRATION APPEAL BOARD

Mr. Dan Heap (Spadina): Mr. Speaker, I reiterate that this does not concern one case only. No matter what the Minister says about supporting the Immigration Appeal Board, the question is whether the Canadian people will believe in the integrity of an Immigration Appeal Board which appears to take orders from one or another member of Cabinet, contrary to their oath of office.

In the memo Mr. Lussier noted:

> —although Indian Government officials advised the RCMP in April 1987 that they were considering extradition they have not pursued with matter with either the RCMP or External Affairs since that time.

Is it the case that India had no grounds for extradition and therefore asked the Secretary of State for External Affairs to use extraordinary and unusual procedures to have Mr. Bagga forced to return to India? If it is not the case, will the Minister table those letters in order to clear the Secretary of State for External Affairs?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, first, the integrity of the Immigration Appeal Board is in no way in question because this has not yet even been heard by the Immigration Appeal Board. When and if it is, all relevant information will go to the Immigration Appeal Board.

In terms of our responsibility, Mr. Speaker, it is to investigate information which comes to us. We would be letting the people of Canada down if we did not do that. We must act appropriately and fairly on all available information.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MEMBER OF PARLIAMENT OF ICELAND

Mr. Speaker: I wish to draw to the attention of Members the presence in the gallery of Thorhildur Thorleifsdottir, Member of Parliament from Iceland.

Some Hon. Members: Hear, hear!

* * *

REGIONAL INDUSTRIAL EXPANSION

AWARD OF CF-18 FIGHTER CONTRACT

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Documents, albeit censored documents, acquired under the Access to Information Act and published

this past weekend make clear that the Minister of DRIE and the Government of Canada systematically misled the people of Canada and, in particular, the people of Manitoba, about the awarding of the CF-18 fighter contract in 1986.

On October 31, 1986, the day the contract was awarded, the Minister of DRIE said: "Let me be very, very clear on this. This was not given on the basis of regional disparity, this was given on straight economic and financial terms".

The released Cabinet documents make clear that the Minister's statement was not true.

Mr. Speaker: The Hon. Member is completely within his rights in raising this general issue. However, the Hon. Member is getting outside his procedural rights by making an allegation that a Minister has made a statement in this House which is untrue. I know the Hon. Member will understand that, and I would ask him to rephrase his question appropriately.

• (1440)

Mr. Tobin: Given that the Minister's statement is totally at odds with the evidence contained in released cabinet documents, is he prepared to set the record straight today, and apologize to the people of Canada in the process, particularly the people of Manitoba? Perhaps he might consider a resignation.

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the answer to the last part of my hon. colleague's question is a definite no.

I mentioned at that time, and say again today, that we had two very good contenders. In terms of technical merit, at that point I indicated that one company had been evaluated at 926 points out of 1,000, from the other at 841 points out of 1,000.

I indicated at that time that the bid from one company was $100.54 million and the other company was $104.0 million. I indicated at that time that these two excellent companies provided a choice which the Government had to make, and a choice that the Government did make within its mandate and its authority to give out contracts. It was a choice that was based on economic considerations. I stand by the statement I made at that time.

REASON FOR GOVERNMENT DECISION

Mr. Brian Tobin (Humber—Port au Port—St. Barbe): Mr. Speaker, an expert evaluation done in May, 1986, by Supply and Services, involving a panel of 75 experts, recommended Bristol Aerospace. The Cabinet documents released last weekend show that on technical and financial bases the winner was Bristol Aerospace.

Indeed, the Government does have a right to make a choice. Indeed, the Cabinet has a right to choose Canadair. No one questions that. However, we say that if Winnipeg and Bristol Aerospace are not entitled to the contract on financial and technical grounds, they are at least, a year and one-half later, entitled to the truth.

Will the Government admit today that the decision was made on a political basis, not on a technical and financial basis? Will the Minister apologize today for making a statement on October 31, 1986, that is at complete variance with the facts as we now know them and which the Minister had in his possession at the time he made his statement? Will he apologize today?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology):

Mr. Speaker, we had two excellent contenders at the final moment—

Ms. Copps: You said that before.

Mr. Tobin: We heard the press release.

Mr. de Cotret:

—through the bidding process. They were very close on technical merit and on cost. We looked very closely a the issue of technology transfer because it is an important issue for the country. The Government had a choice, and it made a very deliberate choice to favour Canadair because we felt that the downstream technology transfer could be better done through the existing facilities of Canadair than by the competing consortium because Canadair is a producer of aircraft as well as being in the maintenance business.

Ms. Copps: Table the document.

Mr. de Cotret: Well, it is page 947 of *Hansard*, October 31, 1986. It has already been tabled. You call that a political decision? It was a government decision.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

FAMILY VIOLENCE

FORTHCOMING ANNOUNCEMENT OF PROGRAM—REQUEST THAT GOVERNMENT ENSURE ADEQUATE FINANCIAL RESOURCES

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, last week the Minister responsible for the Status of Women announced that the Government would shortly introduce a program for women who are victims of family violence.

Studies have estimated the number of battered women across Canada at one million annually.

Could the Government give Canadian women the assurance that the new program will have sufficient financial resources to meet the real needs of battered women and their children?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I want to confirm to the Hon. Member who has

asked questions on this topic before that the Government has been working on a response respecting family violence.

The Hon. Member also asked about funding. Funding has also been part of that package which I hope to be able to announce relatively soon. However, I cannot give details beyond that today.

REQUEST THAT GOVERNMENT ALLOCATE $50 MILLION TO PROGRAM

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, currently only 60,000 women and children can be housed by existing shelters. During the 1984 leaders' debate, the Prime Minister said that a Conservative Government would not be inhibited by dollar amounts. Will the Minister keep the promise of his Government and guarantee that the initiative to be announced this week, or soon, will be allocated at least $50 million?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again, I cannot give the Hon. Member the amounts. She is trying another way to get the same answer. I can tell her that we have looked at this very carefully and part of the component of addressing family violence must be more shelters and more spaces. We have been working with CMHC on the proposal.

There are various ways in which space can be handled. I think we have been fairly innovative in terms of putting those proposals together for my Cabinet colleagues.

* * *

CANADA POST CORPORATION

COST OF DOOR-TO-DOOR MAIL DELIVERY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is directed to the Minister responsible for Canada Post. On Friday the Minister answering for Canada Post replied to my question: "If we had door-to-door delivery for all Canadians we would need a 60-cent stamp". Rural Canadians have never asked for urban delivery, no more than urban Canadians have asked for rural delivery in the past.

Given that Canada Post's business plan contains figures proving that door-to-door service in urban areas would cost $38 million, or a postal increase of two cents per stamp, can the Minister tell the House where he dug up his figures?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I know the Hon. Member dug up his figures from a newspaper article. The reporter is not accurate.

The fact is that since the Post Office was first formed there have always been several ways of delivering the mail, including door-to-door, rural routes, general delivery, and lock boxes. There are now five million households that do not receive door-to-door delivery.

If the Hon. Member is suggesting that everyone have the same type of delivery system, as he seems to be saying when talking about second-class citizens and so on, the cost of that is a 60-cent stamp. Where would he draw the line between who gets door-to-door service and who does not?

Canada Post adopted a policy that new subdivisions would receive their mail by group boxes. That is a policy followed by post offices throughout the world. Only in Canada are there opposition Parties wanting to turn back the clock because they do not want to see any change.

[*Translation*]

HOME MAIL DELIVERY SERVICE—MINISTER'S POSITION

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my supplementary is for the Minister, and I will speak slowly so this time he will understand what Canadians want to know.

Considering the fact that it would cost not more than 2 cents to offer all residents in urban areas door-to-door mail delivery, is the Minister prepared to inform the House today that he will offer this service, and if not, why not? And the reason isn't a 60 cent stamp. The Minister knows that as well as I do.

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, whether the question is in French or English, the answer is the same. The figures the Hon. Member uses are wrong and it is as simple as that.

The Hon. Member may not be aware of the fact that other postal jurisdictions have recognized that, in this modern era with different lifestyles and different approaches, delivery systems designed for the 1920s, the 1930s, or 1940s are not the most appropriate today. We no longer have door-to-door milk delivery or bread delivery.

There has been no extension of door-to-door delivery in the United States since 1978. That country is not falling apart. Their stamps are cheaper than ours and, according to some measures, their service is better than ours. We want to achieve an efficient, effective, and economic postal service in this country. Canada Post is working toward that.

* * *

[*Translation*]

EXTERNAL AFFAIRS

SUDAN—REQUEST FOR REVIEW OF CANADIAN AID PROGRAM

Mr. John Oostrom (Willowdale): Mr. Speaker, my question is for the Minister for External Relations.

[*English*]

Recently, some stories have appeared regarding the misuse of Canadian aid by the Marxist Government of Ethiopia.

[*Translation*]

On the border of Ethiopia lies Sudan, a country that still tolerates opposition, accepts criticism of the government and also has a free press.

• (1450)

[*English*]

Presently the Sudan has over 2 million refugees within its borders who are struggling for support. Will the Government review our present aid to the Sudan in order that at least this country, which has a rudimentary democracy, can be allowed some economic breathing room?

[*Translation*]

Hon. Monique Landry (Minister for External Relations): Mr. Speaker, I thank my colleague for his interest in this matter, which is also a great concern for the Canadian Government. We are now assessing the various options and ways of sending emergency aid or humanitarian assistance to the people suffering from the conflict raging in the region. Until quite recently, it was very difficult to consider emergency relief for the southern region, precisely because of the conflicts.

The International Committee of the Red Cross and the Sudanese government authorities are now looking at how food might be sent to the affected populations. And I can tell my hon. colleague that I would be glad to allocate funds from our humanitarian aid budget once an agreement has been reached between the two parties.

* * *

[*English*]

CHILD CARE

NATIONAL STRATEGY—REQUEST FOR REDRAFTING

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, in the absence of the Prime Minister my question is directed to the Deputy Prime Minister. He will recall that during the 1984 election campaign the Prime Minister promised to introduce an effective system of child care across the country. After waiting three years, the Government's ineffectual strategy was introduced and it has been rejected by women's groups, child care groups, child care advocates and Canadian families from coast to coast.

Will the Government, in view of these objections, now go back to the drawing board? And will it reintroduce a child care program which really deals with the need of Canadian families for effective, quality, licensed child care services?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, we have taken the views of Canadian women into account. We have taken the views of Canadian families into account. We have taken into account the views of women in isolated communities. We have taken into account women in cultural minorities. We have provided flexibility and dollars. For the first time ever we have provided new funding. We have provided $5.4 billion for new spaces, for tax credits, so that women have the option to work at home rather than in the workplace, if that is what they choose. We have taken the needs of farm women in isolated communities into account. We have taken all the needs of women into account, and those women like the strategy.

Ms. Mitchell: Mr. Speaker, I just wish the Minister had listened to the groups from across the country which spoke to our child care committee. That is not the message we got from them, I can tell you.

GOVERNMENT FUNDING

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Minister's facts are not correct. The Government is not putting $5.4 billion into new spaces. It is not even putting in enough money to keep up the introduction of new spaces we have now. We are going backward. Therefore, I want to ask this Minister, who professes to be concerned about women, what she will do, as far as the Government is concerned. Will she go back and insist that they must have adequate funding for adequate child care spaces? There is a crisis and the Government program is not dealing with it.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Government has listened. The majority report brought forward by the special committee was reflected in the proposal as the Minister of Employment and Immigration has stated. We have listened to those groups.

I cannot help it if the Hon. Member who asks the question was of a minority and somehow today likes to translate that she was of the majority, when in fact she was not.

Additionally, if one takes a look at the numbers under the Canada Assistance Plan, and the evidence given by me as recently as last week in front of the Senate Committee, she will find very clearly that there is more money of the $5.4 billion, or the $3 billion of the $5.4 billion, for new spaces and for capital costs, capital costs which were never covered before. So the point I make to the Hon. Member is that it is substantially more than under the Canada Assistance Plan which is today about $150 million. Even at the end of the seven years' boost period, it would be at least $600 million. If the Hon. Member cannot understand that $150 million is less than $600 million, she is in even bigger trouble than I thought.

Oral Question Period

FISHERIES

CANADA-FRANCE DISPUTE—FRENCH GOVERNMENT'S POLITICAL AGENDA

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the meaningless and insulting offer by France on Friday to delay for three months any further arrests of Canadian vessels is as unacceptable as Canada glossing over France's actions. Our Prime Minister said: "One would have to be a fool not to expect such actions during a presidential election".

[*Translation*]

Well, now we have a general election. What will France do to Canada now?

[*English*]

Now I ask the Minister—

[*Translation*]

Must Canadian fishermen live in fear of France's political agenda?

[*English*]

Why do Canadian fishermen have to live in fear of the political agenda of the Government of France?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Secretary of State for External Affairs made formal representation on May 5 and filed a note of protest to the Government of France. As the Member knows, elections have now been called. We are prevailing upon the new President to restore the normal and traditional practices which have been in place for a number of years.

The Government of Canada has made it abundantly clear that our first objective is to protect the welfare of the Canadian fishermen. There will be no quotas for French vessels in Canadian waters unless and until a general agreement on the issue is resolved and, particularly, the boundary issue sent to an international tribunal. We have taken a number of unprecedented steps to back that up, and we will continue to work very closely to try to resolve this matter as quickly as we possibly can.

CANADA-FRANCE FRIENDSHIP

Mr. George Baker (Gander—Twillingate): Mr. Speaker, Article 2 of the 1972 Fisheries Agreement states that French nationals have the right to fish in these waters:

> Subject to possible measures for the conservation of resources, including the establishment of quotas.

The metropolitan fleet from France has violated that four and five times every year, only since this Government came to power. That is over the last three years to four years. That is why it is the common enemy of Newfoundland and St. Pierre.

I ask the Minister to verify that our Prime Minister received a letter dated December 23, 1985, from M. L. Perouas, representing the metropolitan fleet, wanting to know if they could fish beyond the 1972 agreement? Our Prime Minister, in his continuing efforts to be loved by the whole world, instructed the Secretary of State for External Affairs to respond by saying: "This Government will not abandon the people of France. It is because of our friendship with France that you will be able to fish in Canadian waters in 1986 and well beyond that". Is friendship with France more important than fidelity to our own fishermen?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member knows that unprecedented action has been taken. For example, no French vessels have been permitted to conduct their normal fishing inside the Canadian zone. No quotas have been granted. We have closed our ports to the French. These are all pressures that have been imposed upon the French in order to bring them back to the bargaining table and to ensure that we can resolve this matter in a proper manner.

The fact of the matter is, and the Hon. Member I am sure acknowledges it, the problem we are in today goes back to the 1972 treaty negotiations in which the Government of the day, of which he was a supporter, sold the fishermen of Newfoundland and the Atlantic Provinces out, out, out!

* * *

REGIONAL INDUSTRIAL EXPANSION

AWARD OF CF-18 FIGHTER CONTRACT

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. In answer to earlier questions today on the CF-18 he gave two reasons for the decision, first, there was some type of technological transfer that benefited the Canadair bid, and he knows his own officials said that was not true, and, second, that the technical merits, the markings given by the Department and the officials, were 926 out of 1,000 to Bristol, and 843 for Canadair. He makes it sound like those two marks are the same. Perhaps he could ask the schoolteacher who is his seatmate if he believes that a mark of 84 is the same as a mark of 92?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I have answered that question time and time again. All I would like to tell my hon. friend is that my answers today are the same as my answers were when the announcement was made. Nothing has changed. I stand by those answers. They were based on the information that was available, which information has now been made public.

• (1500)

REASON FOR GOVERNMENT DECISION

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is directed to the same Minister. He has also said: "In no way was this prejudged on a regional basis". It is evident from the papers that have been released that, month after month, officials were looking for some type of basis upon which to get the Government to change its mind and to ignore the financial and technical advice. If it was not made on a regional basis, why were the officials and political advisers spending so much time trying to make sure that the Government gave the contract to Canadair?

Hon. Robert de Cotret (Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, as I have said time and time again, we had two excellent companies and two bids that were very close, both in terms of the financial aspects and in terms of the technical merits.

We looked at the technology transfer. My hon. colleague may think that technology comes in a box. It does not.

Essentially, technology comes from experience. It comes from knowledge. It comes from know-how in engineering design, in analytical techniques, in systems configurations, and in the use of advanced materials. That is what real technology is all about.

If there is one company that is a manufacturer of an aircraft, then its technology is worth more for the nation than technology from a company that is not. It was on that basis that the decision was made.

Mr. Speaker: I want to advise the House that the following will be the last series of questions in Question Period. The Hon. Member for Notre-Dame-de-Grâce—Lachine East.

* * *

STATUS OF WOMEN

EFFECT OF CANADA-UNITED STATES FREE TRADE AGREEMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is for the Minister of Employment and Immigration. As the Minister knows, the National Action Committee on the Status of Women was in Ottawa today. Once again it said how bad the Canada-U.S. trade agreement is for Canadian women. Not only does it threaten social programs that women consider very important, it also threatens those jobs in which women are found in greatest numbers, such as textiles, clothing, and footwear. This is not criticism coming from the opposition Parties but from an umbrella organization representing hundreds of Canadian women's groups.

Why does the Minister not call an election now—have the Government call an election now so that women can give the Government a clearer message that it will understand about this deal?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the last time I looked, the powers of my Department did not include the calling of an election.

Let me say that as women across the country are examining the real answers to their questions, many of which are included in the book that we published last week on women in free trade, they will see the opportunities for them. Some 84 per cent of women who work outside the home in Canada are employed in the service sector. There is evidence that those industries will grow as a result of free trade.

Our manufacturing industries, in which there are a large number of women, such as apparel and textiles, are at risk from the Third World and not at risk from the United States.

There are opportunities for women in this deal. Certainly, when I have spoken to women across the country on this matter they start to see the opportunities, if people would stop scaring them to death.

Mr. Speaker: A very short supplementary, please.

Mr. Allmand: Mr. Speaker, a large percentage of Canadian women work in the manufacturing sector. These jobs are very much threatened by free trade. As the Minister knows—

Mr. Speaker: I hesitate to interrupt the Hon. Member but we have gone too long. I did ask for a short supplementary. Orders of the Day.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—CANADA-U.S. FREE TRADE AGREEMENT—POLITICAL SOVEREIGNTY

The House resumed consideration of the motion of Ms. McDonald:

> That this House condemn the Government for voluntarily relinquishing political sovereignty in the "trade" deal with the United States, namely by limiting the power to decide on new or expanded social programs and cultural industries, including those by the federal, provincial, territorial or municipal Governments, present and future.

Mr. Speaker: When the House rose at 1 p.m. the Hon. Member for Hamilton Mountain (Ms. Dewar) had the floor. I recognize the Hon. Member.

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, the ability of our health care services to be eroded by this trade agreement is very real. Since health care administration is now part of the agreement, we recognize the fact that it will not

take very long before people come into our system and say that the capability of making profit over quality of service delivery can be a priority.

Mr. Clark (Brandon—Souris): Wrong!

Ms. Dewar: Not wrong. We have delivered one of the best health care delivery systems in the world.

Mr. Clark (Brandon—Souris): That's right!

Ms. Dewar: We do not need to have people from other countries coming in to make a profit out of that system. It is important that we do not allow that to happen. It is the slim edge of the wedge before all of a sudden our social service programs become eroded. That is of great concern.

With the increasing pressure to harmonize employment practices and social and economic programs with those of the United States, Canadian economic policy will be set by trade legislation rather than by domestic priorities and policies. The wonderful thing that has happened in Canada over the years has been that we have been very conscious of the fact that we wanted to set our own domestic priorities. Through that we have established a very strong social service network. We have also proven that when we deliver those types of services we do so efficiently and universally. More and more we are concerned that this type of deal will erode that very seriously.

I have in my hand some quotations of people who have looked forward to the trade agreement. The Canada West Foundation states that free trade between our two countries will inevitably lead to wages being equalized between Canada and the United States. It states that this will occur because a high cost producer will not be able to compete against a lower cost producer if goods are traded freely.

What is really being said is that if there are no minimum wages for labour and in some states in the U.S., let alone Canada, we know that the transfer flow of economy is taking place from the north to the south, then that will allow that type of abuse to take place. Certainly, what has happened in Canada is that we have recognized that we are a small population, a population that occupies a thin strip across the country. With that we have stood firm, strong and free. We have established a network that is very different from that in the United States.

We must recognize that with this agreement there are two visions of Canada. There is a vision of Canada about which many people—I would say the majority—say that social policy is important, that the weak and the vulnerable in the country need to be protected. That vision states that we recognize that there has to be a sharing of our resources if we are to have the type of civilized community that I think we have chosen to live in.

The other version of Canada is the version that states that the only economy that makes sense is a market-driven one so that profits can be maximized and so that people can be exploited to the maximum. In this way we would become a North American fortress which says that we will maximize our profits in North America to the exclusion of the rest of the world, and ensure that we protect what we have here for the greatest profit. It is not a value system which Canadians have had over the years. It is not a value system that we want to have in the future.

When we talk about our sovereignty being eroded we are very serious about it. We know of the ability there is to take the whole military industrial complex and to have our country driven by what the United States foreign policy is all about as if to say that unless we have military jobs we will not have jobs at all. There is that type of talk going on. That is not what Canadians want. It certainly is not what our ancestors fought for over the years. It is not what we want to look forward to in the future for our children and our grandchildren.

When we talk about the trade agreement eroding our sovereignty, hurting our culture and interfering and weakening our social service network we recognize how important it is not to allow that to happen. This agreement must be stopped. It is important that it be stopped. I become quite upset when I hear people I have known for years who have attempted to protect the Canadian culture, now saying "We can compete anywhere in the United States or in Canada. We know that our writers, our artists, and many of our people could not compete if they had not been able to get some help nationally from Canada Council, from research, and those types of things".

• (1510)

Mr. McDermid: They still can.

Ms. Dewar: But the Government has talked about how they can still get it, but it has not identified what is a subsidy.

Mr. McDermid: That is cultural. It is outside the agreement.

Ms. Dewar: Culture is not outside the agreement. We saw last week what happened in the film industry. One year ago our Canadian industry was asking for 15 per cent of the market. It was not asking for great numbers, only a small piece of that market. What has the Government done? The Government has stated that that is far too much, that it will give some money to assist in making proposals internationally, and the film industry can compete with everybody else, but as far as the Canadian market is concerned, the industry has no right to have any exclusion in its own market. That is the type of agreement that we have in front of us.

When I hear people from the Government saying that the issue of culture is not on the table or that it is not affected, it certainly is affected. It means that we will continue not being able to see Canadian films. Those films can compete internationally, they have shown that. We have listened to the Government tell us that it has reduced tariffs over the years. We know that, and we have worked at making sure we do have freer trade among all nations. We know that that is a good

thing. However, this trade agreement is putting us into a North American fortress mentality. It is saying that we in North America must protect ourselves against everything else. That is not a vision that most Canadians have of this country.

We certainly see our economic development as involving multilateral trade, at getting a foothold in the Pacific Rim, and looking at the ability of trading our goods with people from other countries with massive populations. Perhaps with an enlightened Government we would not be tying all our aid to trade, but looking at what it is to be competitive in a multilateral way, and at the same time looking at the whole planet as part of the human family.

It is with great concern that we recognize that, if the agreement continues, the social service network will be threatened. We have seen what has been done with health care. It is on the table, and it is in the agreement. We know that the administration of the health care is there. We know that a subsidy has not been identified. We also know that unemployment insurance and health care are part of many of our labour agreements which could be seen by companies outside of Canada as a subsidy. The Government was afraid to identify what a subsidy was. We know that there have been complaints about our social services being part and parcel of our labour practices.

A well-known Vancouver entrepreneur, Jimmy Pattison, stated: "We are looking at manufacturing along the Mexican border and shipping into Canada. If we do that we will shut down plants in Canada and transfer to Mexico". That is lovely! Is that the type of Canada we want? That is not the type of Canada that we are looking for. The Jimmy Pattisons can go off to Mexico, but we do not want him to start shipping in here. What is happening is far too serious.

I heard the Government state that with this agreement we will end up with better consumer prices. It has been proven that a family will save approximately $50 a year on consumer prices. That is $50 a year to lose what we would lose. Over and above that, we would see the inability of consumers to purchase. If one does not have a job, it is very difficult to participate in consumerism.

The time has come when the Government has to come clean with the Canadian people. It has been packaging a sales package and stating that it is good for us. When specifics are asked for, one is told, "Trust us". In this day and age we have to learn that there has to be more than trust and more than a leap of faith.

We know what will happen to the data processing industry in Canada. We know how those jobs are flowing south of the border, and with the regulation gone of collecting the data in Canada, it looks upwards of 200,000 jobs per year. That study was produced by the Computer Association of Canada. When we look at the background in this agreement, we recognize that all we are getting back is a sales pitch and a trust. We know that our vision of Canada is too important to buy into a sales pitch without any substantive foundation. It is high time that the whole trade agreement was eroded.

The Acting Speaker (Mrs. Champagne): Questions or comments. The Hon. Parliamentary Secretary to the Minister of International Trade.

Mr. McDermid: I have known my hon. friend as a person who served on city council, as Mayor of Ottawa for many years, and now as a distinguished Member for Hamilton Mountain. With the greatest respect, Madam Speaker, I think that was probably one of the most unfactual statements I have heard in the House in many a moon. I wish to cover some of the statements made by the Hon. Member and throw them back, if I may.

On day care the Hon. Member stated that multinational companies will come in, and children are the ploy of the trade deal. It is very obvious that the Hon. Member has not read the agreement.

Ms. Dewar: Yes, I have.

Mr. McDermid: Does Annex 1408 ring a bell with the Hon. Member? The provision of day care is exempt from the agreement. Does the Hon. Member understand Annex 1408? She obviously has not read or understood the agreement.

The Hon. Member further stated that Canada cannot review foreign investment under the deal. We can. It means that we can review the top 500 Canadian companies. To make the statement that Canada cannot review foreign investment is absolutely false.

The Hon. Member also stated that Canada will only trade with the United States. The Hon. Member obviously does not understand that the spin-off from this agreement, when Canadian companies grow in economy of scale, it will make them more productive and more competitive on the world market. That is what this whole thing is all about. Until the NDP understand that, and understand how business operates, and how when production is expanded there is economy of scale and we can compete better in the world, only then will the NDP understand the importance of international trade in all areas of the world to Canada and to our economy. Thirty per cent of what we produce is exported. We rely on trade more than any other country, with the exception of Germany. It is so important to our economy. For the New Democratic Party to make totally false statements without substantiation is a disservice to the Canadian public.

Ms. Dewar: I think it is about time that the Government understood, and certainly the Hon. Member recognized that, that when we start to put all our eggs in one basket and trade with only one major trading partner, we reduce our ability for multinational trading. One does not have to be overly intelligent to figure that out.

We must also recognize that, for the first time, the Government has allowed public dollars to go into private profit-

making day care delivery. As multinationals come in, they will be able to get that type of subsidy from the Canadian Government. That is wrong. That is the type of thing that makes a ploy of Canadian children. The Government must start to recognize what are the true needs in this country. One of the true needs is the delivery of quality care service to our children. We know that there are 2 million children in informal care, and some of it is pretty disastrous. I think if we were really committed to that notion we would not be looking at trying to find ways for people to make a profit and saying that we will put public dollars into profit-making centres.

• (1520)

We have to recognize that much child care now is under the aegis of multinational companies. When those companies come into Canada they will be treated as national companies, and there are the kinds of things that start to erode our social services system. The Hon. Member, with good intention, is defending an indefensible kind of accord. My sympathy is with him. I recognize that he probably does mean well, but when you get an agreement like this, which really gives the country away and invites the Americans to come into Canada under their terms not ours, that is pretty hard to defend. I can understand why outrageous statements are being made.

Mr. McDermid: Madam Speaker, I just want to correct one thing. The provinces will continue to regulate and set standards for child care services under the new Canada Child Care Act. Provinces will continue to decide which child care centres receive funding not the Americans, not the federal Government but the provinces. The provinces set the standards and the quality of care. Canadian provinces are in charge of day care. They will set the standards and say where the funding can go, nobody else. When the Hon. Member makes the statement that foreign companies will come to Canada and take over our child care operations, she is absolutely wrong.

Ms. Dewar: Madam Speaker, my short answer is that the Canadian Government has already set the stage for that by allowing the multinationals to come into child care.

Mr. Manly: Madam Speaker, when we look at this trade deal there is a lot of talk about competition. Canadians are fully capable of competing. We are able to compete when we work and when we have the advantage of Canadian resources and the advantage of Canadian programs. This deal seems to open the door for Americans to come here and have access to our resources and we will not have the advantage of our own resources. The Americans will continue to have the advantages of their resources and of a huge financial pool. They will continue to have the resources of established markets and brands in those markets. We will have to compete with them after we have given away our competitive edge. The long-term effect is that Canadian companies, in an attempt to compete, will have to compete by cutting the standards of Canadian workers to the standards of workers in American states where there are right-to-work laws and where there are no minimum wages.

Mr. McDermid: No, that is phoney.

Mr. Manly: The Hon. Member says it is phoney. I challenge him to show how it is phoney. Perhaps he can speak later on.

Will my colleague comment on this whole question of competition and the ability of Canadians to compete if they are given half a chance and the ability of Canadians to compete if the whole competitive edge for Canada has been wiped out by this trade deal?

Ms. Dewar: Madam Speaker, I thank my hon. colleague for his question. Many of us are becoming very tired listening to the propaganda coming from the government side, saying those who are against this deal really are afraid to let Canadians compete. I think it is very clear how well we have competed internationally up until now. Certainly in the communications technology field we have shown how well we can do, and we constantly hear how well Canadian companies are doing now. We know that the United States has a trade deficit with Canada. With all of that, certainly Canadian companies are doing well and Canadians workers are doing well. We have confidence in their competition.

Mr. McDermid: It is the status quo.

Ms. Dewar: It is not the status quo. This country has never lived in the status quo. Anybody knows that the status quo is suffocation. We know that unless you generate, initiate and support creativity you shrivel up and die.

We are looking for, and certainly what New Democrats want to see, is an economy that is bubbling and a strong economy with Canadian direction in it that will be very competitive in the world. That is the situation we are starting into right now. This deal will tie us very much into large companies. Decisions will be made by boards of directors in head offices south of the border. We will not have the ability to have the same kind of competitive edge that we have now, and I think it is important that people understand that. I understand my colleague's frustration at trying to defend an indefensible deal.

• (1530)

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Madam Speaker, I welcome this opportunity to take part in today's debate.

Since the beginning of our term in September 1984, our Government has always stressed the fact that Canadian women should enjoy their fair share of the results of our efforts to expand the economy.

Madam Speaker, the New Democratic Party should be cheering the Government on today instead of tabling motions

condemning the Government for signing a free trade agreement with the Americans.

Madam Speaker, I intend to quote just a few figures to show that the Conservative Government has definitely kept, I would say . . . 90 per cent of its promises.

We created nearly 1,223,000 jobs, of which 82 per cent are full-time jobs, and 679,000 of those full-time jobs are held by women.

The Opposition Parties talk about unemployment and the unemployment rate. Madam Speaker, three and half years ago this Government came to power, and although I agree that more remains to be done, I think we should realize that the unemployment rate, which was 11.7 per cent in September 1984, dropped to 7.7 per cent in April 1988. They should be applauding, because this is indeed a real accomplishment. And what about interest rates that have gone down enormously, and today, and I see this in my own riding of Argenteuil—Papineau, we are enjoying economic growth as never before. We have never had so many construction starts, for instance. Everybody knows that when the construction industry is in good shape, the economy is in good shape. I see that in my riding!

Reducing the deficit has also been a very important achievement. As for real economic growth, Canada has the best record of all members of the OECD. Isn't that something to applaud, Madam Speaker?

Fewer Canadians are living at the poverty line, and I agree we cannot afford to be complacent about our achievements because much remains to be done, but we have made some headway.

Foreign investment has doubled since 1984. I referred earlier to the construction industry, consumer spending, price stability and the increase in farm income.

Madam Speaker, I simply want to say today that as far as I am concerned, Canadian women have everything to gain from the Agreement because they will get a substantial share of the opportunities and advantages arising from the free trade agreement.

On May 5, the Minister responsible for the Status of Women (Mrs. McDougall) released a report on free trade and women, which assesses the impact of the agreement on Canadian women. Her conclusion was clear. She said that free trade will mean better job opportunities for women.

Madam Speaker, I fail to understand why, for instance, the National Action Committee on the Status of Women, in Ottawa today for its annual lobby meeting, is against the Agreement. They are here to tell us about their objectives, I say to them that women should support the agreement, and all eminent experts who have examined the agreement and its various sections and the impact on women, say that many new jobs created as a result of the agreement will be in the service industry. Canadian women are in a very good position to take advantage of this expansion, because they already represent more than half the work force in the service industry in this country. In fact, 84 per cent of Canadian women working outside the home are employed in this industry.

With free trade, existing companies will grow to take advantage of the more secure access to the American market. Increased trade and greater demand for consumer goods will lead to the creation of new businesses.

Madam Speaker, the Department of Consumer and Corporate Affairs also conducted a study on the impact of free trade on consumers. The largest consumers of goods and services in our society are women. They do the shopping for the children, for groceries and so on. So women consumers themselves will benefit from lower prices, because with increased trade, there will be more products and prices will keep going down. I am sure, Madam Speaker, that when free trade will be fully implemented, Canadian women consumers will be even happier to see their purchasing power greatly increased.

The paper also looks at the impact of the agreement on women working in the manufacturing sector. Under free trade, according to Department of Finance estimates, manufacturing production in Canada could rise by 10 per cent.

The abolition of customs duties, the lowering of non-tariff barriers and the increased security of access to the American market are all factors that will help Canadian manufacturers improve their efficiency and achieve economies of scale. With lower input costs, these manufacturers will be able to become more competitive. More efficient, more competitive companies will be able to create more and better jobs for Canadians, men and women.

Madam Speaker, once again, as this document points out, the female work force in manufacturing is divided among the various industries of this sector. Thus these working women are in a good position to reap the benefits this sector will enjoy after the Canada-U.S. Free Trade Agreement takes effect.

Certainly, Madam Speaker, and we do not deny it, some adjustments will be necessary. But I do not think they will be major. In fact, it is expected that the dislocation will largely be offset by the overall growth in trade and the employment opportunities created by free trade. In the past, working women have had to make many such adjustments and they have come through them well. God knows, Madam Speaker, as you do, that women come through all right everywhere!

Furthermore, the changes required by free trade will be gradual, since a ten-year transition period is provided in the Agreement.

There has been much talk of adjusting workers to free trade. Through programs such as the Job Strategy, and the Industry Adjustment Program, we are now in a position to respond to situations where women could need training or adjustment, or are in an industry or community undergoing changes of some kind.

We are hopeful that our programs are adequate to meet the adjustment needs deriving from free trade, but in order to ensure the fastest and most efficient response we have set up an adjustment advisory council including representatives from business, labour, consumers' associations and education institutions, to assess our programs and ensure that we are in a position to adequately respond to any new situation. Just like the Hon. Member from the New Democratic Party, I can state, Madam Speaker, that as a Government Member in this House, I am concerned with and especially interested in the advancement of women in our society, and I can state that on this side of the House, all of us women Members, including you, Madam Speaker, have looked at the free trade agreement from top to bottom to ensure that the free trade agreement in no way hinders the advancement or even the jobs of women.

Madam Speaker, I can assure my women constituents that I have a special interest in that matter, and I can assure them today that, despite what the New Democratic Party might suggest, women are not victimized by the free trade agreement, quite the opposite. We can expect there will be a larger number of non-traditional job opportunities in primary industry for women. The new markets opened to small businesses are another area of interest to women, because the latter are playing an increasing role in Canadian small businesses.

Earlier, Madam Speaker, I referred to the Action Committee on the Status of Women, and their suggestion that Canadian women oppose free trade made me wonder, because I know a number of women in the small and medium-business sector who support and welcome free trade.

So, when the Canadian Action Committee suggests that women oppose it, I tend to wonder because women own more than one third of Canadian small businesses. Free trade will bring to these entrepreneurs both new business opportunities and greater access to the huge American market.

The free trade agreement also is good news for women farmers, since women have an essential role in Canadian farming, Madam Speaker. They account for 30 per cent of farm labour in this country. In co-operation with their husbands, they operate a very large majority of family farms. It is a well-known fact, Madam Speaker, that without women participation in agriculture, family farms would not be what they are today. Again, family farms account for 99 per cent of Canadian farm operations.

In addition, 23,000 women operate their own farms. The free trade agreement features a series of important measures which will give Canadians more generous and more secure conditions to export agricultural products to the huge American market. Canadian producers, men and women alike, will gain real benefits. Plentiful Canadian agricultural and food products, meats, grains, oil-producing seeds and potatoes will be in a position to compete fairly with American products on the U.S. market.

Madam Speaker, I can tell you that if the free trade agreement were in effect right now the Notre-Dame-de-la-Paix potato growers who have to cope with overproduction and all sorts of problems would find a secure market and they probably would not be experiencing the difficulties they have now.

The agreement does not restrict the right of the federal and provincial Governments to establish and maintain programs designed to protect and stabilize agricultural income. Free trade will not affect the future of wheat, dairy, chicken and egg marketing boards, nor Canada's right to set up new marketing boards. This sector will not be affected. I can say that because there are ongoing negotiations on potatoes, and I am sure that with the free trade agreement we would still be able to create a potato marketing board. Canadian farmers can indeed look forward to the day free trade does become a fact of life. Much the same thing can be said about Canadian consumers, for they too will benefit from more generous conditions with respect to agricultural trade between Canada and the United States.

As consumers, Canadian women—I said this earlier—take a special interest in the impact of the free trade agreement on prices, if only because a larger share of their personal or family income goes for basic expenses such as those for food, clothing, and housing. Madam Speaker, you know how much money women have to spend on clothes. Fashion being what it is these days, we like our shoes to match the colour of our outfits. As consumers, we need access to better products in a wider market, but at more reasonable prices, of course.

The Canada-U.S. trade agreement will do away with tariff barriers which inflate prices and restrict the consumer's choice. It will make prices more competitive, widen the selection of goods and services, and increase the quality of products.

It is estimated that tariff elimination will reduce the cost of American products by 5 per cent. After the Agreement comes into effect, the price of Canadian products should equally fall by 3 per cent during the transition period. That reduction will be achieved by a lower cost of inputs and an increased efficiency resulting from the economies of scale.

Madam Speaker, it means that a family—the Hon. Member for Hamilton-East finds that funny—would save between $300 and $800 each year and be able to buy more products. The document released on May 5 gives an estimate of the savings that can be made by consumers in general and four different groups of women in particular. This is an important point because Canadian women play a significant role in the support of families.

One last word, madam Speaker. Canadians are proud and rightly so of their social security system. Many of the programs which make it up have already been implemented to meet the needs identified by women and their organizations. The Agreement in no way affects the basic system, nor does it preclude the establishment of new programs. In fact, the

economic growth which will flow from free trade will strengthen the financial foundation of our social programs.

Again I do not understand the obstinate and erroneous contention of the opposition Parties that the Free Trade Agreement will jeopardize our social programs. How inconceivable, how incomprehensible for members of this House to make such assertions! The Free Trade Agreement is an economic agreement, no more no less. We are not relinquishing our sovereignty. On the contrary, we are exercising it since, by concluding this Agreement, we will improve our position vis-à-vis the United States and other countries. For women, this vision of the future would appear as a culmination of the efforts of many of us to improve our life and hopefully of other women's. Change is not a bad thing when it implies an improvement. For women, free trade will open up a new range of opportunities. To cling to the past inevitably leads to failure. Women know something about that.

Madam Speaker, I will conclude by saying that I am most proud to be part of a Government which has looked to the future instead of gazing at the past, which was able to sit down and negotiate an agreement. As the Prime Minister has said, this agreement is by no means perfect, but it allows us to face the future more optimistically and without the threat of protectionist measures, to react, in case of an emergency, as a unified country, not as provinces and regions, since the agreement will benefit all of Canada. That is why I think the opposition parties should applaud the government and try to cooperate in improving the agreement instead of saying that they will tear it up. Madam Speaker, those are the attitudes of people who cling to the past and who are not looking into the future. In conclusion, the Progressive Conservative Party looks into the future determined to pass on to our children the same kind of economy we have enjoyed.

• (1540)

Ms. Copps: Madam Speaker, first, I want it to be clear, once and for all, that I totally disagree with the comment of the Hon. Member that we should support the Mulroney-Reagan Agreement so that we, as female consumers, can find shoes that match our dresses. That is ridiculous! It is a shame to argue in the House of Commons that we should support the free trade Agreement to have a wider selection of shoes in Canada.

I would like to ask this to the Hon. Member: Is she aware that the United States Government, with which her Government wants to harmonize all our laws, including legislation on social programs, does not accept the 1975 Convention of the International Labour Organization which stated, as a general rule, that women should not be laid off as soon as they get pregnant? Does she agree with this American decision not to sign the 1975 Convention of the International Labour Organization?

Mrs. Bourgault: Madam Speaker, obviously we do not agree with that U.S. policy. We have our own policies here in Canada and I will say once more that Opposition members cannot have much to say to raise such ridiculous points.

Madam Speaker, we have our own policies here, in Canada, and obviously I do not agree with the U.S. policy.

In answer to the first statement of the Hon. member for Hamilton-East (Mrs. Copps) when she said . . . In my speech, I mentionned the garment industry as an example, Madam Speaker; I do not say that we must accept the Free Trade Agreement simply because of that industry.

I find rather inappropriate that the hon. member should quote only one example out of my speech rather than the whole speech.

Ms. Copps: Madam Speaker, could the Hon. Member give us her definition of the term "harmonizing"?

Mrs. Bourgault: Madam Speaker, when the Hon. Member raises such a question, the term "harmonizing" . . . harmonizing programs.

Well, harmonizing means in my view that currently, we are importing into Canada products from the United States . . . The Hon. Member is noting the term "harmonizing" . . . I think what we will do in Canada is ensure that American goods coming into Canada are harmonized to our laws, our labelling methods, in the sense that the goods will have to meet the standards set up by Canada as to their acceptability to consumers.

Mr. Kilgour: Madam Speaker, could the Hon. Member tell us, if she can do so, how much money we will enable Canadians to save in western Canada or eastern Canada or the Maritimes that is, if that agreement can work, what kind of savings will it bring consumers? How much money each year? Would she have figures, by any chance?

Mrs. Bourgault: Madam Speaker, the Department of Consumer and Corporate Affairs did a study on that matter, and it is our contention that in real terms the free trade agreement will save consumers between $300 and $800 a year. This does not include for instance the case of a couple buying a new home, because they could save tremendously on building materials, and also on appliances.

So there are substantial savings to be derived by Canadians from the free trade agreement when they want to build a home.

Ms. Copps: Madam Speaker, the Hon. Member just stated that harmonizing would only start with standards concerning goods that are imported into Canada. How come then the Committee on Subsidies will be sitting for the next five or seven years?

Mrs. Bourgault: Madam Speaker, the Hon. Member insists on criticizing part of the agreement instead of taking a comprehensive view.

I simply want to remind her that anyone who is interested in bilateral trade should look at what is happening in other countries. I think we should look at what happened in Europe and in New Zealand and Australia. From what I gathered upon reading the documentation, Madam Speaker, before these agreements were ratified the socialist parties and the unions were against the free trade agreement that now exists within the European Economic Community. Today, the same organizations, and I hope the New Democrats are listening, view with some embarrassment their erstwhile objections to an agreement that has enhanced the economies of the Common Market countries, while New Zealand has benefited enormously under the free trade agreement signed with Australia.

Ms. Copps: Madam Speaker, I am delighted the Hon. Member asked us to look at the situation in Europe. She should have known that in Europe, they started with a trade agreement and now they are harmonizing their social programs, including retirement age. For instance, we know that in Italy, the retirement age for women was lower than for men, but that is now changing. Programs for maternity benefits, hospital benefits and day-care facilities are all being harmonized according to the present policy followed by the Common Market. So how can the Hon. Member take this particular instance as an example of an economic agreement, when we know that in Europe, what they are doing is social harmonizing of social programs?

Mrs. Bourgault: Madam Speaker, trying to compare the European Economic Community with Canada and the United States is like comparing apples and oranges.

Madam Speaker, those discussions were held with the Council of the European Economic Community. That does not mean that Canada will reach the same conclusion; I hope not. Look, when she points out that European countries are harmonizing their programs, that is their business. As far as we are concerned, we are in North America, a completely different situation. There is just no comparison. In Europe, you can travel from one country to another in an hour or two, but we know how big Canada is. There is no comparison whatever. We have provinces, each with its own jurisdiction.

So, Madam Speaker, this issue, this statement is not very relevant.

• (1550)

[*English*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am glad that the Member now states that there is no relationship between this deal and the European community because only a few short moments ago the Member herself said: "Look to the European community to see what kind of a terrific deal they have signed". If you examine the history of the European community, you will find that first comes an economic deal and then comes the so-called harmonization of social policy. The Government time and again claims that harmonization has no bearing whatsoever on this trade deal, but it will devastate the social safety net we have established in this country and the benefits and protections which we have provided to women through such things as pregnancy benefits.

An Hon. Member: Cheap shot.

Ms. Copps: The Member says "cheap shot". I do not think it is a cheap shot to talk about what is going to happen with the future of the country. In the course of harmonization over the next five to seven years the leaders of our country, who have been selling us down the drain for the last four years, will get together with American leaders to try to develop a so-called check list of what constitutes an unfair subsidy. Do government Members think that it is our social policy and our laws that will harmonize with the Americans? Do the Members think they will accept pregnancy benefits similar to those which we have in Canada and unemployment insurance such as we have? No, we will harmonize to their programs.

I would like to provide a check list of what we can expect under the Mulroney-Reagan trade deal which inherently involves the harmonization of social programs because "harmonization" is the hidden watchword, the hidden buzz word, the ticking time bomb in this deal that will change the very fabric and face of a country which we have fought so hard to build.

The United States has yet to ratify the International Labour Organization Convention of 1975 which sets standards for all women workers. Section 103 of the ILO Code states that there must be a minimum leave period of 12 weeks for pregnant women, protection against dismissal, and a minimum standard that cash benefits during pregnancy leave be sufficient for the full and healthy maintenance of the child. These are the standards which the U.S. has refused to sign. They have refused to sign because in their jurisdiction the protection of pregnant women simply does not exist.

The social safety net of unemployment insurance for unemployed workers in that country falls far short of even respecting the poverty level. In fact, there are only five states in the United States which provide publicly paid pregnancy leave for women. If a woman happens to have a child in those states she can leave work for six to eight weeks. The stellar states include California, Hawaii, New Jersey, New York and Rhode Island. In 45 other states there is no public law providing any kind of financial assistance for women who leave the job during a period of pregnancy.

Mr. McDermid: What a shame.

Ms. Copps: That is a shame, it is a damn shame. I would like to know why the Government is committing itself, in the trade deal, to harmonization of social programs, social benefits and a subsidy committee which, over the next five to seven years, will play Russian roulette with the social programs and benefits for which our Party has fought and will continue to fight.

Mr. Merrithew: You're full of it.

Mr. Andre: You sure beat the devil out of that straw man.

Mr. McDermid: You're not even telling the truth. Tell the truth for a change.

The Acting Speaker (Mrs. Champagne): Order.

Ms. Copps: The truth hurts.

The Acting Speaker (Mrs. Champagne): All Hon. Members will have the opportunity to debate. It is very difficult for the Speaker to hear what the Member who has the floor is saying when there is such very loud talking across the floor. The Hon. Member for Hamilton East (Ms. Copps) has the floor.

Ms. Copps: Thank you, Madam Speaker. The net result of the lack of national social policy which currently exists in the United States is that only 40 per cent of working women in the United States are entitled to any paid maternity, including from private companies, of at least six weeks duration. I do not think we want to see such a program here.

Earlier today, during Question Period, we heard the Minister who is supposed to be responsible for the Status of Women say that this trade deal has no effect on women and no effect on the textile industry because our threat is from the Third World countries, *pays d'outre-mer*.

Does the Government recognize that textile workers in the southern sun belt states of the United States pose a real threat to competition in Canada? Would we like our minimum wage laws harmonized with American minimum wage laws? Nine American states have no minimum wage whatsoever. Twelve states have a minimum wage under $3 U.S. The minimum wage in Texas is $1.40 an hour. The Government has the gall to say that this will have no effect whatsoever in the trade deal which basically says that Canadians and Americans are supposed to be able to compete on an equal basis. I do not want my constituents working at Coppley, Noyes & Randall, a clothing factory, to have to work for the equivalent of $1.40 U.S.

The harmonization process which will take place as a result of this deal will not only see devastation in social programs and in the national health care system which Canadians hold very dear, but will also see a downward pressure on wage scales because we are supposed to compete with states which have right- to-work laws which abolish the right of the union to automatic dues check-off, that do not believe in minimum wages, and which, frankly, have gone a different route in terms of national economy and national social structure and social policy.

Let us look at the issue of health care. The Parliamentary Secretary guffaws and chortles over there. It was not I who said before the travelling trade committee in Vancouver that medicare would be under threat as a result of this deal. It was the President of the B.C. Council on National Issues. That group came before the committee and said that it is okay that this deal will threaten medicare because they have to become more competitive.

With regard to the harmonization of our health care system with the United States, let us look at the auto worker in Canada. The wage package portion of an auto worker's salary in Canada, which includes premiums for health, accident, dental, vision, and life insurance, is equivalent to approximately $2,800 Canadian. The same firm in the United States, because of the absence of a national health care plan, pays about $8,900 Canadian per worker in annual premiums for health, accident, dental, vision and life insurance. What happens, for purposes of discussion, if once this infamous trade deal is set in motion American auto makers come to the table and say that they think the medicare system in Canada is an unfair subsidy because their employers have to pay $8,900 per worker whereas in Canada they only pay $2,800?

Mr. McDermid: Why haven't they done it then?

Ms. Copps: The Member asks why they haven't done it. They did it. They did it with the shakes and shingles and they did it with ground-fish. With regard to shakes and shingles, a 1983 complaint against Canada was struck down and in 1987 a complaint was upheld. The same thing could happen in the area of unemployment insurance. The same thing could happen in the area of health care.

Let us look at what is available for Americans in the area of medical insurance. A quarter of American women of child bearing age have no medical insurance whatsoever. America's infant mortality rate is 40 per cent higher than Canada's. Is that the direction in which we want our social programs to go? Do we want to see an increase in infant mortality which is directly related to inaccessibility to a universal health care system such as we have developed in this country?

• (1600)

On top of 47 million Americans who have no medical coverage whatsoever, 15 million have inadequate coverage. The American Medicaid program is actually targeted to the lower half of people living below the poverty line. One must be in the bottom half of those living below the poverty line in order to be eligible for Medicaid.

A recent study from the auto workers shows that those people who were hardest hit, unemployed workers, are the ones who dropped off from medical coverage. Only 30 per cent of unemployed American workers had any health insurance at all.

We know that Annex 1408 of the trade agreement identifies health care facilities management services as a sector in which we are extending national treatment. If health care is not under discussion, why does Annex 1408 of the trade agreement open the door for an influx of private sector, profit oriented companies to come into Canada to establish their own systems like we have seen with American Humana Corporation. Is that the kind of health care system we want for our country?

Mr. Reimer: What does that have to do with the trade agreement?

Ms. Copps: Again the question is asked: "What does that have to do with the trade agreement"? The trade agreement calls for a harmonization of our laws. When the European Common Market first set up a trade agreement, the natural sequence of a trade agreement was social benefit harmonization. That is why a subsidy committee was set up. Over the next five to seven years it will sit down and play Russian roulette with these social programs and the benefits and guarantees that have been given to working men and women in this country.

I, for one, do not trust the statement from a Government and a Prime Minister (Mr. Mulroney) who first came into office saying senior citizens' pensions will not be touched. The same Government and the same Prime Minister is saying that social programs will not be touched.

Let us talk about the food sector industry. A short time ago I received a letter from the plant manager of an American multinational in my community known as Procter and Gamble. The plant manager wrote a letter saying that we should be supporting this wonderful trade deal. However, he did not include a memorandum which had been circulated to the Liberal trade committee. It is a private letter from the Vice-President of McCain Foods, who just happens to be a good Conservative.

Mr. McDermid: McCain kept loaning his plane to Pierre all the time.

Ms. Copps: I am sorry that the Government is not aware of the facts surrounding this letter. I will spend a few moments reading parts of it into the record. It states: "Dear Miss Carney: I am writing to you as a member of the agriculture SAGIT and as a hard core Tory . . . " The letter is from Archie McLean, who was with McCain Foods. This hard core Tory points out how this trade deal will not only devastate the dairy, poultry or feather, horticulture, beer and wine industries, it will reek devastation upon the food processing industry across this country. He also implies in the letter that one of the reasons that most corporations in Canada have not spoken out against the deal is because most of them are 100 per cent U.S. owned.

Let me run through the table. They include Procter and Gamble. I will say right now to those workers in my riding who would like to know whether they can buy matching shoes and dresses, in reference to comments made by the Member who spoke previously, that they will not be able to buy matching shoes and dresses if they do not have jobs. Procter and Gamble in my community will have very little lifetime left in Canada if this trade deal goes through. It has 100 per cent U.S. ownership, with annual sales in Canada of $939 million.

Other companies include Nabisco Brands with 80 per cent U.S. ownership; Kraft, 100 per cent U.S. owned; General Foods, 100 per cent U.S. owned; Coca Cola, 100 per cent U.S. owned; Beatrice International, 100 per cent U.S. owned. Do Members really believe these companies are fighting for the jobs of Canadians?

This same vice-president of McCain Foods stated clearly that the President of Heinz has already told him they have plans to move their plant production to the United States if this trade deal goes through. Naturally, they are not standing up one by one to decry this deal, because they are owned by American multinationals.

Only three companies in this sector are majority Canadian owned. They are B.C. Tree Fruits, McCain Foods Canada and Canberra Foods. The vast majority of the food processing industry in Canada is owned by Americans.

It is like Camco in my community, a company which makes refrigerators. Everyone believes that they will be able to buy cheap refrigerators once this deal goes through. However, I have spoken to officials with Camco Corporation who say that if this deal goes through, there will be excess capacity in American manufacturing plants that can service and sell a refrigerator to every Canadian with some left over. Camco will be on the chopping block as well.

The Government says that there will be some minor adjustments as a result of this deal. The Finance Department figures which came out last summer and allegedly gave us a sector by sector breakdown of what we could expect in terms of winners and losers were an absolute farce. They could not indicate in absolute numbers what industries would be on top and what industries would falter. I know that in my community the steel industry is supposed to be a winner. However, the Canadian steel producers stated categorically to the trade committee, that they had no intention of selling more steel in the U.S. market.

The status of the Canadian dollar is also a hidden time bomb. Early last week, we had breakfast with the Canadian Foundries Association, who are terrified about the increase in value of the Canadian dollar. As it continues to increase, probably as a result of some back room deal signed between Americans and Canadians in the same way they allowed the drug Bill to go through—the competitive edge upon which the original premise of the deal was based is eroded. The steel producers themselves will say that an 80-cent dollar will wreak havoc on what is now a competitive industry.

While these are many questions, the most important one concerns the ultimate direction of our country. Government Members chortle and say this has nothing to do with social programs. The key watchword is harmonization. Will this committee sit down over the next five to seven years and bargain away our national health care system? Will it bargain away any expansion of that system with something like parental leave for fathers, or ruin any potential plan for an increase in a national child care delivery program? Will it say that affirmative action programs and regional development programs are subsidy oriented and therefore cannot be permitted? Are we as Canadians willing to abdicate our right

to develop our own future to some committee that will sit down over the next five to seven years and wipe out all the gains we have made in establishing a separate and different identity?

The Government Members consistently kowtow to their American neighbours. They accuse us of being anti-American. I certainly do not categorize myself as anti-American. However, I believe that as a country we have determined a future course which is different from the Americans. I do not want to see an infant mortality rate 40 per cent higher than what we have now in Canada. I do not want to see legislation that does not protect pregnant women, so that they can get kicked out of their jobs merely because they got pregnant. If we move to harmonize, that is the direction in which we will go. That is why it is so important that we fight tooth and nail to prevent this Bill from ever becoming the law of the land.

• (1610)

Mr. Kilgour: Madam Speaker, I listened with great interest to the Hon. Member for Hamilton East (Ms. Copps). I would like to ask her a few questions. She said there is a term in the agreement that talks about harmonization of laws. The problem, in my view, is that in our system of Government, whatever the Government proposes, with very few exceptions, opposition Members have to oppose it as if their lives depended on it. That, in my view, explains a good deal of the absolutely empty rhetoric we are hearing today from the opposition Parties.

Would the Member tell the House where in the agreement the expression "harmonization of laws" appears? Where in the agreement does the expression "harmonization of social programs" appear? In my respectful submission, the Member should know, if she does not, that there is nothing in the agreement that says that social programs shall be harmonized. For example, Governor Dukakis of Massachusetts, as the Member probably knows, is arguing for a health care plan similar to the one we have in Canada. If Governor Dukakis is elected, presumably the United States will have a health care plan along the lines of our health care plan.

An Hon. Member: Without free trade.

Mr. Kilgour: Without free trade, of course. I submit respectfully that the Hon. Member is not arguing on the merits of the agreement. What members of the Opposition are doing is what President Lincoln once said about an opposing attorney: "If you do not have a good case, abuse the plaintiff's attorney". Opposition Members are not talking about the merits of the agreement. They are simply trying to scaremonger along the lines my journalist friend, David Crane, has been doing.

When the Member talks about her extreme affection for Americans, I recall an interview a couple of years ago in which the Member and I were both interviewed by someone from the *Los Angles Times*. The reporter found it most amusing that the Member made exactly the same point and then in the next four paragraphs of the interview, she did nothing but attack the United States as she has been doing here in the Chamber. I put it to her that it rings a little bit hollow to say she has extreme affection for Americans, talking about her husband's country of origin, when she in fact, from everything I have ever read the Member saying, has nothing but contempt for the United States. I put it to the Hon. Member that if we had Peruvians or Bolivians living there, or anyone else on earth, the Member and the New Democratic Party would have quite a different view. The reality is that there are 23 industrial democracies in the world today. If this agreement goes ahead, as I very much hope it will, only one of them, Japan, will not be a member of a trading agreement.

Ms. Copps: Mr. Speaker, I would like to start by addressing the Hon. Member's last point first. My father-in-law will be very surprised to learn when he comes up for a visit that I hold Americans in contempt. Perhaps it is because I have spent some time in my husband's home State of Florida that I have a little concern about what we are getting into with the so-called free trade agreement. Almost every time I go there to visit my in-laws, I hear about someone killing themselves because they cannot afford to face the financial burden of an accident. The last time I was in Florida, there was a double murder suicide. A woman's young son had injured himself in a motorcycle accident and had ended up a quadriplegic. The drain on the family's economy in dealing with that young man who was very seriously debilitated was such that the family had been driven into bankruptcy. They had lost everything they owned. The woman felt the only honourable way out was to kill herself and her son.

Perhaps I feel this way because I have looked at some of the legislation there which does not protect working women or ordinary working people. We have a system here which has developed in a different way. Yes, it has more government involvement. Unlike the Conservatives, I am not radically opposed to government involvement at any cost. I feel that we as a society have developed programs to support the regions and minorities in a way that has not been the case in the United States. I like our way of life. I do not want to trade it for what I see south of the border however much I may admire and respect and have friendships with the people south of the border.

I am a Canadian. I think my leader said it best when he said: "We may pay a little more to put chicken on the table in Canada". Yes, we do pay a little more because we have marketing boards which feel that farmers are entitled to an honest living and should not be simply at the mercy of the rise and fall of the market-place", as we can see with the devastation of the family farm in the United States. I do not begrudge it because, as a Canadian, I feel it is a price worth paying.

Second, on the issue of harmonization, if the Hon. Member does not believe me, I ask that he consider a statement by Health and Welfare Canada. There was an assessment done by the Canadian Council on Social Development which basically deals with the question of subsidies and the fact that since

there is currently no definition of "subsidy" in the agreement, the next five years to seven years will tell the tale as to what happens to social programs. I ask Canadians if they think that when we are sitting at the table with American negotiators, negotiating what constitutes an unfair subsidy, our subsidies and our programs will win out, or will the American programs win out? I tend to think we will be sinking to the lowest common denominator in terms of public programs. That is why I do not want the deal to go through.

Once the agreement is implemented, according to the Canadian Council of Social Development, Canadians could face countervail after we have reduced our tariffs. This is no idle threat, since the Trade Bill before the U.S. Congress includes a very broad definition of subsidies and since U.S. negotiators have already indicated that Canadian social programs could be considered subsidies. These are not my words. These are the words of a bulletin issued by Health and Welfare Canada.

Mr. Reimer: Madam Speaker, I listened with interest to the comments of the Hon. Member and I wonder if I might ask a question. In one of her comments the Hon. Member referred to the fact that one of the consequences of a freer trade agreement, say, the European example, was social benefits, harmonization. I think those were her words. I would like to quote the C. D. Howe Institute study of September of 1987. It talked about the lessons of the European Economic Community for freer trade between Canada and the United States. In the conclusion it was stated:

> The European experience suggests, and theoretical considerations confirm, that free trade is compatible with an amazing degree of diversity. In fact, one only has to look within federal states to see just how much diversity survives after decades, if not centuries, of economic unity. The harmonization of laws is simply not necessary. Sweden can retain its extensive social welfare system—and the high level of taxation that goes with it; Switzerland can remain at the other end of this spectrum, with a maximum of self-help and low levels of taxation; Austria can run its economy on largely state-owned lines; Finland can retain its special relationship with the Soviet Union.

Here we have some of these countries which are in the European Free Trade Association that trade with the European Common Market and, according to the conclusion of the C. D. Howe Institute, the harmonization of laws is simply not necessary. Yet the Hon. Member suggested that harmonization has to follow, that it is a natural consequence. Why then has it not occurred in Europe? Why is it that the C. D. Howe Institute, in looking at the lessons of Europe and at the European Free Trade Association and its association with the European Common Market, suggests the contrary?

From 1981 to 1984, which is the last year for which I have the figures available for the amount of money we put into our health care program, compared to what the Americans put in as a percentage of their GNP, the Americans on average put in 10.4 per cent. We put in 8.6 per cent. Yet we have a comprehensive universal scheme. Therefore, if we can service all Canadians, and we can do so cheaper than the Americans, then on whom is the pressure, them or us? I would like the Hon. Member to comment.

• (1620)

Ms. Copps: Madam Speaker, first, obviously, the Hon. Member does not know what the European community is since three of the countries he mentioned are not even in the European community.

Mr. Reimer: I said three trade associations.

Ms. Copps: I said the European community. It does not include Finland, Austria and Switzerland. If the Hon. Member is talking about FTAC countries, that is one thing, but if the Hon. Member is talking about countries in the European community, which is what I referred to, then the Hon. Member is talking about countries that are moving toward a harmonization of their social programs. Obviously, the Hon. Member is not aware of the objective of 1992.

I will give Members of the House a very specific example of how harmonization of social programs is currently in effect in Europe, and moving into effect. In Italy, a country from which many of my constituents originally came, until this point in time there was a retirement program which is different for men and women. The mandatory retirement age for women in Italy is 55, while it is 60 for men. The reason that was originally instituted was to recognize that during the years of childbirth women undergo physical strain which means that they should be given a different retirement age.

Under the harmonization of social programs, which is currently being carried out in the European community, Italy has been advised to change its retirement age. I suspect that when Italy moves to revise it, it will not say to all men: "You can now retire at age 55". It will be moved upward. The age of retirement for all women in Italy is being changed, not because of a social policy change in the Italian Government but because of a directive from the European community which is moving to harmonize social programs.

Mr. Reimer: Madam Speaker, I rise on a point of order. As a point of clarification, the countries named in the C. D. Howe study at which I was looking concerns countries outside the European Common Market that have trading relationships with the European Common Market. It is that study which I quoted.

The Acting Speaker (Mrs. Champagne): Resuming debate with the Hon. Parliamentary Secretary to the Minister for International Trade.

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Madam Speaker, I have been listening to the debate with great interest today. I welcome the opportunity to talk about the free trade agreement and to participate in the debate on the motion put forward by the Hon. Member for Broadview—Greenwood (Ms. McDonald). I take the Hon. Member's motion seriously, even though it is seriously flawed. The motion condemns the Government for "voluntarily relinquishing political sovereignty in the 'trade' deal".

I submit that any international agreement, any contract between two parties, imposes limits on the scope of the action of those parties. In 1974, the Liberals signed an agreement with the International Energy Agency of which Canada is a member, along with our 25 partners in that agency. That agreement stated that in a time of oil shortage throughout the world these 26 countries would share their resources equally. At that particular time in signing that agreement, an agreement with which I agree since I feel it makes sense, we gave up some of our sovereignty. We agreed to share our energy resources with our 25 partners in the International Energy Agency. I submit that any contract imposes limits on the freedom of individuals, just as international agreements or treaties for as long as they are in force impose limits on the sovereignty of countries.

When Canada helped to establish the General Agreement on Tariffs and Trade some 40 years ago, it agreed to abide by the rules and regulations defined in that agreement. That was our commitment to our 96 partners now in GATT. The GATT thus prevents us from fully exercising our sovereignty in trade matters. We saw that recently in the decisions handed down by a couple of GATT panels, one which dealt with the discriminatory pricing of liquor and wines and the other which dealt with fish and how it is handled on the west coast of Canada. There are certain rules that we have to follow. In following those rules we give up a little bit of our sovereignty. But we do that with any agreement that is signed.

I suggest from reading the Hon. Member's motion that she is suggesting that we never sign international agreements because they limit some freedom to exercise sovereignty. Surely that is not what my friend, the former Mayor of Ottawa, and now the Hon. Member for Hamilton Mountain (Ms. Dewar), was saying in her remarks when she was speaking to this motion. We only accept limits on our sovereignty in exchange for limits on the sovereignty of others.

I have been involved in the free trade agreement very closely for the last couple of years. It is interesting to hear some of the arguments put forward in the United States that that country has given up some of its sovereignty. Americans have complained to their elected representatives that they have given up some of their sovereignty in signing this agreement with Canada. That is right. We both give and we both take. That is what an international agreement is all about. That is what any agreement is all about.

The sovereignty debate on this matter is a red herring. Let us go beyond that. I believe that the Hon. Member's concern centres on the ability of all levels of Government in Canada to establish programs or plans related to such matters as day care, auto insurance and cultural industries.

Let us deal firstly with day care. The provision of day care is exempt from the agreement. It does not appear in the list of the services specified in Article 1408 of the agreement. I want to remind the Hon. Member that it was this Government, after the free trade agreement was signed, that introduced a national day care policy. This is something which mothers and fathers have been seeking for 20 years. We announced our national day care policy shortly after the legal text between Canada and the United States was signed and made public. But nothing in this agreement prevented us from having such a program, and the Hon. Member knows that.

Ms. Mitchell: Your day care program feeds right into it.

Mr. McDermid: We can debate the benefits of the day care program another time. All I am saying is that we have every right to introduce social programs that we want.

Let me deal now with the cultural industries. Article 2005 specifically exempts cultural industries from the agreement. Article 2012 defines what is meant by a cultural industry. I wish to read this into the record so that people will know what we are talking about. Under Article 2012 it states:

> a) the publication, distribution, or sale of books, magazines, periodicals, or newspapers in print or machine readable form but not including the sole activity of printing or typesetting any of the foregoing,
>
> b) the production, distribution, sale or exhibition of film or video recordings,
>
> c) the production, distribution, sale or exhibition of audio or video music recordings,
>
> d) the publication, distribution, or sale of music in print or machine readable form, or
>
> e) radio communication in which the transmissions are intended for direct reception by the general public, and all radio, television and cable television broadcasting undertakings and all satellite programming and broadcast network services;

Could the agreement be any more explicit? Could the list of cultural industries be any more exhaustive? I do not think so.

Who introduced a publishing policy which promoted Canadian interests and control in that vital cultural industry? We did. We, the Progressive Conservative Government of Canada, did. Who introduced a film policy which provides Canadian film production more money than ever before and which establishes Canada as a distinct market for foreign films for the first time in history? We did. We, the Progressive Conservative Government, did.

Who brought amendments to the Copyright Act so that authors and artists would begin to receive some fair treatment for their creative works? The Government led by the Prime Minister (Mr. Mulroney), that is who did it. Who is fighting it in the other place? The Liberal Senators. They do not want our artists and authors to receive fair compensation for their work. They are holding it up in the Senate.

• (1630)

As far as Canadian publishing and films are concerned, what did the Official Opposition say, bolstered by their socialist friends in the New Democratic Party? What did they do over 20 years in power? To use a much hackneyed expression, "the square root of nothing" is what they did over the last 20 years. Perhaps that is not quite accurate. They talked a lot about it, they attended cultural events and had their pictures taken with our great Canadian stars, but that is about it.

Nothing in the free trade agreement in any way, shape, or form prevents this Government, or any succeeding Government, from introducing other policies to protect and enhance Canada's cultural industries. As a Government we have already done so, and we will continue to do so.

In ending this part of my remarks, Madam Speaker, I might say it was difficult to explain to the American people our concern for protecting our cultural industries. It was difficult to get through to them. Because the culture in the United States has never been under attack or threatened, they could not comprehend why we in this country would worry so much about it. We did worry about it. We took the appropriate action, and we are very proud of what we accomplished.

As I understand it, the Hon. Member for Broadview—Greenwood and her colleague, the Hon. Member for Essex—Windsor (Mr. Langdon), have a particular interest in the potential impact of the free trade agreement on the establishment of provincial auto insurance plans. The free trade agreement in no way prevents any provincial government from introducing such a plan. As I understand it, the Members are worried about Article 2010 which concerns the establishment of monopolies. It states as follows:

> 1. Subject to Article 2011, nothing in this Agreement shall prevent a Party from maintaining or designating a monopoly.

This is subject to the bilateral consultation provisions in the agreement.

First, if the Hon. Members are specifically referring to the Province of Ontario, and I am sure they both are because that is where the discussions have been going on at the present time on establishing a potential provincial auto insurance plan, we do not yet know the nature of that plan, or if the provincial Government has even decided to establish such a plan. But let us assume for the purposes of the argument that Ontario does so—perish the thought—but let us assume that it does. The plan could take several forms. For example, companies which currently sell auto insurance could end up being full participants in such a plan. If that is the case, and the United States firms have the same rights and obligations as Canadian firms under the plan, there would be no basis whatsoever under the free trade agreement for American complaints under the agreement.

Another possible arrangement could be the creation of a provincial auto insurance agency which would co-exist with private insurance companies. Again, the United States companies have the same rights and obligations as Canadian companies. The principle of national treatment is respected, and again there would be absolutely no basis for complaint.

What if the Government of Ontario established a provincial monopoly that excluded the private sector from the auto insurance business, if it just decided to take it over holusbolus? First, under Article 2010 of the free trade agreement it would have every right to do so. Second, should the scheme give rise to expropriation, or nationalization of an investment, the agreement provides for compensation at fair market value on a non-discriminatory basis.

In other words, if there is expropriation or nationalization, those that are being nationalized will receive fair compensation. Is that fair? Does that not make sense? In expropriation or nationalization, and the victims—and I use that term advisedly—would be compensated at fair market value. That is fairness.

The Hon. Member seems to be considering this issue from only one point of view. Apparently, she does not believe that Canadian firms are active in the United States and that they will enjoy exactly the same protection and benefits under the monopolies clause as U.S. firms will in Canada. Perhaps the Hon. Member does not care about the hundreds of Canadian firms that do business south of the border. Perhaps she thinks that Canadian firms do not invest, establish plants, or do much business in the United States market. The fact is that Canadians are major investors in the United States, and we have seen some of that lately. Our businesses have billions of dollars worth of investment there. If any state government decides one day that a state monopoly should be established in this, or in any other industry, Article 2010 will provide the Government of Canada and the Canadian businesses affected with a useful instrument for protecting Canadian interests there.

The Hon. Member and many of her colleagues keep making the same mistake about this country, about this Canada that we all love and are proud of. They underestimate what has taken place over the past 20 years or so. Their positions, proposals, and policies are consistently based on what Canada was in the late 1960s and not what Canada is today.

Why do the Members opposite not come to terms with the fact that the global economy has radically changed, and Canada has changed also. Why do they have this intellectual reflex to establish barriers instead of bridges to opportunities in the world economy? Why is it that labour thinkers and policy makers in countries such as Sweden and Great Britain are opting for policies to eliminate barriers to international trade and to stimulate market forces, whereas here in Canada the socialists, that great New Democratic Party, arm in arm with Shirley Carr and the Canadian Labour Congress, persist in opting for central planning models and technocratic intervention? I find it depressing, if not bizarre.

I have heard it in a couple of speeches today from both the Liberal Members and the New Democratic Party members that we are too small, we are not ready, we are too weak, we are vulnerable, or we are not able to adjust. Right down the line they underestimate Canadians. They think that they have all the knowledge and the ability over there, that they can control everything in this country. That is just not true.

With that type of pessimism and hopelessness, our forefathers would never have built this great country. The greatest moments of this country have been when it faced great challenges. Whether or not the Opposition chooses to see it, every day the 3 million Canadians' jobs that depend on trade

face great technological and competitive challenges in the global market-place. Those people are not saying that we cannot compete. They are not the ones who are opposing the trade agreement. They are saying that we can compete, and we will compete. But the Opposition persists in underestimating them. The opposition will continue to insist that big brother look over everybody's shoulder. Most Canadians have come to a very definite conclusion that, after bigger and bigger government, an enormous deficit, and mushrooming Crown corporations run by bureaucrats, big brother is a lousy manager. Canadians can see what has happened to the firms that were privatized by the Government.

For example, firms like Canadair. Near my area, De Havilland employs 1,500 more people than when the Government had it, and it is going lickety-split. The Member from the riding where de Havilland is located fought that privatization. He said it will cost jobs. There are 1,500 more jobs. Fisheries Products International is now financially sound. It is employing more people than ever before. It is exciting. But, oh, no, the NDP do not think so. They think what is happening is terrible. They want those big deficits to come back. They want big brother back on the shoulders of Canadians. I wish they would wake up to the fact that big brother's time has come and gone. I will tell you whose time has come under this Government. It is the time of those Canadians who want to be free to build, to innovate, to trade and be rewarded for their initiative and enterprise as well as to provide assistance and protection to those Canadians who need it most.

• (1640)

I listened to the Hon. Member for Hamilton East (Ms. Copps) talk about the inadequate social services in the United States. I agree with her wholeheartedly. But she sets up a straw man and then proceeds to knock him down. We are not harmonizing our social programs, not one bit. As a matter of fact our social programs are the envy of the Americans. Why is a presidential candidate saying he would love to implement the health care program that we have in Canada? I have great faith in Canadians. I know Canadians believe that we do not want in any way, shape or form to destroy what we have built up in this country. Canadians know the last thing we want to do is to spoil the social safety net that has been developed. It is one of the things that makes us unique. I also know that if our economy is not doing well, if we are not trading, if we are not paying the bills and creating jobs, then we cannot pay for those wonderful social programs. That is the bottom line, Madam Speaker.

Canada has a great growth record going now, the best of the OECD countries, because we freed capable, innovative Canadians from the stifling and overbearing reach of the technocracy so favoured by the NDP and the Liberals. The free trade agreement is a vital part of that approach. It provides Canadians free and secure access to a market 10 times bigger than our own. This access will, in turn, put our businesses, large and small, in an even better position to diversify the markets in Europe, in Japan and in all major markets of the world. I ask the Hon. Member for Broadview—Greenwood, who brought this motion to the floor of the House today to consider what I have said and free herself from the ideological blinkers of her Party. I ask the Hon. Member to see Canada as a dynamic and growing part of the world, not as a timid northern territory lost in the shadow of its neighbour. Once she sees that and takes time to read the agreement and understand it, then I think we will have her support.

Ms. Mitchell: Madam Speaker, I have a question for the Parliamentary Secretary. Could he explain why the Government decided to include the service sector in this deal when it is the fastest growing sector in Canada and is creating the most jobs, particularly jobs for women? Can he explain why we are doing this when other countries have consistently resisted this through the GATT agreements? What are their reasons for not doing so? Why have we suddenly decided to open the doors to the Americans in the service sector?

I might point out, as the Hon. Member knows only too well, that the Macdonald Commission, when it did a very extensive and expensive study of our economy, came out in favour of free trade and did not include the service industry. Why is that? The Economic Council of Canada when it initially considered the impact of jobs did not consider the service sector. Does the Hon. Member not agree that the U.S. has a surplus of jobs in the service sector, so Americans are very anxious to export and infiltrate their service sector into other economies without any tariff barriers? Many Canadians feel that the Government has been naive in this area, the area where jobs will be most affected.

Why did the Government include our large and developing service sector in this deal, making us very vulnerable to the intrusion of the expanding American system when other countries refused to do so under GATT arrangements?

Mr. McDermid: Madam Speaker, I am glad the Hon. Member asked that question. First, the service industry accounts for two-thirds of the economy. It is the fastest growing industry in the world. Our GATT partners have asked for services to be part of the GATT negotiations in the Uruguay Round that is going on now. Services are very prominent on the agenda. To say our GATT partners have not wanted that is totally inaccurate.

Second, the Hon. Member for Hamilton East likes to give examples from her riding. I do too because that is what we know best. I have Picker X-ray in my riding which is a major company making huge X-rays for hospitals. It sells many into the United States, but it has trouble getting its service people down there to service equipment. After sales service, as the Hon. Member may or may not know, is a very important part of any contract. This is the maintenance and the upgrading of a particular product. We give Americans problems coming here to service equipment as they do with ours. Canadians and Americans with tool boxes under their arms were having to lie at the border, saying they were going on holidays. Things were

that bad. But the agreement will facilitate—it is not a labour agreement—a temporary movement for the servicing of products both ways.

Speak to our architects and see if they cannot compete in the United States. See if they do not feel that they can go there, do extremely well and bid on jobs in the U.S.

Ms. Mitchell: They are elite Canadians, not ordinary Canadians.

Mr. McDermid: The Hon. Member is talking about ordinary Canadians.

Ms. Mitchell: And women particularly in the service industry.

Mr. McDermid: I have one architecture firm in my community which has three women architects and a number of support staff. The Hon. Member talks about ordinary Canadians. I have not met any more ordinary Canadians than those people. They are very fine people.

The service industry is now going through a revolution throughout the world. That is why some rules and regulations are being established to cover service. It only makes sense. The Hon. Member cannot ignore that end of it. I have a fellow in my constituency who is a brilliant individual when it comes to software programs. He has to lie every time he goes into the United States to sell his product. This agreement will facilitate that kind of movement. Canadians are good and we can go to the American market and sell. I have faith and pride in Canadians. The vice-president of IBM tells me that the most productive plant he has is in Bromont, Québec.

Ms. Copps: They said that about Firestone and closed it this year.

Mr. McDermid: Firestone was making a product that no one was buying. That was the problem.

The second most productive plant IBM has is in Don Mills, Ontario. The Hon. Member talks about moving firms back and forth. This will not happen. We in Canada are productive. I keep hearing about the southern United States. I keep asking my hon. friend why hasn't everybody moved down there now if it is so good? The tariffs are only 9.2 per cent average. People do not go because the southern U.S. does not have a well educated labour force and its force is not very productive. Our productivity is way higher than the southern States and in Florida where my hon. friend from Hamilton East likes to visit her in-laws. Hon. Members opposite put down Canadians every time they stand up and ask those questions.

Ms. Mitchell: We are proud of unionized Canadians.

Mr. McDermid: The Hon. Member knocks Canadians. She doesn't think they are any good. She does not think they should go into the United States. We do. That is the difference between the socialists, the Liberals and the Conservatives.

Ms. Mitchell: Don't be so arrogant.

• (1650)

Ms. Copps: Madam Speaker, the Hon. Member brought up the issue of productivity. Does he really think that most American multinationals which are located in the States and 100 per cent American owned value productivity when push comes to shove, when they have to reorient, retract and shut down a plant? Firestone, which was located in my riding, was employing 1,400 people and had the most productive workforce of the Firestone chain of 13 plants across North America for three years running. It had won awards from the company for being the most productive, highly effective and economical plant. When the time came to find a plant to close down, why is it that the head office in Akron, Ohio, sent a three paragraph telex to the Hamilton plant saying that after over 100 years in that community, the plant is shut down?

If the Hon. Member thinks that an American multinational will make a dispassionate decision based specifically and solely on the bottom line, then he does not understand United States politics. Anyone sitting in a head office in Akron, Ohio, finds it much easier to close a plant in a foreign country than to close a plant in their own country. If productivity is the criterion, why was Firestone shut down in Hamilton?

Mr. McDermid: Mr. Speaker, because it was making a product that was not being purchased by the public, that was the problem. A lot of it has to do with the consumers. Goodyear closed in Hamilton but is opening up a new, modern plant and is hiring people in Canada.

I look at Oshawa. My friend, the Hon. Leader of the New Democratic Party (Mr. Broadbent), does not mind foreign investment in his area.

Plants come and go. They have ever since they were established. In my community of Brampton, there were three or four industries that formed the base of Brampton. We were known as the flower town of Canada with Dale Estates and Calvert Estates there. There were 60 acres under glass producing beautiful roses, but they do not do that any more. It is just not economical to do that any more.

In Brampton, we had William's Shoe and Hewitson Shoe. Their plants became outmoded and their products were not accepted any longer. They closed. Those workers went on to new plants and new challenges. Change happens all the time. Over two million Canadians a year change their jobs. Change goes on all the time.

The Hon. Member wants to keep plants open, whether or not they have customers and whether or not they are productive. Just keep them, prop them up, give them more tax dollars, keep them going, shove them along. That is her attitude and it is also the socialist attitude, and it does not work.

Ms. Margaret Mitchell (Vancouver East): Madam Speaker, I would like to introduce my remarks, quite sincerely because these are things in which I believe and not just rhetoric, by

explaining why I, particularly as a New Democratic Member, oppose the Tory government trade deal. There are many reasons for this, of course, which I have no time to go into, but basically, we feel very strongly that this is not just a trade deal but it is much more. In fact, it changes the very nature of Canada.

As the social policy critic for my Party and as a person who is very concerned about health and welfare programs and status of women programs, I feel very strongly that the ethical and social principles for which we as Canadians stand and which most Canadians hold dear are really being threatened by this deal. These principles include our concern for each other which overrules market-place philosophy and the making of a buck, and particularly our concern for the poorer regions of Canada and our absolute conviction that we must help one another and therefore we need to have regional development programs. Another is our whole concept of social rights which I believe is imbedded in the Canadian psyche and certainly in Canadian institutions. I do not believe that that principle is embedded in the same way in the American society. We in Canada feel very strongly that we must have a floor of social programs so that when times get tough, people do not starve, although some who are on social assistance come pretty close to it.

We also believe that we must have a competitive economy and we have to be aware of market trends. However, we temper this belief with a certain amount of government planning, nationally, provincially and regionally. This combination of public and private which is very characteristic of Canada is another thing that makes us very strong. That is why we believe that we must have certain essential services that are public services. We also need to have certain Crown corporations which carry out functions that would not be carried out in the market-place if the Government were not involved to some degree.

These are things that are very important to us in Canada and these are things that the trade deal threatens. Many of us feel this very deeply. I do not think that my hon. friend has convinced me, and I doubt if he has convinced many concerned Canadians, through his remarks today that these things will not be affected.

Those of us in western Canada are rich in resources and have a resource-based economy, but we are subject to boom and bust cycles. Therefore, we must diversify. It has been very difficult to diversify. There are very fragile manufacturing and high-tech industries that are just getting started in British Columbia and these industries are threatened. They need government assistance to get started, and under this deal, they will not be able to get government assistance. We believe it will be very difficult for the Government to give leadership in helping western Canada to diversify.

The trade deal will also create in the future a continental energy policy. This concerns us greatly. Canada should have control over its own resources. We will not be able to charge preferential prices for gas to secondary industries in Alberta such as the petrochemical industry, and I believe that has been done in the past.

We will have an open-door policy for U.S. investment under this deal and that will surely mean more branch plants than we already have and a transfer of jobs to the United States. It will certainly mean a move to do away with unions in Canada. Of course, that is a trend that this Government started, so it is not unreasonable at all that government Members are in favour of the trade deal.

Many of us do not agree that that is the way we want Canada to be. My friend, the Hon. Member for Broadview—Greenwood (Ms. McDonald), has already spoken eloquently about the impact of the free trade deal on our culture and our sovereignty. We know that jobs will be lost in key industries and especially in industries that employ women. There will be less access to U.S. markets than the Government anticipates because the Americans were pretty cagey about what protections they wanted in the deal.

Some of the trade problems we face in British Columbia which are related to tariffs on shakes and shingles and the export taxes on softwood lumber will not be resolved by the free trade deal. The deal also makes us so absorbed with Canada-U.S. trade that we are completely disregarding in our thinking, our motivation and our policies the tremendous potential in the Pacific Rim.

I have just returned from Japan and Korea where I went with a parliamentary group led by the Hon. Minister of Veterans Affairs (Mr. Hees). The Governments and the business people in Japan and in Korea as well are very concerned that we are not giving them a fair deal because of our complete absorption with this trade deal.

I would like to speak particularly about the impact of the trade deal on women. Many of the remarks I will be making deal with facts that have been researched extensively by Marjorie Cohen, an outstanding economist who is very active in the National Action Committee on the Status of Women, a group which met this weekend.

• (1700)

Both NAC and our Party argue that the trade deal will have devastating consequences for Canadian working women. The deal opens Canada to free trade in services. The service sector contributes two-thirds of our national income and employs 70 per cent of our labour force. Some 83 per cent of service sector jobs are held by women. They will be jeopardized by a trade agreement in services. We are not talking about sophisticated, highly trained architects or highly skilled computer programmers. They will of course have some advantages. We are talking about the masses, particularly the 83 per cent of service sector jobs held by women. They will be jeopardized by this deal.

The deal will eliminate many clerical jobs in data processing by cancelling laws which now require data to be processed and stored in Canada. We have already, without a trade agreement, lost 180,000 data processing jobs. With the agreement that could go as high as 500,000.

In the manufacturing sector, industries most threatened by free trade are those that employ 66 per cent of women; textiles, clothing, food processing, electrical and electronic products, and leather products. There are a couple of industries in my riding where, given the threat of this deal and existing policies of the Government, women are losing jobs. Many of these women are immigrants whose English is not a strong asset. They work in the garment industry and the fish plant industry. Jobs are already being threatened and many more are likely to be threatened in the future. Many of them are immigrants, older women, or those with low levels of education, and they will be losing jobs. It is difficult for them to get into ESL language training programs, much less retraining for the high-tech jobs which the Parliamentary Secretary mentioned as one of the benefits of this deal.

The harmonizing pressures exerted by free trade will cause a drop in Canadian wages and working conditions. We know the Government and the trade deal will definitely undermine the trade union movement. Women will lose their unionized jobs, of which there are not enough anyway, and will be concentrated in low wage occupations. They will suffer the most.

The benefits and social programs which are the right of all Canadians will be threatened by the agreement. Child care and maternity benefits may be considered unfair subsidies by the U.S., which certainly does not give these programs a high priority. Women will be particularly hard hit by a loss of such benefits. Americans have weak health and safety regulations, lower wages, poorer environmental protection, and ineffective equal rights legislation. Our standards will be threatened and this will harm all Canadians.

I asked the Parliamentary Secretary why the Government included the service sector in this agreement. European countries have resisted this change and certainly Third World countries have been very concerned about it. The Macdonald Commission did not include the service industry in its study of trade. The Economic Council of Canada did not initially include it in its projections of the impact on jobs. Obviously this was added later. We know the Americans were very anxious to include this sector because they have a surplus of services and are only too eager to move their service industries into Canada with no tariff barriers and with a decline in the kind of unionized jobs we should be protecting in Canada.

This deal allows U.S. firms to move in and run institutions for a profit. They can even receive Canadian subsidies for institutions in the service field which they are already moving into Canada. U.S. firms are given the right to be treated as Canadian firms, whether they are located in the country or not. This kind of invasion will result in job losses, depressed wages and working conditions for workers, particularly women.

Marjorie Cohen is an outstanding economist who specialized in this field and she said this deal will also severely affect the quality, accessibility and universality of our social services. I would like to refer people to the document she prepared called *Americanizing Services*. She made very many important points and I will be able to touch on only the highlights.

First, the trade deal talks about the management of all health and most social services. This includes management of hospitals, including general hospitals, mental hospitals, childrens' hospitals, management of other institutional services such as homes for the physically handicapped and disabled, homes for disturbed children, homes for single mothers, and the management of non-institutional services such as ambulances, rehab clinics and public service clinics. These services are up for grabs. Annex 1408 of the agreement, I think it is, will open these services to American firms coming into Canada, taking over and expanding the administration of these services. These are the areas of secondary health services which are not protected by the Canada Health Act. They are not protected by the five principles of medicare which are so important.

This deal makes it harder to protect these services from erosion. The federal Government left the door wide open for U.S chains to continue to own and operate homes for seniors, indeed chain day care operations which have been established for profit, not to serve children. They are already moving into Canada and this trade deal plus other government policies will certainly give considerable incentive to expand this program and we are very concerned about it.

Studies show that the standards are very minimal in these chain operations. Wages are very low and there is a high turnover of staff. There is not the same quality of service and there is no real protection in the sense that there is in non-profit services. It is grossly unfair that such commercial operations, such low quality commercial operations will be eligible for Canadian subsidies. There is no protection against that happening.

A hospital can contract out its management. This is the trend in British Columbia already. The British Columbia Government is privatizing everything in the public service. It even wants to privatize the servicing of highways, and certainly all the human services. It is contracting out to non-union kinds of operators and when you add the trade deal to this along with federal government policies on privatization, it just creates a tremendous threat to the quality of our social service sector, particularly our health care services. We believe we should have much more in the way of public, non-profit systems. It has definitely been proven that this is better quality service. However, the trade deal will not encourage that.

The effect on the nursing care labour force will be very great. There will be a great increase in part-time jobs and computerized services to replace the human care that nurses

provide. Unionized jobs for nurses will also be threatened. This means poorer services for patients. There will be less time for personalized services in the hospitals and the same will be the case in for-profit day care services.

• (1710)

Another section which concerns us is Section 2010, the rules on monopolies. The new rules on monopolies will make it almost impossible for any government in Canada, and I think particularly of British Columbia of course, to extend public provision of services for those in the private sector. We are concerned about that because there are services which should be public services which, if we become the Government, we will not be able to return to the public sector.

Many of us have spoken about access to government services. Although the agreement does not explicitly say that service firms will not be given access to government subsidy, there is nothing in the agreement which allows the right to give preference to non-profit services in many cases where the Government provides a fee for service.

We are also concerned about the subsidy section. This is where people are saying there is likely to be a real threat to our social programs. The deal does not clarify the definition of a subsidy or what kinds of services and industries will be considered subsidized services in the future. As you know, the deal stipulates that during the next five to seven years negotiations will continue so that new rules about what constitutes a subsidy will be established.

This could include any of our social programs which are already considered subsidies by many Americans. Unemployment insurance, social service programs, old age pensions, and so on could very well be considered subsidies.

We have heard several Members speaking about women in jobs. I am not going to concentrate on that except to say that the service sector concerns women, who are still the poorest sector of our society, who will be the biggest losers if we allow the erosion of social programs and the part-time jobs which will result from privatization. This trade deal is a great threat to women's jobs in particular.

Finally, the Parliamentary Secretary wants to debate child care programs at another time. We will not debate it at another time. The national strategy on child care is the forerunner of what we will see developing with this trade deal. It leaves the door wide open. In fact, it encourages provinces to develop and fund for-profit child care services. So it is there already and there is nothing in this deal which will protect for-profit child care. As was pointed out by one of the previous speakers, child care in the United States is of very poor quality. They do not even have maternity and parental leave policies there.

That is because the United States views social services from a market-place point of view. Making profits rather than service to people is their goal. We do not want this in Canada. We want services, particularly child care services, that are concerned with children, pay decent wages to care givers, and will have public subsidies for good quality child care.

I could go on and on, Madam Speaker, but I see that my time is up. In conclusion, we are very concerned about this trade deal as are growing numbers of Canadians, the more they study and learn about this deal. It is basically a sell-out of Canada. I say that with great emphasis. It is particularly harmful to Canadian women. We will do everything in our power to stop this deal and to enable the people to express their views in an election.

Mr. Kilgour: Madam Speaker, the Member is from western Canada. In her province two of the three major industries are forestry products and mining.

Mr. Manly: What about fishing?

Mr. Kilgour: Of course fishing is another one. Does the Member not think that it is in the interests of a great many British Columbians to have a more secure access to the United States market than they have had during the past year in terms of shakes and shingles, softwood lumber, and fish? There is a long list of items in western Canada that have been harassed by U.S. trade laws and actions under those trade laws.

Has the Member looked, for example, at the recent data of the Canada West Foundation which shows that large numbers of western Canadian jobs would be more secure if this trade agreement goes ahead than they are at present? At present what you might call anarchy exists in our trading relations with that market.

The Member might wish to do more trade with Japan and other countries of Asia and the Pacific, China included, of course. The reality, as she probably knows, is that approaching two-thirds of the exported goods and services from western Canada go to the United States whether or not she or I like it. In other words, by my figures the pay cheques of roughly 600,000 western Canadians depend on access to that market.

With regard to the social programs and the seven years, at least she is more responsible than the Member for Hamilton East (Ms. Copps) who said unequivocally that all our social programs will go down the drain if we form this agreement. This Member, if I remember correctly, said that they could be changed by the seven years of negotiation. Does the Member not think that it is important to the livelihoods of young people, middle-aged people, and the next generation to have some security of access to the United States?

Bob White is eviscerally opposed to this agreement even though, as I said this morning, we have had, for all intents and purposes, free trade in the auto sector since 1968 except for a few months in 1980 and 1981. The Member's Party calls it managed trade but it has, in fact, worked as free trade since 1968, three years after the Auto Pact.

Does the Member have to take Bob White's word on this issue when she and I know that western Canada needs this agreement? All provincial governments in western Canada and all independent bodies of research except for Mr. Bob White, as far as I can see, know that this agreement is in the interests of men and women throughout Canada. Does the Member not think that the prospect of having a job and a pay cheque at the end of the month is a fairly important social program to Canadians throughout the country?

Ms. Mitchell: Madam Speaker, I agree completely that having a job with a decent pay cheque is extremely important. It should be a basic right of all Canadians. This is particularly important to Canadian women. The point of what I was saying is that Canadian women, who are already marginalized and earn 60 cent dollars compared to men, will be really hurt by this deal. I made that point in my remarks with great sincerity.

The Hon. Member asked many questions and made many comments in his statement. As far as the western provinces are concerned, I am surprised that he seems so naive about it. I visited his Province of Alberta a few months ago and found considerable anxiety there. If any part of Canada needs to diversify, it is the West. We want secondary industries and more opportunities for secondary manufacturing jobs. We want to be able to export to places other than the United States. It is this open door policy which is a real giveaway to the United States which concerns us so much.

As far as the problems which we have had in British Columbia in the forest industry and the fisheries, as far as I can understand there is nothing in this deal to solve those problems. In fact, they are still there. I know that the Member of our Party who will speak next will comment on this further. I have a very close relationship with fishing people in my riding, particularly women working in the fish plants, and they are very concerned that this deal will not solve any of the problems they are facing. IWA members are solidly against this and the forest industry has real reservations in many instances.

Ms. McDonald: Madam Speaker, I very much appreciated the discussion by my hon. colleague from Vancouver East (Ms. Mitchell) about the situation of women and the effect of the trade deal on their job opportunities in particular. I would like to ask her a question about the political aspects of the deal. She is a western Member and I am a former British Columbian.

• (1720)

It is my experience that westerners are patriotic Canadians who are proud of their Canadian institutions. They want an independent Canada and take pride in our public social programs. They take pride in our cultural institutions which are nationally funded and which we have operated differently from the Americans. Westerners are no less patriotic than any other Canadian. They may have their gripes against the East on some issues, but they are true Canadians and want strong Canadian institutions. They pay their taxes and want that money to go into regional diversification, social programs, old age pensions, medicare and all of those programs, the same as Canadians from coast to coast.

Will my colleague comment on the loss of political sovereignty and the weakening of the powers of the federal and provincial governments to create and expand social and cultural programs for the good of the people within their territories?

Ms. Mitchell: Madam Speaker, I do not think I have to say that westerners believe in Canada. Of course we believe in Canada and are very proud Canadians. Sometimes we think central Canada should listen a little more. The Parliamentary Secretary made some very central Canadian comments earlier and said nothing about some concerns of the West. However, there is no question that we feel very strongly about Canada. We believe strongly in the potential of the Pacific Rim and that our trade relationship in this area is not being adequately developed.

As far as social programs in British Columbia are concerned, I am deeply ashamed of our Premier for what he is trying to do to undermine social programs and social service jobs in that province. This deal will add to that threat, and that is one reason why an increasing number of British Columbians are joining anti-free trade lobbies and coalitions. British Columbians are real fighters, as they are on the Prairies.

We are very proud that British Columbia is a highly unionized province. The Tories constantly talk about Bob White and Shirley Carr. Not only are they paranoid, they should have a guilt complex because they are trying to destroy unions in this country. Their policy of privatization and this free trade deal will certainly contribute to that. There is nothing they would like better than to eliminate unionized jobs for contracting out, to put women in part time jobs so they can return to the home and so on. I am very much afraid that rather than look to the future of Canada, this policy will take us back.

Mr. Tobin: Madam Speaker, as I listen, I understand the dichotomy to which Canada would be reduced if we had a war of wills between those on the extreme right and those on the extreme left. This is not a debate between General Motors and Bob White. This is a debate on a free trade deal that affects every Canadian, including those who are not necessarily tied to General Motors or the Canadian Autoworkers Union. It concerns people who are in business and members of unions and see for themselves and their families great changes and potentially great harm.

How does the Hon. Member respond to the Government's claim that the trade deal will be a cure-all for the problem of regional disparity in this country? Presumably, the various states in the United States are the beneficiaries of free trade within those United States, but there is still regional disparity

in many of the southern states. That regional disparity is growing in some of the rust belt, or northeast United States.

The Government would tell a province like Newfoundland or an area like Cape Breton or parts of northern Canada that this free trade deal will solve their regional disparity, yet the reality in the United States is that gross regional disparity exists notwithstanding the fact they have all the so-called advantages of the American economy. How does the Hon. Member respond to that?

Ms. Mitchell: Madam Speaker, perhaps my hon. friend was not in the House when I began my remarks. I stated clearly that what concerns me and many Canadians is that Canada is unique because we care about each other in the different regions of Canada. We have a system in which there are certain written and unwritten social rights, including a concern for all regions so that people have equal opportunity and equal protection in all regions.

We must have regional development programs and the Hon. Member is absolutely right that this trade deal will gradually erode them. While the Government says this will not happen, the five to seven years in which to define subsidies is certainly a cause for concern.

Mr. William C. Winegard (Guelph): Madam Speaker, I was rather hoping today that we might have a debate based upon the free trade agreement. However, what we have had is another debate with a lot of rhetoric, exposing once again what I call the myths of free trade.

I want to examine some of those myths this afternoon because I think it is important to set the record straight on what is and is not in this particular trade agreement. Since it was just mentioned, let me deal with myth No. 1. It is that regional development programs are at risk. We have heard that over and over this afternoon. I do not know how to respond to that, except to say that it is pretty close to absolute nonsense. They are no more at risk under the free trade agreement than they are now.

Under the General Agreement on Tariffs and Trade, which has been mentioned so often in this debate, Government subsidies are recognized as legitimate tools of governments to help promote regional development. All that GATT requires is that countries should not use subsidies in a way that injures other countries. Subsidies in themselves are not illegal.

Under existing Canada and U.S. law as well, subsidies are only countervailable by the importing nations if they are not generally available. Those persons who would have us believe that regional development programs would go down the drain should know that the ones they are talking about are generally available.

• (1730)

Only very few of the Canadian regional development subsidies have been challenged as countervailable in the United States. Only a fraction of those that have been challenged were found by U.S. authorities to be injurious to American producers. Since 1980, no countervailing duty on a regional development subsidy has exceeded 1 per cent of the export price. One of the advantages of being an engineer is that I always ask myself, what are the numbers? Never mind the rhetoric, what are the numbers? I remind people of the 1 per cent of the export price. Even if the subsidies were found to do harm, we can still put them on if we wish. It is entirely our decision. The free trade agreement does not in any way take away that decision from us.

Let me go now to what I call myth No. 2. I have so many myths here that I am going to lose count. The next myth is that Canada's cultural sovereignty is at stake. How? Article 2005 of the agreement stipulates that with four very limited exceptions, nothing in the agreement impedes Canada's ability to pursue cultural policies and programs of its own. If we look at the four that are taken out, we find they are hardly going to shake this country's cultural policy. We are going to eliminate tariffs on musical instruments, cassettes, films and records. In other words, the U.S. will be able to export records and tapes into Canada free of tariffs. We will be able to do the same.

Under Article 2006, both Canada and the United States will provide copyright protection to owners of television programs broadcast by distant stations and retransmitted by cable companies. Article 2007 is the typeset and printing section. None of these changes our ability as a nation to do what we have always done, to call for Canadian content regulations, to support the CBC, to support our national galleries, to support the Canada Council, and to support our artists and writers. None of these things are changed in this agreement. There is a myth out there that we have given up our cultural sovereignty. In fact, culture has been taken right out of it. There is nothing in the agreement that we do now that we cannot do.

The next myth is that free trade will destroy Canada's social programs. Well, we have heard this afternoon about how somehow or other—no one says quite how—we are going to harmonize our health care system. Why would we want to harmonize anything that is working very well right now? There is nothing in this agreement that talks about harmonizing our health care system. It is our system. It will remain our system.

My opposition colleagues talked often about the GATT today but under GATT, generally available social programs are not countervailable. Why should we be concerned about changing our health care system? It is another straw man put up to frighten people. As an aside, you know, Madam Speaker, and I know, that the United States has already examined the fishermen's disputed unemployment insurance benefits, and they were found not countervailable.

Finally, on this one subject, the preamble of the agreement itself clearly sets out Canada's ability to take measures to defend the public welfare. We are no less Canadian because we are entering into a free trade agreement with the United States. In fact, it is so typically Canadian that we would reach

out to have more trade. That is what Canada is all about. Our health care system is in no way in danger, neither are our social programs. Read the agreement, Madam Speaker, that is where it says they are not at risk. They have been taken out of the agreement.

Another myth, and the committee heard this myth when it was on the road travelling across the country, startling as it may seem and almost incomprehensible to Members of this Chamber, is that free trade will lead to a flood of American pornography and hand-guns coming into this country. One person even said that the streets of Toronto will not be safe. I do not know how something like this gets started, but it has about as much relevance to the free trade debate as the price of hot dogs at Maple Leaf Stadium. Pornography is already dealt with under the authority of Canada's Criminal Code. There is nothing in the agreement that says we have to change Canada's Criminal Code. That is nonsense. The GATT already provides the authority for Canada to control the import of both pornography and firearms. Article 407, chapter 5 and chapter 12 of the free trade agreement makes it clear that these powers remain absolutely untouched.

The next myth is that free trade will unleash wide-open competition in services. Article 1402 of the agreement makes it clear that existing laws and regulations governing services remain untouched. The agreement relates only to future laws and regulations. I am always concerned when people talk about services as if somehow or other this is a departure that will ruin Canada. But I ask, when the GATT was established in 1947, what was the world trading in? It was trading primarily in goods. In 1987, if we were establishing the GATT, it is incomprehensible to me that it would not talk about goods and services because services have become more important in the world in terms of trade than goods. In some instances, I do not know how one tells the difference between what are goods and what is a service. What is a floppy disk? Is it a goods or is it a service? Of course, it is a combination of both. To say that service should not be in a modern trading agreement, to me, hearkens back to the horse and buggy days. Of course, they belong in a trade agreement. Canadians are good at these sorts of things. We have nothing to fear in terms of services. We sell our services across the whole world and we want this agreement to be the forerunner of what the GATT should be. We will win on this at the GATT.

Another myth is that Canada's trucking industry will be destroyed. The services annex of the agreement does not include transportation, not at all. Like the cultural and social programs, the trucking industry is not affected in any way by the agreement. "Canada should depend on multilateral negotiations in the GATT rather than bilateral free trade with the United States". We have heard that statement several times through the course of the last few months. Well, of course, Canada depends on both, and will continue to do so.

• (1740)

The free trade agreement itself sets out our continuing commitment to ensure that we trade multilaterally in all aspects. The agreement that we have here is consistent in every way with Article XXIV of the GATT, the article that provides the framework for negotiating the free trade agreement.

Both countries retain their existing GATT rights and obligations. It strikes me that not many of the people who are concerned about this and talk only of the GATT are traders. Not many traders would tell one to stick only to the GATT. Most of the talkers do but not many traders do. If one is a trader then one knows that it is easiest in Canada to trade with the United States. It is our natural market. That is what Canadian business does. It moves with the United States.

There have been two Governments in the last few years that have tried to switch that around. Mr. Diefenbaker's Government tried to do it, as did Mr. Trudeau's Government, with a spectacular lack of success. Those things cannot be dictated to traders and to business people. They must be allowed to do their own thing. They would prefer to trade with the United States.

We can therefore use this agreement and our experience in trading with the Americans, our ability to compete with them and our ability to produce world product mandates, to then trade with the rest of the world, which is what part of this is all about. Both the United States and Canada are founding members of the GATT. We want the GATT to be successful, but we want the GATT to move away from where it is now.

Let me finish by talking for just a moment about child care, something which we have heard so much about this afternoon. There is nothing in the agreement that foresees or encourages, provides for or allows health and social services to become tradable services. If a United States firm comes into Canada to operate a child care facility it may do so. However, if we read the agreement, we find that it is not entitled to national treatment for the conduct and operation of that facility since that right flows only to covered services. Day care is not covered.

Let us do away with the myth and let us look at the agreement. There is nothing in this agreement that causes a change in any Canadian standard or criterion governing services within the health, education, social service or child care field.

Ms. Mitchell: How about management of institutions?

Mr. Winegard: Hon. Members now want to talk about health management. That is a good one for Canada since, once again, people do not understand what Canada is doing. They are so afraid of the United States that they do not understand.

Do Hon. Members know who will win with respect to health care facility management? It will be Canadians going down to the U.S. marketing and operating their facilities. We do it now. We are big operators there, and we will continue to be

big operators. Most of the people who talk about this have no experience in running a health care facility, none whatsoever. Some of us have. Some of us know how good we are.

One of the tragedies about this is that so few people have yet to learn that this agreement is typically Canadian. It is an agreement that reaches out and says: "We are good. We can do it. Let us have the opportunity".

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order! It being 5.45 p.m., it is my duty to interrupt proceedings and to put forthwith every question necessary to dispose of the supply proceedings now before the House under the provisions of Standing Order 82(9).

[*English*]

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Call in the Members.

The House divided on the motion (Ms. McDonald), which was negatived on the following division:

(Division No. 361)

YEAS

Members

Allmand
Althouse
Benjamin
Blackburn (Brant)
Boudria
Broadbent
Caccia
Cassidy
Copps
Gauthier
Hopkins
Hovdebo
Isabelle
Jewett
Kaplan
MacLellan
Manly
McDonald (Broadview—Greenwood)
Mitchell
Murphy
Ouellet
Penner
Riis
Robichaud
Robinson
Rodriguez
Rossi
Skelly
Tobin—29

NAYS

Members

Andre
Bernier
Bertrand
Blais
Bouchard
Bourgault
Caldwell
Cardiff
Chartrand
Clark (Brandon—Souris)
Clinch
Cook
Cooper
Cossitt
Daubney
de Cotret
Desjardins
Domm
Dorin
Epp (Provencher)
Fennell
Ferland
Graham
Gray (Bonaventure—Îles-de-la-Madeleine)
Greenaway
Grisé
Halliday
Hamilton
Hawkes
Hees
Hicks
Holtmann
Hudon
Jepson
Johnson (Bonavista—Trinity—Conception)
Jourdenais
Kempling
Kilgour
Ladouceur
Landry
Lanthier
Layton
Lewis
MacDonald (Kingston and the Islands)
Mailly
Marin
Mazankowski
McCrossan
McDermid
McKinnon
Merrithew
Moore
Oostrom
Pennock
Plourde
Price
Reid
Reimer
Ricard
Scott (Hamilton—Wentworth)
Scowen
Shields
Sparrow
Stewart
Taylor
Thacker
Tremblay (Québec-Est)
Tupper
Turner (Ottawa—Carleton)
Van De Walle
Vézina
White
Wilson (Swift Current—Maple Creek)
Winegard—74

• (1810)

[*Translation*]

The Acting Speaker (Mrs. Champagne): I declare the motion lost.

It being 6.12 p.m., this House stands adjourned until tomorrow morning at eleven o'clock, pursuant to Standing Order 3(1).

The House adjourned at 6.12 p.m.

HOUSE OF COMMONS

Tuesday, May 17, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

INTERPARLIAMENTARY DELEGATION REPORTS

PRESENTATION OF REPORT OF CANADA-JAPAN INTERPARLIAMENTARY GROUP

Mr. Bill Kempling (Burlington): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the second report of the official parliamentary delegation of the Canada-Japan interparliamentary group which visited Tokyo, Japan, for a study on trade matters from April 11 to April 14, 1988.

PRESENTATION OF REPORT ON INTERPARLIAMENTARY CONFERENCE IN GUATEMALA

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, pursuant to Standing Order 101, I have the honour to present to the House, in both official languages, the report of the official parliamentary delegation which represented Canada at the interparliamentary conference in Guatemala City, Guatemala, April 11 to April 16, 1988.

* * *

BUSINESS OF THE HOUSE

NOTICE OF MOTION

Mr. Lewis: Mr. Speaker, consideration is presently being given to a motion, but at the present time the House Leader for the Official Opposition is not in the House and he has asked that we defer this matter until 3 p.m. I ask permission of the House now to revert to Motions at three o'clock.

Some Hon. Members: Agreed.

Mr. Speaker: Is there consent?

Mr. Guilbault (St-Jacques): Wait a minute. I think that, if the Government is ready to proceed with the motion, the Official Opposition would be.

Mr. Riis: Mr. Speaker, I want to make it clear that there have been some very delicate negotiations going on between the three House Leaders on this most important issue and, rather than agree now to allow the motion to be put later in the day, I am sure there would be unanimous consent to do that at three o'clock. I suggest that we give consideration to just letting this stand for the moment and come back to it at three o'clock. Hopefully by that time the delicate negotiations would have been completed.

Some Hon. Members: Agreed.

Mr. Nowlan: What is the motion about?

Mr. Speaker: The Hon. Member for Annapolis Valley—Hants (Mr. Nowlan) on a point of order.

Mr. Nowlan: Mr. Speaker, I am asking what the subject matter is of the delicate negotiations. All we have heard about is some motion about some delicate negotiations. I kind of think I know what it is, but I would like to know for sure what the subject matter of the delicate negotiations is. Surely that should be in the public domain.

Mr. Gauthier: Ask your Government.

Mr. Speaker: The Hon. Member for Annapolis Valley—Hants has the floor.

Mr. Nowlan: I am not trying to be obstructionist, but I heard the exchange and if you are asking Members to give unanimous consent on a blank motion dealing with sensitive discussions, I think it is a fair question to ask what the subject matter is.

Mr. Blackburn (Brant): Keep talking.

Mr. Speaker: For whatever reason, I think the wish is just to put this matter over at the moment. I think I can indicate to the House that I will hear the Hon. Minister of State (Mr. Lewis) at three o'clock on this matter and then I will see what the disposition of the House is.

Mr. Murphy: You will know at three o'clock.

Mr. Guilbault (Saint-Jacques): On a point of order, Mr. Speaker, may I understand what is happening procedurally? I believe the Government House Leader asked for unanimous

consent to defer consideration of this matter until three o'clock. Maybe I missed something, but I did not hear the question put to the House as to whether there was unanimous consent. If it is put, we on this side of the House will give consent. However, I would like it to be clear that this discussion is not being postponed until three o'clock this afternoon by request of the Official Opposition. On the contrary, we are perfectly ready to discuss this matter right now.

• (1110)

[*Translation*]

Mr. Speaker: I understand the position taken by the Hon. Member for Saint-Jacques (Mr. Guilbault), but I think the Hon. Member for Kamloops—Shuswap (Mr. Riis) has asked unanimous consent for a discussion later today, probably at three o'clock.

[*English*]

Perhaps the Hon. Minister of State can give the Chair further guidance.

Mr. Lewis: Mr. Speaker, perhaps there has been some mix-up. I am not attributing it to anyone, but my latest information was that the House Leader of the Official Opposition wished to do it at three o'clock. In view of the comments of my colleague, the Member for Kamloops—Shuswap (Mr. Riis), perhaps we should defer until three o'clock. I will discuss the matter with my colleague, the Member for Annapolis Valley—Hants (Mr. Nowlan), and perhaps we can proceed at three o'clock.

Mr. Speaker: For the record, the situation is that there has been a discussion but the matter has not been settled at this time. As I have indicated, the Minister of State will be heard at three o'clock and the House can then decide to deal with this as it sees fit at that time.

* * *

PETITIONS

OPPOSITION TO BILL C-55—REFUGEE DETERMINATION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of British Columbians who are concerned about the issues surrounding Bill C-55. They believe that it threatens Canada's traditional commitment to assisting refugees and sets out measures designed to keep refugee claimants out of the country as opposed to ensuring that genuine refugee claimants are given protection.

The petitioners believe that Bill C-55 will result in many, perhaps most, refugees who reach our borders being turned away without having their claims heard on the merits of their case.

The petitioners go on with a whole set of other concerns regarding Bill C-55, but they are basically asking that Parliament withdraw this Bill and substitute legislation embodying the principles of fair and quick oral hearings of claims of refugee claimants before a refugee board, independent of the Immigration Commission. They say, as well, that universal access to such hearings ought to be provided for every applicant in Canada as well as the right to appeal on the basis of fact.

CANADA-U.S.S.R. AGREEMENT—EVIDENCE ON ALLEGED WAR CRIMINALS

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, I have the honour and pleasure to present a petition from many residents of the riding of Etobicoke North as well as other centres in Ontario. The petition deals with the Memorandum of Agreement entered into by the Department of Justice between Canada and the U.S.S.R. dealing only with Nazi war criminals. My constituents call upon Parliament to enter into negotiations to amend the Memorandum of Agreement to reflect the prosecution of all war criminals in order that not only Nazi war criminals will be singled out.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Derek Blackburn (Brant): Mr. Speaker, I, too, have the honour to present a petition, pursuant to Standing Order 106, signed by several constituents of mine from the federal riding of Brant. The petitioners are totally opposed to the Government proceeding at this time with the trade agreement with the United States. They call upon the Government to call an election so that the people can decide whether or not Canada should enter into this agreement. They fear that many jobs will be lost if the present agreement goes through unamended.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a petition signed by some 500 members of Holy Cross Parish in my constituency of Ottawa Centre with respect to the question of abortion. The petitioners note that the Supreme Court of Canada has nullified the only federal law concerning abortion and has given Parliament the responsibility of passing, as soon as possible, new legislation on this matter. They pray that Parliament enact a new law which fully guarantees and protects the right to life of all unborn children from the time of conception onward.

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, pursuant to Standing Order 106 it is my duty and privilege to present to the House of Commons today one of a number of petitions signed by residents in and around the federal constituency of Moncton. The petition deals with abortion.

The petitioners are cognizant of the fact that the Supreme Court of Canada's recent ruling has virtually removed all laws which apply to the abortion process in Canada. They are urging this House to introduce the necessary legislation to

place limits upon abortion and protect the rights of the unborn child.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all questions be allowed to stand.

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

COPYRIGHT ACT

MEASURE TO AMEND— CONSIDERATION OF SENATE AMENDMENTS

The House proceeded to the consideration of amendments made by the Senate to Bill C-60, an Act to amend the Copyright Act and to amend other Acts in consequence thereof.

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I regret that we are back in the House of Commons again to deal with Bill C-60. As you know, Canadian artists, composers, and writers have been waiting too long for this particular piece of legislation to amend an Act which has been substantially unchanged since 1924. Canadian creators need protection, fair compensation, and adequate remedies for infringement. They need these things now. At the same time, users of copyright works must have quick and easy access to these works at a reasonable cost.

Bill C-60 makes all this possible. It defines new forms of intellectual creativity such as computer software which has not been subject to copyright until now. It will now be subject to copyright legislation. At long last, this Bill provides appropriate penalties for the commercial theft of copyright.

[*Translation*]

This Bill enforces the principles of existing artistic creative rights by providing for the establishment of collectives, which give both the creator and the public a legal means to arrive at fair compensation for use of those rights.

Liberal Senators have voted to make two amendments to the Bill, one to delete exhibition rights and the other to delay the implementation of the new Copyright Board's power concerning the collective administration of copyright.

Bill C-60, as passed by this House, is a good piece of legislation. It is reasoned, it is fair, it is sensible and it is workable. And it is long overdue.

[*English*]

First, I will address the amendment which proposes the deletion of the exhibition right, the first amendment proposed by the other place. I will then address the proposal to amend the Bill to provide for a minimum one-year delay in the coming into force of the provisions dealing with collectives.

I want to make it very clear at the outset that I cannot support the deletion of exhibition rights. That amendment is anti-artist and anti-creator. The exhibition right, which was rejected by the Liberal Party in the other place, is an economic right designed to benefit visual artists, many of whom are not all that well off. The Bill would allow these artists to be paid for the exhibition of their works even after they no longer own the work. It allows them, if they wish, to be paid for the assignment of the exhibition right as part of the purchase price of their works of art. It can be paid for at the same time as the work of art is originally sold. This right is long overdue and something which artists in Canada strongly support.

• (1120)

The report of the Senate committee acknowledges that the various museum associations stated that they supported the principle of compensation for an exhibition right. But not so with Liberal Senators. Indeed, the Chairman of the Senate committee himself refused even to endorse the principle of the right when I appeared before the committee in the other place.

In 1985, all three Parties in this House worked together on a subcommittee to conduct a study of possible changes to the copyright law. All three Parties unanimously recommended that an exhibition right be provided in new copyright legislation. This all-Party recommendation, which came out of the subcommittee's work, was based on very extensive inquiry. I understand that the all-Party subcommittee reviewed over 300 written submissions and heard 111 witnesses in public hearings all over the country. After months of this work, the provision of a new exhibition right for visual artists was unanimously recommended by all three political Parties through their representatives on the subcommittee.

Subsequently, Bill C-60 was drafted to include this recommendation, and Bill C-60 itself was the subject of very careful and lengthy analysis by a legislative committee of the House.

The legislative committee considered general changes that should be made to the copyright law as well as specific changes such as this. Bill C-60 was tabled last May, one year ago. It was the subject of eight months of study. Over 100 briefs were reviewed and 30 sets of witnesses appeared before the legislative committee.

[*Translation*]

And yet, Mr. Speaker, after only a few days of cursory analysis, Liberal Senators say that this right, which would

benefit our artists who contribute so much to Canadian life, should be deleted. The Liberal committee chairman said in the other place the bill "goes too far" in protecting creators. Well, Mr. Speaker, they are wrong. This House must support the artists of Canada by rejecting the amendment to delete the exhibition right.

[*English*]

Let me reiterate what I said about new exceptions to copyright. Members of the House will be aware that Bill C-60 is phase 1 of a two-phased approach to copyright reform. Work on phase 2, in which exceptions to copyright are being addressed, is progressing very well. I am pleased to hear of the work of the consultative committees of users and creators. I should be in a position to table phase 2 legislation within a few months.

With respect to exhibition rights, my Department and I will continue to consult with both creators and users of visual art. If all parts of that community reach a solid and mutually satisfactory understanding with the Government concerning exceptions to the exhibition right, then the phase 2 Bill will be drafted accordingly.

I now want to address the second amendment proposed by the Senate committee. This amendment would delay for a year the implementation of the Copyright Board's powers with respect to new collectives. I must say that this amendment makes absolutely no sense to me because the work of the Copyright Board will be to the advantage of both users and creators. Its function is to help arrive at a decision when there is no mutually agreed upon process between creators and users.

The Copyright Board would operate to ensure a balance between the interests of the consumer and those of the creator. By establishing the new board as a fully independent agency, by granting it quasi-judicial authority, and by making it the final arbiter in financial disputes between creator and user, Bill C-60 provides the proper balance and a solid guarantee of fairness to those who create works and those who use them.

One can only try to imagine why certain members of the other place would want to delay copyright reform by proposing a technical amendment that really does not benefit anyone.

Canadian creators have been most emphatic in their desire to have Bill C-60 passed quickly. Last month, a diverse alliance of creator organizations, some 36 in all, issued an unequivocal statement to the members of the other place. These groups represent thousands of Canadian creators and, in delivering their message to the other place, both to Senators personally and through the public media, they said:

> This Bill affects the livelihood and existence of Canada's creative community: composers and lyricists, authors and poets, visual and performing artists, choreographers, computer software designers and record companies, among others. It was discussed for more than a generation by our cultural industries, associations, panels, users, politicians both in and out of power, and by various governments. Many of the players in this process have died of old age. So let's get on with the copyright revision. We need protection, fair compensation and adequate remedies for infringement, now.

That was the message that an alliance of 36 creator organizations sent to members of the other place. Unfortunately, these words fell on deaf ears among certain members of the other place.

The Bill is now back in our court. Since it was this House which originally endorsed Bill C-60 in February of this year, I do not think I should need to convince Hon. Members once again of its importance and its urgency.

With Bill C-60 we can stop commercial piracy, be it of software, sound recordings, audio tapes or video tapes; we can end the outrageously outdated two-cent compulsory licensing of sound recordings; and we can establish the framework of a workable regulatory system for the collection of royalties earned by our creative artists.

By acting promptly, we can save 8,000 jobs. That is the estimate placed on the cost in lost employment due to computer software piracy alone. That is what Bill C-60 is able to do. It is able to correct these inequities and bring in new arrangements. Our writers, composers and our artists, including our software creators, as well as all the others who so richly endow Canada's cultural life, deserve to receive the benefits to which they are justly entitled. They have subsidized the public's enjoyment and benefits of their efforts and talents for long enough.

• (1130)

For 64 years they have waited to see basic creative rights respected. If we are truly serious about the value and importance of maintaining and encouraging the growth of Canada's unique identity, of our culture, then we must deliver those rights to our creators and artists, and we must do it now. Therefore, I move, seconded by the Minister of State for Small Business and Tourism (Mr. Valcourt):

> That a message be sent to the Senate to acquaint Their Honours that this House disagrees with both amendments made by the Senate to Bill C-60, an Act to amend the Copyright Act and to amend other Acts in consequence thereof, because this House believes that the amendments contradict the principles of the Bill which will provide new rights for creators and a new board to adjudicate between the interests of creators and users of copyright material.
>
> More specifically:
>
> Amendment 1 deletes the new exhibition right to the detriment of visual artists who should be compensated for the exhibition of their works.
>
> Amendment 2 delays the coming into force of sections giving the Copyright Board jurisdiction over the collective administration of copyright, to the detriment of both users and creators of copyright material, for whom the Board would be an adjudicative tribunal operating to assure that royalties to be paid will be equitable.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise today to speak to the consideration of amendments made by the Senate to Bill C-60, an Act to amend the Copyright Act. I understand the need and urgency for this copyright revision, and I am pleased the Minister was able to bring this revision into the House, which will allow new economic rights for creators and a series of other rights to which I will allude in a

few moments. I would acknowledge that that is an extremely worthwhile goal.

Certainly, this society is ready to recognize these Canadian creators as those who expose, propose and propound Canadian values and cultural perspectives which are key in today's society and have become even more important as we move toward changing the Canadian pattern of operation. However, I do believe that legislators have, as a fundamental responsibility and obligation, as well as a duty, to strike the necessary balance between the competing interests of the creators in establishing their economic rights and in ensuring a fair return through the recognition of their works and that of the public having access to them.

Canadian creative talent should be available to Canadians at a fair price for both the user and the creator. There is a fault in the Minister's Bill. There is a problem we have had to face with this Minister who has not seemed to understand and who has been trying to dump a guilt trip on the other House, trying to indicate a sense of culpability, when it was merely fulfiling a very important obligation which is set out in the Constitution of this land, which is to be a place of sober second thought. The Senate is there to look at the kinds of legislation going through this House and to make solid concrete, intelligent, well reasoned recommendations to the Minister and to the Government. The recommendations should be considered so that we would end up with the best kind of legislation to meet the fair and equitable needs of all Canadians.

It is sad that this Minister does not care to acknowledge that. The Minister said yesterday in the House, and I quote from Hansard at page 15478:

> I close merely by saying that fear and the creation of fear will get Hon. Members opposite nowhere because Canadians understand the game they are playing. Canadians understand what it is they are trying to do and they simply will not buy it.

Canadians who have been writing and speaking to me certainly know the game the Minister was playing. The Minister forgot to put together a whole Bill. She decided to do it in two phases. She would have been able to come in here with glowing pride, with a tremendous sense of accomplishment, had she followed the thinking of 1924 when the Bill was brought in. They did a complete overhaul then. They did not put it into two phases and leave half the population wondering where they are. It is for this reason that we had to fight long and hard in committee. We had to bring in over 150 amendments to the Bill because the Minister wrote such inadequate legislation. The Senate then had to add amendments along the way.

I would like to suggest that the 1924 overhaul did not address copyright in a patchwork fashion the way this Government has chosen to. This is an extremely complex law, as the Minister knows. The other House has outlined in its background report to this House that the copyright is a legal recognition of the exclusive right of a creator to determine the use of a work and to share in the benefits produced by that use. That is very sensible. It goes on to state that since 1924, technology has changed dramatically, increasing the number of ways in which the results of artistic endeavour may be exploited.

The Copyright Act has proved remarkably adaptable to the new technology, considering that its framers could not have foreseen the advent of such inventions as television, photocopiers, videos tape recorders, computers and other devices. I wish this Minister had been as foresighted as the Minister who drew up that Bill in 1924. I will not go through the history of all the various committees which have looked at this over time. The Bill was brought into this House on May 27, 1987, by the Minister. The two cents per song for recording artists was absolutely ludicrous. On March 11, 1987, I brought it to the attention of the Minister. I had public meetings on the issue and asked for the abolition of Section 19, the two cents per song compulsory licence, so that we could move forward without waiting for half time, part time, incomplete phase 1, phase 2 legislation. The Minister did not see the light of day then and she still has not seen the light of day.

It is true that this legislation has had a long, hard row before it saw the light of day. I would like to point out the complexities of this particular Bill. We are dealing with the first stages containing approximately 25 per cent of the revisions and recommendations which flowed from the *From Gutenberg to Telidon* document and then, from that study to the *Charter of Rights for Creators*. It addresses exhibition rights, which introduces a totally new right and a new concept into the country. I welcome that right. It would provide the holder with the sole right to present artistic works at public exhibitions.

• (1140)

Second, it addresses moral rights, which expands existing moral rights and defines the nature of an infringement. I am pleased that there are some very strict conditions contained within those moral rights.

It abolishes the compulsory licenses of sound recordings at the rate of two cents per side. But, of course, it does not deal with the whole concern of performing rights.

With respect to collectives, it provides the statutory foundation for the collective administration of all economic rights for creators under copyright.

It has a provision for a Copyright board which reconstitutes the existing Copyright Appeal Board as the "copyright board" and expands its jurisdiction. The Minister knows that there are some concerns about that.

With respect to choreographic works, it provides copyright protection for any choreographic work regardless of whether or not it has a story line. That is a very innovative provision.

With respect to computer software it explicitly extends copyright protection to computer software. This is a provision which is long overdue and which should have been brought in by the Department of Consumer and Corporate Affairs. I am sorry that we had to wait this long for it.

With respect to copyright infringement, it substantially increases the penalties for infringement of copyright and penalties for piracy.

With respect to industrial design, it clarifies the relationship between industrial design and copyright protection. With respect to computer software and industrial design, it is regrettable that the microchip was not dealt with. It is regrettable that such a provision did not come out under the auspices of the Department of Consumer and Corporate Affairs.

The Senate Standing Committee on Banking, Trade and Commerce heard evidence touching on each one of these issues. There is no doubt that it supported overwhelmingly the thrust of this Bill. It understood the need to support the economic rights of artists, and was well aware of those issues.

The Minister can snicker and make all kinds of faces, but the reality is that the Senate certainly did recognize those rights.

Mr. Nunziata: Don't make faces, Flora.

Miss MacDonald: She is so petty.

Mrs. Finestone: I would like to suggest, Mr. Speaker, if there is any pettiness in this House let the wearer wear it.

Miss MacDonald: You are doing well.

Mrs. Finestone: The Bill goes on to address some of the very serious issues with respect to which we have had some concerns. I suggest that, as copyright is both a means of securing financial benefits to creators for previous productions and an inducement for further creative activity, copyright law represents therefore a trade-off or balance between rewarding and encouraging creators on the one side of the coin, something which is absolutely fundamental, and ensuring fair reward through negotiated distribution of their creative output, which is the other side of the coin.

Those of us who took our legislative responsibility seriously in attempting to achieve that fair balance have been charged with being guilty of obstructionism. May I say that I do not feel that that was fair criticism. I suggest that what we were attempting to do, something which is a legislator's responsibility, was to look at what was in the best interest of fairness for both the users and the creators because we have to know the rules of the game. When we do not know the rules of the game we certainly are not on a level playing field.

Let me say once and for all that we were never opposed to creators, nor were we ever trying to restrict creators unduly from getting fair return for their work. That is not the issue. The creators are certainly well aware that that was not the issue.

However, we do feel that there must be an element of fairness. I do not believe that this Bill has been totally fair to all concerned. It asks users to wait to see what is in the second phase of copyright. How long will we have to wait until these exemptions are addressed? We need only take a look at the Government's legislative agenda in this respect, and you tell me, Mr. Speaker, when phase 2 is likely to see the light of day.

Meanwhile, in phase 1 we provide no protection for continuing industry practices that have been acceptable for many years, and which in all fairness did not create unfair economic penalties for the creators. As an example, I turn the Minister's attention to the broadcasters who are required by the CRTC to retain tapes of complete broadcasts for 30 days, or with respect to the use of ephemeral recordings. It has other implications. These have been practices which have been in place for decades. As a result, now, broadcasters have no protection if they keep a tape to fulfil CRTC requirements or use a recording for re-broadcasting because of the time zone differences since Bill C-60 does not address specific exemptions.

This accepted practice could be deemed to be in violation of copyright law. There is the potential of penalties of anywhere up to $25,000 for violations. I ask: Is this what the Government means by fairness to our Canadian broadcasters?

The 1924 Copyright Act, although very progressive in its day, has certainly fallen short in providing creators the vehicles by which to enforce their economic rights. The Government's attempt to right these errors by its creator's Bill and the inclusion of stiffer penalties, as well as codifying the role of creative collectives, is an excellent initiative. But while this Bill has been updated, it has become highly contagious in certain areas. As a recent bulletin of the Canadian Conference of the Arts states:

> It pits the cultural community not against the Philistines or the prudes, but against itself—visual artists versus galleries, authors versus libraries, composers versus record companies, even, at times, artists versus each other.

Those are not the words of Members in the other place. Nor are they the words of Members of the Opposition. Those were the words of the spokespersons for the Canadian Conference of the Arts. I suggest the Minister would have done well had she heeded them. It is unfortunate that such dissension has been created between everyone on this very vital issue.

Those of us who asked questions and moved amendments were attempting to provide the necessary mechanisms by which users could be provided that particular balance. It has been said that users had it their way for over 60 years. I am now asking: Does that mean that we should punish them by having inequitable and incomplete legislation? I do not think that is the way this place should work. I suggest that not striking a fair balance with the opportunity that we had to do so is inappropriate.

I would like to quote the words of one of the Senators, Senator Sinclair, who said on April 27, 1988:

> The Minister appeared before the Committee and talked with some pride about the fact that she was leading the parade. She was proud that "Canada was going to lead the way," she said. There is nothing wrong with leading,

where the harm comes is when you lead and you do not know where you are going.

Not only does the Minister not know where she is going but nobody else does either. That is what is troubling to the people who must use this Bill. That is what has been most unfair.

Mr. McDermid: Who wrote that for you?

Mrs. Finestone: I am quoting the words of a Senator in the other place. I suggest that it is too bad that the issue of fairness was not fully regarded at this time.

Let us look at the Senate amendments and what we are addressing today.

Mr. Nunziata: Open your ears, Flora.

Miss MacDonald: You mean we shouldn't do anything about it? That is really sad.

Mrs. Finestone: I would suggest that it was not a case of not doing anything at all. I would suggest that it was a case of doing things right and doing things fairly. But the Minister is either so thin-skinned or so thick-skinned that she does not wish to hear what we are saying. What we are addressing here today from the other place after hearings and after careful study are two amendments to which the Minister does not care to listen. The first would delete the lines dealing with exhibition rights. The second would have delayed the coming into force of collectives for one year after they were assented to, or on such later day as may be fixed by proclamation. By making these amendments the Senate was attempting to achieve balance.

• (1150)

Essentially, it is a shame that the Senate had to bring these amendments in. I would have preferred none of these amendments, and the Minister knows that. The Minister knows I attempted to negotiate with her behind the scenes in order to bring in a Bill that would alleviate the fears that she has created in the artistic as well as the users' world. But, no, the Minister did not care to listen. Therefore, the Senate was forced to move in this direction.

After the Senate Standing Committee on Banking, Trade and Commerce tabled its report in the Senate, I wrote a letter to the Minister of Communications (Miss MacDonald) suggesting a compromise until phase 2 and the fair use provisions were introduced. First, I said that we would have reinstated the following principle to Clause 2 on page 2 dealing with exhibition rights. That was "to present an artistic work, for a purpose other than sale or hire, not owned by a museum and presented by that museum for a public exhibition". As a temporary measure that would have found favour right across the board.

This amendment resulted from a meeting held on February 22, 1988, organized by the Canadian Conference of the Arts. I take this opportunity to commend them for taking such initiative. It is too bad that the Minister had not thought to do the same. The meeting was attended by the Canadian Artists' Representation, CARFAC, VIS-ART Copyright Inc., the Royal Canadian Academy of Arts, RCAA, the Association of National Non-Profit Artist Run Centres, ANNPAC, the Canadian Museums' Association, and I will turn to them in a minute, the Canadian Art Museum Directors' Organization, CAMDO, and the Professional Art Dealers Association of Canada, PADAC. It was strange, Mr. Speaker, but these were all the people the Minister is standing here and telling us we were fighting against, and they were trying to get the Minister to listen.

With respect to the presence of the Canadian Museum Association, in her speech earlier today the Minister stated that all three Parties got together and all three Parties agreed to the exhibition right. She forgot to add that when the three Parties got together to review the report *From Gutenberg to Telidon* and wrote their charter of creators report, they had totally ignored and had not invited the museum representatives to even speak their piece on this particular Bill, when it has such a serious impact on the manner in which they function and operate. I do not call that a complete hearing.

I would suggest to you, Mr. Speaker, that after all these groups got together under the aegis of the Canadian Conference of the Arts, the week after that meeting, George Horan of CARFAC wrote to the Minister of Communications stating the objectives of both creators and users, and that they could be met through the agreement that they had made. That agreement encompassed the following. One, expanding the right to the entire life's work of an artist; two, simplifying the administrative burdens of the institutions; three, avoiding potential abuses such as redating works of art; four, recognizing and encouraging public institutions' public collecting functions; five, creating a new economic base for practicing visual artists and their heirs.

On their own, creators and users had struck that elusive balance that the Minister could not seem to find, but were told by the Department of Communications, "No, wait until phase 2". As a result, the agreement fell apart, and that is sad. Through the use of an all-Party agreement this amendment could have been passed in a matter of minutes in the Chamber, and we would not have to be dealing with the Senate amendment.

Now museums and artists will have to wait until phase 2 to address their agreement. I would like to forewarn the Minister that she may not be the Minister, the players in the game may not be the same, the heads of all those organizations who came to an agreement may not be the same, and we may have missed that important window of opportunity, that important moment in time. It is quite regrettable. I hope the Minister feels a sense of discomfort, because she earned it.

I would hope that the Minister would consider amending the definition section, including a definition of artistic works, and a definition of public exhibition. We asked the Minister to

consider these amendments, she refused, but I do understand that she is well on the way to that definition. I do wish she had brought that amendment into the House to clarify just what is an artistic work in today's society.

My second proposal to the Minister was to amend Clause 26. The Minister has the contents of that proposal, which was that 26(1), Sections 12, 13, 15, 17, 20, and 25 shall come into force on day or days to be picked by proclamation, giving the Minister all kinds of latitude; 26(2), Sections 50.1 to 50.6 of the Copyright Act, and the headings in relation thereto, as enacted by section 14 of this Act relating only to those licensing bodies giving access to repertoires of literary works, shall come into force on the day, that is one year after the day they are assented to, or on such later day or days as may be fixed by proclamation; 26(3), Section 50.7 of the Copyright Act, and the heading immediately preceding that section, as enacted by Section 14 of this Act, shall come into force on a day to be fixed by proclamation.

These were reasoned amendments that would have allowed for the absence of phase 2 at this particular time. They addressed the concerns raised by the educational community. That is a very large constituency out there that trains and educates our children through public school, high school, university, and post-secondary education of all types. It talked to the whole area of repography, the use of photocopies. My amendment was made applicable only to collectives dealing with literary works. The recording industry would have been able to negotiate fair return because of the removal of the compulsory licence. Through Bill C-60 the fears of educators, who felt that they were being forced to enter into negotiations with collectives before phase 2 of copyright addressing fair use or exceptions was even introduced, could have been allayed.

As Lorraine Flaherty from the Canadian School Trustees Association stated before the Senate Banking Committee, "We know very clearly that once Bill C-60 is passed, the collectives will be ready to start negotiations. In addition to not knowing where those negotiations will take place, we feel we are at a terrible disadvantage in not even knowing what it is we are negotiating".

It is pretty sad that they cannot know what they are supposed to be negotiating. At least in the U.S. copyright legislation is an exemption for the use of copyright material within a classroom or in an educational setting. Our universities and the Canadian Association of University Teachers told the Minister that they do not even know if they can use this material for examination purposes, which should obviously be exempted from copyright. Witnesses have stated that they are unaware whether such exemptions will appear in phase 2. I would suggest that that is leaving our educators in a very difficult position. How can they negotiate a fee, be asked to acquire a licence, when they do not know what the repography practice of the collective will be and what the definitions are in respect of this whole area? I would suggest there are some serious concerns that have to be addressed in this particular area.

On a number of occasions the Minister of Communications has also indicated that it is her intention to introduce phase 2 very soon. The Minister wants to introduce a broadcast Bill. She wants to introduce a telecommunication policy. She wants to introduce a film policy. She wants to introduce second phase of copyright. This Government wants to put through the Meech Lake Agreement, the free trade agreement, all types of reform on tax measures. There is a whole list of important legislation on the docket. When does she think that this one will come into play?

• (1200)

As phase 2 is to address exceptions and as literary collectives are in the process of being formed and will not be ready to commence negotiations for some time, this was a reasonable delay that was not an excessive burden. It would simply ensure that before negotiations began, all the rules, the level playing field and all the exemptions would at least be on the table for discussion. After all, one does not buy a house without seeing all the rooms. Why would one expect them to enter negotiations without knowing all the terms?

As well, the Government assumed that the provinces would negotiate with collectives for schools under their jurisdiction, similar to the way the Quebec Government has done with the *Union des Écrivians du Québec* and the Society for the Advancement of Rights in Audiovisuals. Under those agreements, the schools of Quebec have immediate access to a repertoire of literary and audio-visual works in exchange for $1.5 million a year which is negotiated with the Quebec Ministry of Education. As a result, creators are ensured their economic rights while users have immediate access to the things they need. The youth are benefiting from modern technology and from immediate access to information without having their teachers confront fines.

The Quebec example works well, and it is what the Government envisioned happening in the rest of the country. If this is what the Government envisioned, it failed in encouraging that relationship between the provincial Ministers of Education and the collectives. As a result, educators and their students may well be the losers.

This Government has constantly stated that it is its goal and it has always been its goal to reduce tensions between the federal and provincial jurisdictions, that harmony is its goal and that we need to have a level playing field. If this Minister had pursued that logic, then perhaps she would have paid closer attention to or even heeded the communiqué dated February 26, 1988, from the Council of Ministers of Education of Canada which stated that the Parliament of Canada should postpone the enactment of Bill C-60 until the more substantive elements of copyright reform are known. The Minister should have been aware of that, and certainly the Senate brought it to her attention.

Although I would not agree that there should be a total delay of this Bill, I would certainly agree that the concerns of

the provinces, the Ministers of Education and the educators were well worth heeding. Certainly they should have been able to sit down with the Minister to come to some kind of interim agreement in this regard.

The last area I would like to address is that of broadcasting. A very serious error on the part of the Minister has been made. We have heard from the Canadian Association of Broadcasters and from the CBC that the recent decision of the Federal Court of Appeal in *Bishop v. Télé-Métropole*, involving the temporary copying of a performance of a song for broadcast at a future time, will have serious consequences for broadcasters. This decision is awaiting possible appeal to the Supreme Court. We have been told that unless the Federal Court's decision is overturned, broadcasters fear they will have to pay composers large fees for reproduction of their works or will face the stiff penalties for piracy imposed under Bill C-60.

The Government, in its response to the *Charter of Rights for Creators* in 1986, indicated that an ephemeral recording exception would be granted to cover not only the CRTC requirements and the time zone requirements to which I referred at the outset of my remarks but also the routine pre-recording of works for later transmission. Such a right would be granted for six months after the initial transmission. Upon the expiry of that period, the recording would be kept only for research and study purposes.

These ephemeral recording exceptions are by no means novel. These exceptions are incorporated in copyright law in many other jurisdictions including the United States, the United Kingdom, Australia, Finland, Holland, Italy, Sweden and Luxembourg. It is only this Minister and this Government that do not care to include it at this point. As a result of the Government not proceeding with this particular exemption, it could potentially be very costly to broadcasters.

The CBC, appearing before us on Estimates last week, estimated, upon questioning from me, that the costs would be $31 million. Upon further investigation, the Canadian Association of Broadcasters has estimated that the lack of this ephemeral right will potentially cost them $18.5 million. That amounts to $49.5 million or close to $50 million. The Department of Communications and the Minister were well aware of this and had a very comprehensive analysis done for them about it. I would read into the record the following:—

[*Translation*]

"An estimate of additional costs the Canadian Broadcasting Corporation may incur as a result of the implementation of certain recommendations contained in the Report of the Sub-Committee on Revision of Copyright, *a Charter of Rights for Creators*".

We estimate that the proposals concerning performers' rights, record producers' rights and ephemeral rights would result in an additional annual expenditure for the CBC of nearly $37 million. We will analyse in greater detail our separate estimates for each of these three categories.

Mr. Speaker, I will comment on only one of these, namely ephemeral rights. The estimate for this particular category works out to nearly $31 million, that is, $22,600,000 for radio and $8 million for television. These figures are based on rates commonly paid in 1985 for rebroadcasts with musical content. In the case of radio, the rate is $10 to $12 per thirty seconds, depending on whether the rebroadcast is on the French or the English network, and for television, from $16 to $18 per thirty seconds, depending on the network.

For radio, at the present time only broadcasts that are to be repeated require payment of copyright. We calculate that with 326 hours of broadcasts per week, including network and local broadcasts, this works out, at the above-mentioned rates, to $434,640 per week and $22,601,280 annually.

All these radio broadcasts are produced using prerecordings, in order to maximize use of studios and personnel. The requisite rights being previously obtained from those who hold broadcasting rights.

For television, we calculate 73.5 hours of broadcasts per week, which at the rates mentioned works out to $150,720 per week and $7,837,440 annually. The comments regarding prerecording for radio apply, substantially, to television as well.

There is absolutely no doubt that copyright comes under the Berne Convention and that protection must be extended to foreign creators.

As for Recommendation 80 rising from the Charter of Rights for Creators, the exemption it provides for the making of ephemeral recordings by broadcasters is designed only to accommodate the broadcast of programs in different time zones, provided the recording is erased after eight days.

The Report stresses that the exemption should not apply to prerecordings, which are common practice and which allow broadcasters to maximize the use of their studios and collect material and contributions when convenient for those participating.

If the exemption is adopted in this very limited form, it would be of no use to broadcasters. There is no reason why prerecordings should be subject to authorization or payment, when the material in question has been released for broadcasting. This is confirmed by the exemption provided under Article 11*bis* of the Berne Convention.

In accordance with this provision, many countries have included in their copyright acts an exemption allowing for the making of ephemeral recordings by broadcasters. The Minister was aware of all this, Mr. Speaker.

Many of these countries, including Finland, Sweden, the Netherlands, Luxemburg, the United Kingdom, Italy and even the United States, are not even signatories to the Berne Convention. The exemption allows prerecording and provides that the recording may be used for a period of six months in the United States, one year in Sweden, Finland and Australia,

and so forth. One could say that the limitations proposed in the Sub-Committee's report are far more restrictive than any of the rules on ephemeral recordings adopted by other countries thus far. If Canada were to adopt provisions governing ephemeral recordings as recommended in the White Paper *From Gutenberg to Telidon*, which allow for a six-month period, Canadian broadcasters would be able to avoid the additional expense.

• (1210)

[*English*]

I just think it is too bad that the Minister did not listen and that these ephemeral recording exceptions, which are by no means novel, were not included. As a result of the Government not proceeding with this particular exemption it could potentially, as I have said, be very costly, costly to the extent of $50 million. That does not include the other concern of the broadcasters involving the incidental use of an artistic work in a broadcast, that is, music background at a hockey game or having a marching band in a Santa Claus parade. At a time when the Minister of Communications said that her goal was for Canadians to see themselves, the Government has cut out the support system from under the industry through cuts in capital cost allowance for film production of $100 million and now potential costs of $50 million for an exemption which should have been included in this legislation for fair use. This could be a loss in total of $150 million in revenue for an industry that must fulfil Canadian content requirements.

What type of a message is it that the Minister is sending to Canadians and to our broadcasters? Was this a message which the Minister was sending to the American Congress so she could get her free trade Bill through? I have a sense that, if you read what the Minister had to say yesterday in this House, it would tend to confirm that what I am saying is a reality. She said:

> Opposition Members are so tied up with relying on what Americans have to say that they forget the purpose of our cultural policies.

When a Minister is removing potentially $150 million from the film and audio-visual industry, I would suggest the Minister had better re-read her words and re-think her philosophy.

Notwithstanding the foregoing, Mr. Speaker, the Minister will have her Bill with the heartaches, with the costs, with the legal entanglements and with the lack of attention to fairness which will certainly not add to the glow of starting what was very much needed, copyright revision, which if it had been done properly, if it had been done in its fullest extent, certainly would have earned the Minister a very important place in the history of the evolution of copyright in Canada.

While we are dealing with the amendments brought forward by the other place, I will read the last of the comments which the other place had to make. I hope the Minister will remember them. The conclusion reads:

> The Committee would like to reiterate its support for the broad thrust of Bill C-60 which is certainly responsive to the creators' need for legal protection of the fruits of their efforts. At the same time, it is necessary that the rights of users also be adequately protected and thus a balance maintained. The amendments suggested in this report seek to engineer such a balance between creator and user needs while keeping alterations to the proposed legislation at a minimum.

I hope that the Minister will reconsider and think about all aspects of our Canadian society.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, on behalf of the New Democratic Party, I would like to reply to the Minister's motion and to the Senate amendments. I just cannot believe what I am hearing from the Liberal Party. The Hon. Member for Mount Royal (Mrs. Finestone) said, "Notwithstanding the foregoing, the Minister will have her Bill". After all that, the Liberals will vote for the Bill.

Mrs. Finestone: I did not say that.

Mr. Waddell: That is what it seems to be. The Senate said it will support the thrust of the Bill, then it goes back to the rights of the users. We have been through that debate. The Liberal Party cannot have it both ways. That is the problem. The Liberals wonder why, as the Official Opposition and supposedly the alternative to an unpopular Government, the people are not embracing them. They should look right at this Bill and their position here in this House and in the Senate. The Member for Mount Royal said that the Minister was guilt-tripping the other House, meaning the Senate. The Senate was merely fulfilling its constitutional job as the place for sober second thought. Technically, yes, the Senate is fulfilling its job. The other place has to look at the legislation that we passed in the House with all-Party agreement, remember? We had hearings. The legislative committee had 256 briefs and heard from over 80 witnesses. I was not part of the committee then, but the committee heard all these arguments. The Senate has not found anything new. One has to ask, was the Senate really fulfilling its duties as the place of sober second thought? We have had the House debate. The parliamentary committee heard witnesses. Sometimes you have to make a decision, and you cannot be on both sides of every issue as the Liberal Party is.

My colleague, the Hon. Member for Nickel Belt (Mr. Rodriguez), refers to the Liberal Party as Noah's Ark. The Liberal Party takes two of every animal on it. One for one side and one for the other side. The Liberals do not stand for anything. They are the classic mugwumps. Do you know what a mugwump is, Mr. Speaker? You sit on a fence with your mug on one side and your wump on the other. When the question is asked, "What position do you take?" you answer, "I am a mugwump". The Liberals support the Bill here in the House then reject it in the Senate. It comes back here and the Liberals support it in the House. Who speaks for the Liberal Party? This was the Party that used to be for the Canadian artists. The Liberals prided themselves on that.

The Conservatives and the New Democrats have also pushed artistic policy. The Liberals have abandoned Canadian artists because they have to choose. They have to change their mind-set. We have to choose to pay the creators. We have to give them a bit of a break. We have seen the professor who comes along and xeroxes a whole book and sells it to his students. Maybe now they are going to have to pay the artist. The galleries show creators' work. Of course, they pay the salaries of their staff, the maintenance people, the cleaners and the people who produce the catalogues. Now they are going to have to pay the creators. Creators are the worst paid people in this country. The average artist makes less than $10,000 a year.

• (1220)

I say the Senate was not fulfilling its constitutional duty of sober second thought. It was out of touch. It was lobbied at the last moment by a group that does not want to accede to this change in mind-set. Senator Ian Sinclair introduced these amendments. He has never run for anything in his life, being the former Chairman of CPR, except maybe running to the bank to deposit his money. Yet he does this. I say it is hypocrisy of the worse kind by the Liberal Party. I never thought I would see that in the Liberal Party. They supported the Bill in the House and it looks as though they are going to support it again.

Mrs. Finestone: You don't even know what the Bill is all about.

Mr. Waddell: Yes, I know what the Bill is about. If the Hon. Member would listen for a minute she would understand.

Miss MacDonald: She never does.

Mr. Waddell: She speaks about fairness. What about fairness to the average artist?

Miss MacDonald: That does not count.

Mr. Waddell: What about fairness to the House that spent all this time considering the Bill? What about fairness to the legislative committee and the Standing Committee on Communications and Culture? They considered these positions and had to make a difficult choice. It was not easy and I congratulate the Minister for bringing this Bill back to the House so quickly.

Sometimes you have to make decisions. That is why you have leadership. I consider the Liberal Party critic on this matter a personal friend outside the House, but if she were the Minister tomorrow she would be postponing this Bill until hell freezes over.

Miss MacDonald: That is right.

Mr. Waddell: She talks about the provinces having to be consulted. She talks about another committee. There has to be further consultation with the Senate and so on. That is a recipe for not getting anything done. We see that when the Government does not want to do anything. They say all these things.

Mr. Nunziata: That is what you are proposing on Meech Lake.

Mr. Waddell: We have a Liberal Party which has failed to take an opportunity to show leadership. As Pierre Berton and the other artists said when they came to Ottawa, the Senate has other things to hold up, why is it holding up this Bill to help our poor artists?

Mr. Gauthier: Pierre Berton?

Mr. Waddell: He was speaking for the others because his name is well-known. He is not a poor artist, but the vast majority are. Finally the Government gives them a break, and what does the Senate do? It holds it up.

I think the Senate has another agenda. The Liberal Party is badly split—you have the Senate group, the Trudeauists, who seem to be opposed to the Turnerists, the minority in the Liberal caucus. This gets confusing! The agenda may be to just hold up the House of Commons. That is done in a number of ways, and it may be a legitimate strategy with respect to free trade and the Constitution and things like that. Yet why bring the poor artists into this? What was the Senate doing sending this Bill back when we have had all these debates? It is hypocrisy of the worst kind. It is an abandonment of the traditional feelings of the Liberal Party for the Canadian artist. It is a slap in the face of the House of Commons. It is gross hypocrisy.

Mr. Nunziata: How about your position on Meech Lake?

Mr. Waddell: My position on Meech Lake is well-known. I do not have to apologize to anyone. I stood up and voted against it in the House. My Party's position is also well-known. I want to know his position on this Bill. Why is he letting down Canadian artists? Has he read the Bill? We have not passed an amendment to the copyright law in 64 years. As I said, it takes some leadership and needs a change in mind-set. The mind-set is that you have to pay the creators.

There are problems with it and I am going to discuss some of the things that I think the Minister could do. I know she has to leave so I will just jump ahead to one of them.

I was a little concerned with the Minister's speech when she talked about phase 2. She said it was progressing very well and she would table it within a few months. I am not being critical, but she has said that on other occasions with respect to other Bills and because of circumstances, drafting and various things, it is difficult to do.

Miss MacDonald: It is in the drafting stage.

Mr. Waddell: I do not want members of the Senate, who will be reading this debate, to think that now they can sit on these amendments when we pass them today because they are waiting for phase 2 of the Bill. I congratulate the Minister for

being firm and I have some suggestions for the phase 2 aspect which may help the librarians, the museum people and some others who feel this will somehow restrict their use of artistic materials. We do not want to do that, and neither do the artists.

I take it from the way the Minister is nodding that that was not meant to give a message to the Senate to delay this Bill. We want the Senate to pass it. We will campaign against the Senate and the Liberal Party with the artistic community in the upcoming election if it does not pass it. They should know that very well. There are also some Senators, like Senator Royce Frith, who understand artists. They have pushed hard for passage of this Bill.

Bill C-60 is the first of two phases of copyright reform promised by the Minister. The second phase is expected to address some of the concerns of user groups and complete the revisions to the Bill by dealing with a number of issues not dealt with in Bill C-60. The process of having two phases does make for a bit of uncertainty. The Minister first promised that phase 2 would be introduced last fall and then said it would be sometime in the spring. She is now saying it will be very shortly, and I welcome that.

As an example of what we in the NDP would like to see in phase 2, I would like to cite the concept of spontaneous use. This concept was proposed by the Canadian Teachers' Federation and Trustees' Association. It means that as part of negotiated agreements, educators would be able to use articles from newspapers or magazines for their immediacy. In other words, you want to use it for the class now or exhibit it now or put it on television now without having to ask the owner of the copyright beforehand. Spontaneous use means just that. One could not under this provision save something to be used in four months. If this is clearly spelled out in future legislation it should pose no threat to creators because it provides a mechanism for the most recent work to be used while still receiving just remuneration. There is a good balance. It should also help teachers to get access to up-to-date materials. The idea of spontaneous use as one of the terms of reference of the Copyright Appeal Board should help creators and users find common ground to make the legislation work.

I think we can find some common ground here. I believe it can be found in ongoing negotiations involving creators, libraries, educators and museums. After all, creators want their rights respected, but they also want their books to be read, their paintings to be viewed, their music to be listened to, all by the widest possible audience. Artists do not simply create to make money. They want these expressions of their soul to be shared. That is the essence of being an artist. Neither should there be starving artists in our society. Neither should they be the last people to get paid. That is what this copyright reform changes.

The Bill provides artists with some needed protection to help them exercise their craft. With the co-operation of both sides I think this revised copyright law could work. However, you have to bite the bullet. You have to come down on the side of helping the artist. You cannot have, as the Liberal Party does, one view in the Senate and one in the House of Commons and then contradictory views in their speeches.

• (1230)

I want to summarize. I thought the Minister would probably have to leave and I wanted to get those remarks in about phase 2. I welcome the continuation of phase 2.

I will conclude because a lot has been said before in this debate. This comes at the end of a long process. There was the Government's White Paper in 1984, *From Gutenberg to Telidon*, the House of Commons Subcommittee on Copyright report, and *Charter of Rights for Creators*. We have heard witnesses, had the debate, and made the decision.

In fairness, what is the Senate doing? What kind of game is it playing? We have debated this issue and have come down on the side of helping creators. We can smooth the rough edges in phase 2. If it is a reasonable Bill, we in the New Democratic Party hope to speed it through. We will support the Minister in getting it into the House for debate.

I ask the Senate to pass this Bill as soon as possible. It is not perfect legislation, but it represents an important step. The Liberal Senators, who make $76,000 a year, are holding up a Bill which would help artists whose average income is less than $10,000 a year. Is that fair? I do not think it is. I think the Canadian people will respond to this unfair act of the Senators.

Therefore, I, on behalf of the New Democratic Party, will support this legislation with one speaker today. We hope that it will go back to the Senate and that the Senate will pass it.

Mr. Boudria: Mr. Speaker, I would just like to ask a question rather than make a speech, which will take far less time, because I, of course, do not want to delay the passage of this Bill either. I listened attentively to the partisan diatribe of my colleague from the New Democratic Party which lasted some minutes. He said that the Bill was carried unanimously at second reading. Does he still believe that that is correct?

Mr. Waddell: Mr. Speaker, I was not the critic at that time. The Member may correct me. I believe that the Liberal Party supported it. Indeed, the Party speaker said today that she basically supported it. I believe it was supported by the Liberal critic in the House of Commons Subcommittee on Copyright. If the Bill was not supported unanimously, the Member can correct me and I will be pleased that he put that on the record.

The Member made reference to my speech being partisan. Yes, it was partisan, because I really believe that the Liberal Party is letting artists down. We do have to make a decision. The Hon. Member is a good Member. He is decisive and I believe he would make a decision on this. One must choose sometimes. We must make a choice here. We could delay this, as I said, until hell freezes over. We have a very small window of passing this. If it is held up, we will not see another Bill

before the election, and then God knows when we will see another Bill.

We have done precious little to help the average artists in this country. This is the end of the process and it need not be needlessly held up. It is wrong. The only way to get it through the Senate is to tell the Liberal Party that it will have to pay a political price for it.

The Member will be campaigning in the next election campaign. I am sure there are artists, creators, and performers in his riding. They are upset about this. They came to Ottawa with a brief representing a wide section of the community. I suggest that the Member put some pressure on his Liberal colleagues in the Senate to get on with this Bill. They have drawn attention to something about which they are concerned. The Minister today promised a speed up of phase 2. We have suggested spontaneous use, which can take off the rough edges. The Liberal Party critic had some suggestions. Let us get on with it.

Mr. Boudria: Mr. Speaker, the Member said that during the election campaign we may run across authors and so on in our constituencies. I myself am a member of the Composers, Authors, and Publishers Association of Canada. I am, therefore, aware that the Bill does enjoy the support of a large number of authors.

In closing I want to state that the Senate has every right to propose amendments. We in the House can say what we like about them and dispose of them, but to say that other Members of Parliament, whether in this House or the other House, do not have the right to speak seems quite strange, particularly from a Party which calls itself "new" and "democratic". One of the basic elements of democracy is to allow others to speak.

In order to give others the time to speak I will end my remarks right now because I do not want to delay this Bill further. However, I did not want to allow the occasion to pass to respond to someone making accusations which were, at best, not totally accurate.

Mr. Waddell: Mr. Speaker, I was not saying that people could not speak. I was not saying that the Senate did not have a right under our Constitution—unfortunately as far as I am concerned since they are not elected to anything—to speak. Under the Constitution they indeed have a right to propose amendments and veto Bills, except for constitutional Bills.

I am asking the Hon. Member and his Party to make a decision. Are they for it or against it? Do not say one thing in one place and another thing in another place. That is why the Liberal Party is unable to govern this country. This is a very good example of how weak the Liberal Party is.

Mr. Berger: Mr. Speaker, my intention is just to make a very brief comment which I will address to the Member for Vancouver Kingsway (Mr. Waddell), as is our custom. However, I will take advantage of the opportunity to make a comment perhaps to obtain an assurance from the Minister, which she can perhaps give me after this debate.

I understand that this phase of the Bill contains no exemptions.

Miss MacDonald: All the exemptions which are presently in copyright continue.

Mr. Berger: The Minister replied briefly. I will make known the nature of my concern. I understand, from speaking to an organization which makes talking books for blind people, that they have always been in favour of an exemption for such use of copyright material for the blind. I am not sure whether such an exemption is contained within the present legislation. I understand that it may be coming up in phase 2 of the legislation.

Miss MacDonald: That is right.

Mr. Berger: I just want to indicate that I consider this an extremely important matter which should, therefore, be dealt with expeditiously. I therefore add my support to that of those who have expressed the view that phase 2 ought to be advanced as quickly as possible in order that there not be unintended and adverse consequences as a result of this legislation for people who are working with the blind.

Mr. Waddell: Mr. Speaker, I think that is a very reasonable comment and I agree with it.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion (Miss MacDonald) agreed to.

* * *

CAPE BRETON DEVELOPMENT CORPORATION ACT

MEASURE TO AMEND

Hon. Bernard Valcourt (for the Minister of Regional Industrial Expansion and Minister of State for Science and Technology) moved that Bill C-127, an Act to amend the Cape Breton Development Corporation Act, be read the second time and referred to a legislative committee.

• (1240)

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I take part in this debate for two principal reasons. First, I want to comment on

the proposed amendment to the Cape Breton Development Corporation Act. Second, in a more positive sense, I want to bring some good news to DEVCO and the people of Nova Scotia, particularly those in Cape Breton, about this Government's commitment to the future of coal mining in Cape Breton and Nova Scotia.

The proposed minor amendment to the Act is important because it supports the fact that there has been substantial expansion of the Cape Breton Development Corporation coal division in recent years. In keeping with the more commercial mandate which the division has been pursuing, the Corporation must be given the necessary support and operating flexibility for this growth to continue.

The amendment to Section 19(2) of the Cape Breton Development Corporation Act addresses this requirement by providing the coal division with up to $50 million of working capital advances from the Consolidated Revenue Fund.

In order to understand why it is necessary to increase the present limit on working capital advances, it is necessary to review the changing and expanding operations of the coal division.

When DEVCO was established in 1967, the Act to create the Corporation included a provision whereby the Minister of Finance could, out of the Consolidated Revenue Fund, on the requisition of the Corporation and the Minister responsible for DEVCO, authorize advances to the coal division for working capital. However, the total amount of advances outstanding at any time under this provision could not exceed $10 million.

The expectation at that time, of course, was that there would be a gradual phase-out of coal-related activities by DEVCO. It is interesting to note that at the time the original $10 million limit was established, the current assets of the coal division were only $7 million, the total assets were $12 million, and the total annual operating revenue was approximately $20 million.

In the 1970s, the increasing demand for coal following the world-wide oil crisis led the Government of Canada to emphasize the important role which an expanded and modernized coal industry could contribute to the economy of Cape Breton.

These changing circumstances and the growing activity of the coal division meant that the original $10 million limit on working capital advances was insufficient to meet the Corporation's expanding operating requirements.

Accordingly, in 1975, the Government of Canada amended Section 19(2) of the CBDC Act to provide the present limit of $25 million for working capital advances.

By the end of the 1975-76 fiscal year, the current assets of the coal division had grown to $37 million, the total assets had expanded to $108 million and coal sales had more than doubled to $53 million.

Since then, even greater growth and improvements have taken place. For example, during the past four years the Government of Canada has invested more than $400 million into DEVCO's coal mining operations. That capital investment is almost equal to the total amount invested by all the previous federal Governments.

A major portion of this substantial investment, approximately $218 million, was used to develop the new Phalen colliery and the associated expansion of the Victoria Junction coal preparation plant.

This new colliery, which became operational during the summer of 1987, has an eventual design capacity of over 2.6 million tonnes of coal annually, currently employs between 650 to 700 people, and uses state of the art mining equipment and mining methods. When the full design capacity is attained by 1989-90, the total run of the mine coal produced by the Corporation will be approximately 4.6 million tonnes.

The management of the Corporation, and the people of Cape Breton, who built the new Phalen mine and expanded the coal preparation plant, should take pride and be commended for completing these major projects on time and within the approved $218 million budget.

The challenge now is to ensure that these new assets reach their full operating potential and successfully contribute to a stronger and more viable coal division.

Already there are indications that expanded production, as well as the many important efficiency measures which have been implemented by the Corporation in recent years, are having a noticeable impact.

Preliminary indications are that the coal division's operating results for the year ended March 31, 1988, will be very close to the budgeted loss of $1.8 million. This shows continuing improvement when compared to operating losses of about $17 million in each of the previous two years.

For the current 1988-89 year, the Corporation is forecasting its first ever operating profit, excluding depreciation, of $13.1 million. This will also be the first time that the coal division will be in a position to contribute toward its annual capital investment requirements with a positive cash flow generated internally from its own operations.

Unfortunately, the expected operating profit will not be enough to offset the capital expenditures required to maintain the Corporation's mines and surface infrastructure in top working condition. The federal Government will, therefore, still have to provide funding to cover most of the $43.1 million in ongoing capital requirements. This expenditure will ensure that the Government's investment in DEVCO's assets is maintained in a safe and efficient working manner.

Part of these expenditures relate to the continued development of various coal technologies, primarily coal-water-fuel, so-called carbogel research, wherein Devco is acknowledged as a world leader. The Corporation is hopeful that this technology

will be ready for commercial exploitation when world energy prices rebound to a level whereby coal-water-fuel sources can successfully compete.

While the signs are most encouraging, and Cape Bretoners should again start to take pride in a much healthier and more viable coal industry, one should not become complacent.

Further out in the future for 1989-90 and 1990-91, the Corporation is again forecasting operating losses. These losses are mainly attributable to anticipated reduced lower coal price agreements with its main customer, the Nova Scotia Power Corporation, as well as increased operating costs.

The Corporation is looking closely at these problems and will be recommending what action the Government should consider to ensure that the Cape Breton coal industry continues to be as efficient and competitive as possible.

The recent increase in the operating activity of the coal division has led to higher working capital requirements with corresponding increases in the working capital advances provided from the Consolidated Revenue Fund.

Again, it is worth-while to compare some of the current financial statistics against those of 1975 when the previous working capital advance limit was established. While final numbers are not yet available for the year ended March 31, 1988, the preliminary numbers indicate that the current assets of the coal division have increased to $75 million, total assets are approaching $600 million, and annual coal sales are about $200 million.

During recent months, the working capital advance account has been fully drawn by the Corporation to its current maximum permitted level of $25 million. Unless this limit is quickly raised, the lack of available financing could unduly constrain the future operations of the Corporation.

There are several operating and financial factors forecast to occur within the next five years, which will continue to influence the working capital requirements of the coal division and which will result in the need for working capital advances significantly higher than the present limit.

The most significant factors leading to an increased working capital requirement are those of increasing production levels and correspondingly higher inventory levels for both coal and materials. Saleable coal production is forecast to be 4.3 million tonnes by 1991-92. Coal inventory projections show increasing levels over the next four years in both volume and dollar value. The addition of the Phalen colliery has already resulted in an increased requirement for materials inventory. As well, the Corporation has found that there are operating and financial advantages to carrying additional operating materials on a program basis in inventory as opposed to *ad hoc* purchasing of inventory requirements.

• (1250)

As a result of these forecasted higher annual production levels, substantially larger amounts of coal will have to be sold in presently unsecured markets where tough international competition exists. Shipping schedules to these markets will have to comply with market locations and demand. As well, the requirement to have coal aged a minimum of 30 days, and sometimes longer, to allow the methane gas to dissipate prior to loading, is another factor influencing inventory levels.

The constraint on winter shipping due to ice conditions can also result in inventory build-up during that period of year. This may result in inventory build-ups during certain periods of year because of delivery constraints. Competitive forces in some of these markets may also result in extended payment terms, adding further pressure on the Corporation's working capital requirements.

As I indicated previously, although the coal division is forecast to have a positive cash flow from operations for 1988-89, there may be periods during the year when temporary working capital requirements will occur. The Corporation has undertaken a detailed analysis of the trends and ratios for its working capital requirements. Based on this historical analysis, future requirements have been projected, allowing for the impact of the many financial and operating factors which will influence this situation.

Based on this analysis, the Minister is proposing that Section 19(2) of the CBDC Act be amended to set a new upper limit of $50 million which, I believe, is reasonable given the future operating results which I described previously. He is also proposing that a simpler mechanism for future amendments be provided in Section 19(2), through the proposed wording, which will identify the future limit as "such other amount as may be established by an appropriation Act or other Act of Parliament".

It should be understood that although these changes will give the Corporation access to additional working capital funds from the Consolidated Revenue Fund, such funds or portions thereof will only be drawn as required and then only for such periods as are necessary.

The Corporation utilizes strict cash management procedures and maintains cash balances at the minimum levels which allow for normal operations to be maintained. As a result, during any period when the working capital and cash positions are improved, any available cash in excess of the normal operating requirements is used to reduce the balance outstanding on the working capital advance account by returning those moneys to the Consolidated Revenue Fund.

In addition to the internal cash management practices followed by the Corporation, officials from the Department closely monitor and approve all draw-downs for working capital purposes, as well as draw-downs for the approved annual budgetary appropriations to the Corporation.

In closing, let me say that the proposed amendment to Section 19(2) of the CBDC act will provide the coal division of the Cape Breton Development Corporation with access to funds for working capital purposes in an amount of up to $50 million, an increase of $25 million from the previous limit. The fact that this increased amount is required is clearly supported by the current and projected activities of the coal division.

The growth and improvement which has occurred in the Cape Breton Development Corporation in recent years is commendable and important to the future of the Cape Breton coal industry and, indeed, the entire economy of Cape Breton Island. The commitment by this Government to assist with this growth and improvement has been substantial, and will continue to be so.

I, therefore, ask all Members to support this proposed increase in the limit of working capital advances which can be made available to DEVCO so that the growth of the coal mining industry in Cape Breton will continue unimpeded.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, it is fast approaching one o'clock, but I do want to say at the outset that I can assure my colleague, who spoke for the Government, of my support, and the support of my Party, with respect to the substantive parts of Bill C-127, namely, to amend Section 19(2) of the Cape Breton Development Corporation Act, and to replace the upper limit, which shall not exceed $50 million, or such other amount as may be established by an appropriation Act or other Act of Parliament.

In supporting this particular provision, I hope it is not interpreted that I or my Party are in agreement with a number of the activities which have been taking place with this particular Crown corporation in Cape Breton. In fact, I would hope that the Parliamentary Secretary, who I know has considerable interest in the subject matter itself, would want to give some careful consideration to a number of activities taking place within the Corporation. I believe they directly relate to what we are talking about here today, namely, some of the ways in which management and its attitude implements different policies and procedures within this Crown corporation.

I listened to my colleague on the government side go through a number of aspects of the life of the Cape Breton Development Corporation. I thought he would have explained perhaps in greater detail some of the many sacrifices which have been made by coal miners and other employees of the Cape Breton Development Corporation toward improvements and, indeed, the success we have been able to see with respect to our small economy on the island of Cape Breton.

One major fact which seems to have eluded my colleague—he may have touched upon it but he certainly did not go into detail—was that the Cape Breton Development Corporation for a good number of years supplied coal to the Nova Scotia Power Corporation. It obtained that coal at a preferential rate, substantially low cost to the Nova Scotia Power Corporation. Then, through a series of protracted discussions and negotiations, the price of that particular coal was increased to reflect both the cost of mining the coal as well as the true value of the labour component which was so necessarily a part of that particular price.

The Government of Canada, at the behest of the provincial Government, has now reduced substantially the price of this coal to the Nova Scotia Power Corporation. If one were just a paper tiger, one could conceptually say that perhaps there is nothing inherently wrong with what is taking place. However, I wish to point out to my colleague opposite that there are a number of factors which must be reflected upon and, indeed, given due consideration.

I would hope that this lower price of coal given to a federal Crown corporation will not jeopardize labour's attempt to receive now and in the future a reasonable price for its labour and efforts. I would hope that all Members of the House will concur and agree that when labour is paid a fair and decent wage, that in itself goes a long way in assisting and improving our local economies. It is these individuals who purchase goods and various items.

I see it is one o'clock, Mr. Speaker, I would like to call it one o'clock and resume debate later this day.

Mr. Forrestall: Mr. Speaker, on a point of order, if there was some agreement across the way so that the Member's remarks might be made on a continuous basis, we would be quite prepared not to see the clock, and possibly even finish the matter.

The Acting Speaker (Mr. Reimer): Is there unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Reimer): There being unanimous consent, the Hon. Member may continue.

• (1300)

Mr. Dingwall: Mr. Speaker, I was saying with respect to the price of coal being paid by the Nova Scotia Power Corporation that I hope—and it is my sincere desire, and I underline "sincere"—that the price of this coal will not reflect negatively upon those men and women who have contributed so substantially over the years. When they do look forward to receiving additional increases in their living wage I hope that they will not be jeopardized by the fact that the federal Government has lowered the price of coal thereby lessening the revenues going to the Crown corporation.

As I was saying a moment ago, it is these individuals who contribute substantially to our economy through the purchase of various goods and products. It is through their wages that we have a better society. I hope that the Hon. Member will give due consideration to that particular fact of life which is

now part and parcel of the Cape Breton Development Corporation.

There has been some mention of the activities of the Corporation, but nowhere was there to be found mention of the fact that in excess of 600 individuals previously employed with this Crown Corporation are now without meaningful employment. One of the objectives of this particular Crown Corporation was to assist and to facilitate the improvement and the enrichment of employment opportunities. I think that the Government has made a number of mistakes in its handling of this particular Crown Corporation. I draw again to the attention of all Members the fact of the serious job losses that have occurred at this Crown Corporation.

Again, I impress upon my colleagues opposite that the attitude of management in the implementation of human resource policy and its insensitivity both to the traditions and the history of coal mining in Cape Breton have left a scar on the community. There are serious problems with regard to those individuals who have a hearing loss. There are serious problems with those individuals who were on pre-retirement leave and seeking assistance from the Crown Corporation and the Government so that they do not have to pay any more unemployment insurance benefits. As the Hon. Member opposite knows, I can refer to many different programs under which unemployment insurance premiums are not requested of such individuals, but they are being requested here. There is a serious problem with the concept of continuous service for the purposes of individuals embarking and being successful in obtaining early retirement from the Cape Breton Development Corporation.

Those are just three of the many difficult problems that are inherent in the Corporation. We do not seem to be getting any real satisfaction from the Government of Canada with regard to resolving those particular problems. These problems are complicated. Their seriousness is enhanced by the fact that some—not all—members of management have a preconceived attitude toward labour that somehow it is looking for a free lunch. They think that somehow labour does not want to contribute to the productivity of the Corporation. They think that somehow labour does not share the objectives of the Crown Corporation, and that it is not willing to participate in doing its fair share.

I believe that that attitude is a wrong attitude for senior members of management to have in terms of exercising their responsibility. I hope that the Government of Canada will impress upon management, and do some reflection itself, with respect to how these policies and procedures are being followed. It is the Government who has designed and conceived the policy that management is presently carrying out.

There has been some mention of some of the moneys which have been directed to the coal water fuel project at the Cape Breton Development Corporation. I thought that my colleague from Nova Scotia would have given due credit in that respect for it was I as the Parliamentary Secretary to the Minister of Energy, Mines and Resources who initiated that project back some years ago. The Cape Breton Development Corporation, in co-operation with other agencies, has been able to pursue this policy. Quite frankly, that was the initial stage some years ago. What we need today is a very substantial commitment from the Government of Canada research and development of new technologies at the Cape Breton Development Corporation.

Again, I point out to my colleague and my colleagues that the coal water fuel technology program and the synthetic fuels project are just two of many programs that the Government of Canada ought to be pursuing with vigour and enthusiasm in trying to solicit the assistance of the private sector in order to see them realized. They will provide meaningful jobs and, indeed, income for individuals who reside in this particular area of Canada.

I must draw to the attention of all Members that the Atlantic Canada Opportunities Agency in its present form has a tremendous impact on the future viability of this particular Corporation. I say so with great sincerity for ACOA, which was supposed to be set up to facilitate regional economic development, is in the process of considering the possibility of financing another coal mining operation in Nova Scotia. Upon reflection, one sees that that will mean a net loss to the Province of Nova Scotia of some 100 jobs. But, in particular, it will have profound negative effects on the future viability of the Cape Breton Development Corporation, both from a revenue perspective and in terms of its coal markets.

This new coal mine would also be selling its product to the Nova Scotia Power Corporation. It would have a negative impact on employment. It would certainly have a negative impact with regard to men and women who are attempting to obtain a fair and decent salary increase from the Cape Breton Development Corporation. This, again, is another issue of grave concern to the miners and all the individuals at the Cape Breton Development Corporation as to what is transpiring at this particular Crown Corporation.

The Chairman of the Cape Breton Development Corporation on Saturday made some very interesting remarks with regard to the splitting of the legislation which would do away with the industrial development division of this Crown Corporation and leave it as a coal company, thereby creating a new and separate Crown corporation. Basically, I suggest that the Chairman, who was appointed by the Conservative Government, is questioning, and I say quite sincerely, the thinking as well as the rationale for doing this to the Cape Breton Development Corporation at this time. Again, I hope that my colleague opposite will give careful consideration to this particular aspect of what is taking place in that Crown Corporation.

I have listed numerous concerns that I have with the Cape Breton Development Corporation. The Hon. Member has heard me on many occasions on the floor of the House, and he will continue to hear from me as I question what is taking

place at the Cape Breton Development Corporation. But with respect to the particulars of Bill C-127, and in terms of the amendment, and in terms of increasing the sum from $25 million to $50 million, he has my blessing. We are prepared to move rather quickly with that.

However, in no way should members of the Government or, indeed, members of the media conclude that I am in agreement with the Conservative policy on coal development in Cape Breton. Nor am I in agreement with the senior management, in cahoots with senior cabinet Ministers, as to the present goings-on at the Cape Breton Development Corporation.

I believe that there has to be some fundamental changes, some of which I have touched upon. To respond to my colleague, he has my support as well as that of my Party in approving this particular amendment to Section 19(2).

The Acting Speaker (Mr. Reimer): The Parliamentary Secretary to the Minister of Regional Industrial Expansion (Mr. Forrestall).

Mr. Skelly: Mr. Speaker, I rise on a point of order. The agreement was that the previous Member would be allowed to speak, and then it would be one o'clock. I now would expect that it is one o'clock.

The Acting Speaker (Mr. Reimer): The Hon. Member for Comox—Powell River (Mr. Skelly) is correct that that was the agreement. Is the Parliamentary Secretary for the Minister of Regional Industrial Expansion rising on a point of order?

Mr. Forrestall: I was wondering whether we could conclude second reading. It is a very important Bill, Mr. Speaker, and I think we could probably deal with it in all stages in the next 20 or 25 minutes, if the House would agree.

Mr. Skelly: The New Democratic Party does recognize the importance of this Bill, and would have our contribution at three o'clock this afternoon. Therefore, that is the way the ball goes.

The Acting Speaker (Mr. Reimer): It being 1.10 p.m., I do now leave the chair until two o'clock this day.

At 1.10 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

UNEMPLOYMENT INSURANCE ACT

SICK PEOPLE—DENIAL OF EXTENSION OF BENEFITS

Mr. George Henderson (Egmont): Mr. Speaker, Section 20, VII (a) and (b), of the Unemployment Insurance Act, discriminates against sick people. When one of my constituents on regular UIC benefits had a stroke, his sick benefits were terminated after just one week because he was not in the initial benefit phase of his claim.

The initial benefit phase covers up to a maximum of 25 weeks and sick benefits can only be paid during this period. My constituent got sick on the 24th week of his claim and, pursuant to the regulations, the Department of Employment and Immigration rejected his request for an extension to his benefit period to cover the time of recuperation from his stroke.

Apparently, had my constituent been in jail or on full workers' compensation, he would have received this extension. What a ridiculous regulation. People cannot schedule their illnesses to occur within this initial benefit phase. Their families desperately need this money during those difficult times. I would urge the Minister to review this regulation and ensure that sick people are treated in a just manner.

* * *

STATUS OF WOMEN

BEHAVIOUR OF NATIONAL ACTION COMMITTEE

Mr. Jim Jepson (London East): Mr. Speaker, yesterday was the National Action Committee on the Status of Women's annual lobby day on the Hill. As in previous years, members of the National Action Committee group were strident, rude, and showed little or no respect for the democratic process. Their performance, not only yesterday but at the weekend meetings, clearly demonstrates that this group does not speak for the majority of women.

Originally this group brought about much needed reform and equal opportunity rights for women in Canada, but it has become evident that it has forgotten its grassroots membership. In reality, it has now been taken over by a militant executive, not interested in the best interests of the grassroots membership but more interested in promoting the political agenda of the Hon. Member for Oshawa (Mr. Broadbent) and the NDP.

I believe that we should not fund advocacy groups, but in a democracy if we fund one women's group, we should fund all. We are not seeing wise stewardship of taxpayers' dollars in funding the National Action Committee on the Status of Women, and I urge the Minister to take away its funding.

LABOUR CONDITIONS

PLIGHT OF MASSEY COMBINE CORPORATION EMPLOYEES

Mr. Derek Blackburn (Brant): Mr. Speaker, the former employees of Massey Combine Corporation need help. The Government has both the responsibility and the means to help them.

These men and women lost their jobs, benefits, and a lot of hope when Massey went into receivership. Their families are looking for some action to restore their lost benefits and to provide retraining to get them back into the workforce. However, so far, the Government has done nothing. It cut the Labour Adjustment Benefits Program which used to help the people in the farm machinery industry. It has talked about replacing the LAB Program with a program for older worker adjustment, for over two years.

Meanwhile, the Government is sitting on about $30-million worth of shares in Massey Corporation. It got these shares in the agreement to bail out Massey in 1986. Now that Massey is in receivership, these holdings serve no useful purpose. The Government should sell these shares and use the proceeds to help the Massey workers. These people and their families have waited long enough, and many of them are very desperate.

* * *

[Translation]

BRIDGES

BRIDGE CONSTRUCTION PROJECT ON SAINT-MAURICE RIVER

Mr. Michel Champagne (Parliamentary Secretary to Minister for External Relations): Mr. Speaker, I take this opportunity to reiterate for the people of the riding of Champlain my complete, total support for the construction of a bridge on the Saint-Maurice River at Mattawin.

It is most urgent to carry out this project, especially since the ferry has ceased to operate due to a major breakdown, resulting in huge economic losses for the community.

Local groups and individuals, coordinated by the Mékinac county government, have worked seriously over the last three years to acquire this essential tool for economic development.

The Conservative Government has believed in it by saying that it is ready to grant $2 million for the project. It is now up to the Government of Quebec to do its part and to invest the same amount as the federal Government.

In closing, I would like to remind you that building this bridge is not a local whim. Quite the contrary! It affects the forestry, mining and tourism industries. The economic future of a whole region is at stake and as a responsible government, we have understood that.

• (1405)

[English]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EFFECT ON WATER RESOURCES

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, through the trade agreement we have invited a third party, the Americans, to our resource table. They now have unfettered access to Canada's water resources. This could seriously impede Canada's development of exciting sunrise industries based on new evolving technology, and thwart jobs that come from water resource development.

The trade agreement gives the Americans access to our water and many of the jobs and expertise related to its development. This is wrong, Mr. Speaker. The trade agreement should have exempted water, then we could have created the technology and skills for the whole world, not just for us.

What could the Government possibly get from the Americans that is worth giving up control of our water resources? Check Article 409 in the free trade agreement. The Government has made a serious mistake. I hope it will repair it.

* * *

THE ECONOMY

GROWTH IN JOBS—DECLINE IN UNEMPLOYMENT

Mr. John Reimer (Kitchener): Mr. Speaker, we can never have enough good news. When that news concerns Canada's economic indicators, it just keeps getting better and better. Since our Government took office in 1984, Canada has seen more than 1.25 million new jobs created with 82 per cent of them full-time. The unemployment rate has fallen four full percentage points to 7.7 per cent.

In the Kitchener-Waterloo region the unemployment rate continues to be in the low 5 per cent range, with the April monthly figure at 4.5 per cent. With the exception of Toronto, the Kitchener-Waterloo area has consistently enjoyed the lowest unemployment rate in Canada. It is encouraging to note that this economic prosperity is evenly spread throughout the local industry, with the auto parts manufacturing and construction sectors doing especially well.

Canadians are to be congratulated for their enterprise and industry. Their efforts have made Canada's economy the envy of the industrialized world.

S. O. 21

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EFFECT ON STEEL EXPORTS

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the U.S. steel industry is continuing lobbying efforts to try to force Canada to agree to restrict Canadian steel exports to the United States. The Government has not agreed to join a U.S. steel restraint program in the past, and we demand that it not now capitulate to pressure from the United States.

Recent statements from U.S. steel industry spokesmen show again how flawed the trade agreement is for Canada. A spokesman for Inland Steel Company of Chicago said this week in Toronto that the trade pact does not preclude the establishment of a formal restraint agreement between the two countries, meaning Canadian exports can still be restricted, and he is correct.

Canadian exports will still be vulnerable to U.S. trade remedy laws and arbitrary U.S. trade actions under the trade sell-out. Furthermore, the agreement does not allow Canada to stop the harassment of Canadian exports to the U.S. nor does it guarantee our access to U.S. markets. Canada has made significant concessions in the agricultural, cultural, energy and manufacturing sectors, in return for minimal guarantees of access to U.S. markets.

The deal stinks, Mr. Speaker. Let Canadians decide.

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AGRICULTURE

DROUGHT IN WESTERN CANADA

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, I rise in this House today to bring to the attention of all Canadians the seriousness of drought in western Canada.

It is estimated that it takes 300 years to produce one inch of top soil. Two weeks ago in one 24-hour period more rich agricultural real estate changed hands in my riding than could have been possible with all the earth-moving equipment in Canada. Mother nature lifted the powder-dry top soil until it blotted out the sun and headlights were required to see the road.

During this period of arid and semi-arid conditions, which now prevail over the western Prairies, all farmers should implement tilling practices which would reduce further wind erosion.

For this region all Canadians could pray next Sunday for rain as rain, is the only assistance Conservatives were not able to deliver. But we are working on it, Mr. Speaker!

• (1410)

[*Translation*]

WOMEN

GOVERNMENT PROMISES

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, on Monday, representatives of women's groups were right to be disappointed with the Conservative Government's performance. First of all, the Government has not respected its commitments regarding the equality of women in the work place, whether in terms of wages, working conditions or fringe benefits. We recall that the Conservative Government has still not respected its commitment to allow homemakers to participate in the Canada and Quebec Pension Plans, i.e. a homemaker's pension.

Also, we remember that the Conservative Government has not respected its commitment to allow more maternity leave under the Unemployment Insurance Act. Mr. Speaker, I think that the women of Canada realize that they have been deceived, as were seniors, the sick and the family in general, by this Conservative Government.

* * *

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

CALL FOR REFORMS TO ACCOMMODATE WORLD AGRICULTURE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, a recent ruling of a GATT panel recommended that a tariff on European Economic Community beef imports into Canada be dropped. The panel ruled that Canadian cattle producers cannot bring a complaint against the EEC because they produce cattle and not meat.

The panel ruled against a Canadian Import Tribunal ruling which placed a countervailing duty on heavily subsidized EEC beef imports. The panel report implies that GATT offers no protection to cattle producers and other primary producers world-wide.

With GATT negotiations now beginning, I urge our Government to take the lead in seeking reforms in GATT to accommodate world agriculture.

* * *

BANKS AND BANKING

SERVICE CHARGES—PUBLIC OPINION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, Canadian banks are like the television character Alf. When faced with evidence that they have bungled, they say "No

problem". Despite massive increases in bank service charges in recent years, bankers such as CIBC Vice-President Warren Moysey say "Service charges do not concern our customers".

The Canadian Bankers' Association cited polls alleging that 73 per cent of Canadians are satisfied with banks. Yet another banker, Janice DeStein of the TD Bank, calls our committee investigation of the issue "unjustified and unnecessary". Like Alf, the banks seem to come from another planet.

A Gallup poll released yesterday said 50 per cent of Canadians believe service charges are unreasonably high. In fact 69 per cent said a committee probe into bank charges was very necessary.

Alf's TV family may accept his insatiable gluttony, but Canadians will not accept the greed of the chartered banks. It is time that the banks pull their heads out of the sand and clean up their collective act.

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[*Translation*]

FREE TRADE

IMPACT ON CANADA

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, this House will soon vote on the Free Trade Agreement. The issue is simple: the Americans want to stop foreign imports because of their trade balance deficit. Each year Canadian sales to the United-States amount to $95 billion. This represents 20 per cent of our whole annual production or, to put it another way, one out of every five jobs. The Free Trade Agreement guarantees us continued access to this $95 billion market and allows us to improve on it. Every time a Liberal or a Socialist speaks against the Agreement, he speaks against jobs, against one out of every five Canadian jobs.

To put it simply: to oppose free trade is to accept the loss of one out of every five jobs.

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MEECH LAKE ACCORD

DEMOCRACY

Mr. David Berger (Laurier): Mr. Speaker, the Minister of Transport (Mr. Bouchard) assured us last week end that he would leave politics if the Meech Lake Accord was rejected. I wish him well.

Obviously, the Minister still does not understand that the Constitution does not only involve some 10 or 11 people but that it is on the contrary the fundamental law of the land that protects the freedom of all Canadians. To amend the Constitution, we must have the assent of Parliament and of provincial legislatures and a period of three years is even provided to ratify such a change. It is a trully democratic process that requires a certain involvement, I would even say a necessary involvement of the citizens of this country.

On the contrary, the Meech Lake Accord provides us with a fundamentally undemocratic vision since, for example, Supreme Court judges are to be appointed by Cabinet Ministers only, without consulting legislators and citizens. That maybe convenient for the minister of Transport, Mr. Speaker, but for me and for many Canadians it is not!

* * *

• (1415)

[*English*]

TOURISM

NIAGARA FALLS TOURISM ECONOMIC IMPACT STUDY

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I was proud to join with my colleague, the Minister of State for Tourism (Mr. Valcourt), yesterday to unveil the Niagara Falls Tourism Economic Impact Study.

Niagara Falls served as the model for this study, and other towns and municipalities throughout the country will now have a valuable tool for measuring the over-all economic impact of tourism on their local, regional, and provincial economies.

The study confirmed what we have known for a long time in Niagara Falls, that is, that tourism is a gigantic business. Over 11 million people visited Niagara Falls last year and spent over $500 million. The economic spin-off for Ontario was $1.2 billion and 28,000 jobs, 15,000 in Niagara Falls alone.

This is National Tourism Week. The federal Government, in conjuction with the City of Niagara Falls and the Niagara Falls Visitor and Convention Bureau, has shown in this study its firm commitment to developing tourism in Canada.

I know that my colleagues and constituents will join with me in extending a warm welcome to all Canadians intending to visit the beautiful Province of Ontario and, of course, one of the world's natural wonders, Niagara Falls, Canada.

* * *

[*Translation*]

HEALTH

AIDS—FUNDS FOR EDUCATION AND RESEARCH

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I rise in this House today to respond to one of the most dramatic health problems which Canada faces today, AIDS. Apparently the Minister of National Health and Welfare (Mr. Epp) has no idea how to tackle this serious problem. We read in the papers

this morning that this Conservative Government only provides a meagre $750,000 for AIDS education programs, while Great Britain and Australia are spending millions of dollars.

In April, the Royal Society of Canada suggested that the Federal Government spend $80 million a year on education and $35 million on research. This Conservative Government has done nothing yet, Mr. Speaker. Already 1,761 cases of AIDS have been diagnosed in Canada, 978 of which have resulted in death. An estimated 50,000 individuals are exposed to the virus. According to estimations from the Federal Centre on AIDS, 7,000 people across Canada will have the illness by 1991.

The lack of Government action in that area is deplorable. This minister of National Health and Welfare and this Government must stand ready to give monies towards AIDS education in our society, they must be ready to spend on research and encourage young people to use healthy and enlightened sexual practices. If not, this Government, bear the blame for the lack of responsibility of Canadian men and women in the face of this terrible disease.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—
PROVINCIAL JURISDICTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. Yesterday American Senators and the White House insisted that Canadian provinces must comply with the trade deal.

We believe in a strong national government, but the provinces do have certain areas of jurisdiction under our Constitution which the Americans now want to rewrite. The Government has agreed to let them do it. The Prime Minister's Government wants to take away those provincial rights and hand them over to the Americans.

It is one thing for Canadians to disagree among ourselves about how our country should operate. It is another thing to allow a foreign country to dictate how we should operate.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): On what basis does the Prime Minister conclude that he has the right to let the American Congress challenge the Canadian concept of Confederation?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, of course the comments by the Hon. Leader of the Opposition are quite grossly exaggerated, as we have come to expect in this House.

The Senate Finance Committee is considering a mark-up of an administration suggested Bill to implement the Canada-U.S. Free Trade Agreement in the United States. They can only deal, of course, with American law with respect to implementing the FTA. Individual Senators can make whatever statements they like about what they would like to see with respect to compliance by Canada or provinces of Canada with the free trade agreement.

The situation is that the U.S. administration will look to the Canadian Government to provide assurances that we are in a position and have the capacity to implement the agreement signed between the U.S. and Canada. The Prime Minister has already given them those assurances, and we will give them those assurances again once Parliament has enacted the legislation which we propose to put before the House.

All that has been said in the United States is that they would like to have the provinces comply with the U.S.-Canada Free Trade Agreement. Naturally, that is our position as well.

• (1420)

[*Translation*]

DISSIDENT PROVINCES—PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we will wait for the Minister's Bill. Meanwhile, we should take a look at the text of the agreement with the United States. According to Section 103 of the trade agreement signed by the Prime Minister, the federal Government will take all necessary measures to oblige provincial and local administrations to conform to the agreement. The Prime Minister and his Minister are aware that taking all necessary measures means the federal Government could use its spending power or fiscal power to this end.

Mr. Speaker, will the Prime Minister answer my question? Does he intend to cut federal spending in provinces that do not accept this agreement?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, that was a technique that doubtless would have been tried by the Liberal Party when it was in power. In fact they attempted every bullying tactic imaginable in the years 1980-1984.

Some Hon. Members: Hear, hear!

Mr. Crosbie: The hallmark of our Prime Minister is conciliation, co-operation, consultation with the provinces. He met with the Premiers 10 times in negotiating the Free Trade Agreement.

I can give the assurance in response to this canard thrown out by the Leader of the Opposition that we will not threaten to reduce spending in any province in this country that happens to disagree with us. This is a democracy, and we will not act like the Liberal bully boys of the past.

Some Hon. Members: Hear, hear!

POSITION OF FEDERAL GOVERNMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if that is not what the phrase "take all necessary measures" means in this text of the agreement, will the Minister be good enough to tell us, in his opinion, exactly what it means? Will he tells us how far the federal Government is prepared to override provincial jurisdiction in order to please Americans? Tell us that.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I can only say that the clients of McMillan Binch must be thanking God that they are not getting this kind of legal advice any longer from the Leader of the Opposition.

Mr. Kaplan: Answer the questions.

Mr. Crosbie: It means nothing of the sort. It means that we will be introducing legislation to this House which hopefully will be passed by this House and the Senate, unless there is another attempt by the unelected, discarded autocrats appointed there by the hon. gentleman's predecessor to stop this process.

We will be asking them to pass legislation and we will be able to provide assurances to the U.S. Government that we are in a position and have a capacity to implement the agreement. When the hon. gentleman sees the legislation, he will understand that. We will be in a position to implement it, despite the fact that the Premier of Ontario does not want it implemented even though he is only one of 10 Premiers.

* * *

IMMIGRATION

REFUGEE STATUS ADVISORY COMMITTEE—REVERSAL OF DECISION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Prime Minister. It concerns the political interference of the Secretary of State for External Affairs in the refugee hearing for Mr. Santokh Singh.

In one of his two secret letters to the Minister of Employment and Immigration, one reason that was cited for refusing the applicant was: "Indian authorities have made strong and repeated representations for his return to India". However, yesterday in Calgary, both the Foreign Minister for India and the Indian High Commissioner to Canada insisted that India never applied any pressure, never sought his extradition, never suggested refusing him refugee status, and concluded by saying: "As of now, there is no case".

Will the Prime Minister explain to the House and Canadians this very glaring and serious contradiction which now hangs over his Government's actions like a cloud? If it was not due to overtures from India, and since both CSIS and the RCMP gave this claimant a good and positive security report, what were the reasons that motivated such an overwhelming and unprecedented political intervention into a unanimous decision by the Refugee Status Advisory Committee?

• (1425)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, if we remove all the rhetoric and inflammation from that question, we will see that all the hon. gentleman is complaining about is that the Secretary of State for External Affairs takes seriously his duties as a Minister to bring to the attention of his colleagues matters they should consider when making decisions themselves in areas such as immigration.

In fact the request of the gentleman, to whom the Hon. Member referred, for refugee status was initially rejected by the Refugee Status Advisory Committee on April 15, 1987, as manifestly unfounded. There were changes when other panels heard this matter later. It is quite obvious that people acting in good faith, looking at the same kind of information, can come to different conclusions.

The Secretary of State for External Affairs was acting most properly and in accordance with his public duties when he made these representations to his fellow Minister.

Mr. Marchi: Mr. Speaker, I do not know why the Minister for International Trade is answering refugee questions, but if the Secretary of State for External Affairs was doing his job properly he owes, in decency and honesty, the real reasons behind the decision. If he is not prepared to table those reasons, he ought to table his resignation as soon as possible.

REQUEST FOR RE-EVALUATION OF CASE

Mr. Sergio Marchi (York West): I would direct my supplementary question to the Minister of Employment and Immigration, not the Minister for International Trade. Since the Government's promotion of the Refugee Advisory Committee as an independent and impartial body has now been shattered by the actions of her colleague, and given that this may prompt lawyers to apply to the Federal Court to rule on the bias of this Refugee Advisory Committee, which could in effect paralyze the entire system, will the Minister move immediately to re-evaluate the Singh file according to the merits and facts of the case, which should have been done in the first place, and, therefore, signal that she will not tolerate any political interference in the judicial processing of a refugee claim at the Refugee Advisory Committee stage?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the first thing the Hon. Member knows and is ignoring is that the Refugee Status Advisory Committee is just that, it is an advisory committee, and there are always other factors that go into these decisions. This case still has the possibility and, indeed, the lawyer for Mr. Singh said this morning that he intends to appeal to the Immigration Appeal Board. I fully intend that the Immigration Appeal

Board will have an opportunity to hear this case without biased comments either from him or from me.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—PROVINCIAL JURISDICTION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my question is directed to the Hon. Minister for International Trade who said yesterday of the trade deal: "I don't consider it as being an intrusion into anyone's jurisdiction". The Minister will be well aware that in areas such as liquor pricing, energy pricing, and a whole host of others, it obviously intrudes into provincial jurisdiction. Yesterday the United States Senators asked the Canadian Government to pre-empt provincial laws.

If the deal does not intrude into areas of provincial jurisdiction as the Minister maintains, why does the American Senate want to block the deal until and unless the provinces have complied with its terms? Will the Minister explain this obvious contradiction?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I not know where there is any contradiction. We want the United States to implement the U.S-Canada Free Trade Agreement and to have an agreement that will also be binding with respect to the State Governments. There are 51, are there?

An Hon. Member: Fifty.

Mr. Crosbie: Fifty.

Mr. Blackburn (Brant): We are 51. You said it that time, John.

Mr. Crosbie: The hon. gentleman has the type of mentality that would make him an ideal fifty-oneth, of that I can assure him.

Mr. Blackburn (Brant): A Freudian slip, John.

Mr. Crosbie: We would naturally want and expect the American States to be bound with reference to the U.S.-Canada Free Trade Agreement, and the American legislation contemplates that position exactly.

With respect to the provinces, there is only one area at the present time where any positive action has to be taken with reference to the U.S.-Canada Free Trade Agreement, and that is in the area of wine and liquor regulation, which has also been found to be an area where action must be taken as a result of the GATT panel that reported in that area some months ago.

• (1430)

There is one province that is refusing to comply with the recommendation of the GATT panel, and also with the U.S.-Canada Free Trade Agreement. It is too bad that one province chooses to set itself up above the rest of the nation and all other provinces in that respect.

When our legislation is introduced to the House we hope to be in a position to say that we are in a position and have the capacity to implement the agreement. We certainly do not propose to intrude on the jurisdiction of the provinces but to exercise our own constitutional jurisdiction—

Some Hon. Members: Time!

Mr. Crosbie: —with respect to the implementation of the trade and commerce power.

Mr. Riis: Mr. Speaker, I appreciate that the Minister for International Trade at one time wanted part of Canada to become a fifty-first state, but we get somewhat nervous when the Minister responsible for international trade is not certain about the number of States in the United States.

THREAT OF COURT ACTION BY PROVINCE

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, my supplementary question is this. All along the Prime Minister and other members of the Government have indicated that there would be no problem in getting the provinces to go along with the trade deal. The Minister for International Trade said again yesterday that we are not going to force Ontario to do anything. The Minister is well aware, as he just indicated, that one province is now threatening to take the federal Government to court. The United States Chief Negotiator, Peter Murphy, when he was asked about provincial objections, said: "You can count on it, it is a problem".

Once again, will the Minister explain why, if there is a province that is threatening to take the federal Government to court, and if the U.S. negotiator says that there are serious problems in terms of the provinces, the Government continues to say that there is absolutely no problem in forcing the provinces to go along with this deal?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman's introductory remarks certainly could be described as risible.

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): Try it again, John.

Mr. Crosbie: I know that English is not the strong point of the hon. gentleman opposite.

Back to this particular question, there is nothing strange or unusual in a province or a government, federal, provincial or municipal, or a person, male, female, or whatever, taking a matter to the courts to ask the courts to give an interpretation

of whether a province or the federal Government has certain powers or not. The courts are there for that exact purpose. We have a judiciary that is independent. It will render decisions if asked to.

There is nothing unusual in Ontario suggesting that it might ask a court to examine legislation, which it has not even seen yet, to determine if it does x, y, or z. There is nothing to get alarmed about. It happens in this country in every way—every day people are going to court.

USE OF FEDERAL POWERS

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, what there is to be alarmed about is the fact that the Government signed Article 103 of the deal which obliges the Government to take all necessary measures to enforce provincial compliance, even if the measures are beyond the jurisdiction of the federal Government.

My question to the Minister for International Trade is this. Is the Government prepared to use its extraordinary powers to accomplish this? Is the Government prepared to use these powers to step on provincial jurisdiction? How far is the Government prepared to go in trampling on provincial rights when it comes to areas of their jurisdiction?

Mr. Shields: Like the NDP did with the national energy policy.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, there was never a word heard from the NDP when the last Liberal administration used its powers to crush the West with the national energy policy.

Mr. Waddell: That is a lie!

Mr. Blackburn (Brant): That is not true.

Mr. Waddell: You are lying, John!

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Riis: That is a mistruth, John, and you know it.

Mr. Shields: You wanted it to go further, that is what you wanted.

Mr. Crosbie: Mr. Speaker, there was no talk then of trample. No, Members of the NDP supported the Government of the day in full voice.

Mr. Waddell: You're lying!

Mr. Shields: You wanted it to go further.

Mr. Crosbie: Is the Government of Canada only to exercise its legislative jurisdiction when the NDP agrees with what it is doing, or is it entitled to do it whenever, whether the NDP agrees or not?

Some Hon. Members: Hear, hear!

DEFINITION OF SUBSIDY—UNITED STATES POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also for the Minister for International Trade. Canadians have been under the impression from reading Article 1907 of the agreement that there would be a five to seven year negotiation of an acceptable definition of subsidy, which would accommodate Canada's regional development and other industrial and social policies such as those that deal with resources, agriculture, day care, et cetera.

Today's *The Wall Street Journal* reports on a plan—

Some Hon. Members: Oh, oh!

Mr. Kaplan: It's a good paper.

The newspaper reports on a plan settled yesterday by the U.S. administration and the Senate Finance Committee under this section not to develop rules concerning Canadian subsidies but, I am quoting the article and the plan, "to end Canadian subsidies within seven years".

Is this the interpretation of the Canadian Government as well of Article 1907? If it is not, will the Minister get in touch with the Americans and let them know that this U.S. objective and this U.S. plan are not acceptable to Canada?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, if the hon. gentleman opposite is going to get upset by every article he reads in an American paper between now and the end of this year, he will be in a constant state of upsetness.

Is this the basis for Question Period in this House? The hon. gentleman scans *The Wall Street Journal*, sees some suggested story about some purported plan by some purported, alleged Senator, that suggests that the U.S. Administration should not agree on a definition of subsidy, and he brings the matter up in the House now and expects it to take it seriously. Really!

Some Hon. Members: Oh, oh!

PROVINCIAL JURISDICTION—FEDERAL POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, it is clear that the Americans do not like the way that economic activity is organized in Canada, or the role of the provinces. I want to ask the Minister if he can assure us that the Government of Canada will not use the trade deal or the legislation that it proposes to introduce to assert paramountcy, and effectively expropriate and take over areas in which provinces have been exercising jurisdiction and legislating in relation to industries ever since Confederation.

Mr. McDermid: You guys should know about expropriation.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, is it not interesting to see how the Hon. Member

is shocked now by the suggestion of expropriation? This is the 25 per cent backer-inner.

Some Hon. Members: Hear, hear!

Mr. Crosbie: They backed in and expropriated 25 per cent from all the oil and gas producers of the country, and now we see the crocodile tears dribbling down the Hon. Member's face at this suggestion.

Some Hon. Members: Hear, hear!

Mr. Crosbie: The Government does not propose to expropriate anything at all. It proposes to use its proper constitutional jurisdiction with respect to the treaty power and the trade and commerce power to see that this country has a national government that is able to act in those areas given to it by the Fathers of Confederation in 1867. We do not propose to intrude upon anyone else's jurisdiction whatever.

Some Hon. Members: Hear, hear!

* * *

IMMIGRATION

REFUGEE STATUS ADVISORY COMMITTEE—REVERSAL OF DECISION

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Minister of Employment and Immigration. It arises out of the case of Mr. Santokh Singh. Yesterday the Minister declared before the House that she supports the integrity of the Refugee Status Advisory Committee and the Immigration Appeal Board. Yet she knows that when three highly qualified members of the Refugee Status Advisory Committee—Mr. William Barton, Mr. Yvon Beaulne, and Dr. Ed Ziegler—unanimously found Mr. Santokh Singh to be a refugee, the Minister set aside their recommendation and replaced it with an opposite recommendation from three immigration officials who are not members of the Refugee Status Advisory Committee.

Therefore will the Minister tell this House who were these immigration officials whose recommendation she preferred to the legally constituted committee? What were their qualifications for judging refugee status?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, the officials in question were officials of the Department of Immigration: Mr. Dubois, Mr. Beaupré, and Mr. Robbins, who have long experience in dealing with immigration and refugee matters.

• (1440)

REQUEST THAT COMMITTEE RECOMMENDATION BE REINSTATED

Mr. Dan Heap (Spadina): Mr. Speaker, since the Minister claims to support the integrity of the refugee status advisory committee and of the Immigration Appeal Board, and the Minister knows that the Immigration Appeal Board has been crippled by a Federal Court decision on a very similar matter, that is, relating to the tenure of the officials on the board, will the Minister restore the credibility, at least of the Refugee Status Advisory Committee, by reinstating the original RSAC recommendation, and also by reinstating the appointments of Messrs. Barton, Beaulne and Ziegler who were discontinued after they gave their recommendation?

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, what I have said that I will do, and I think that we should do, is let the process take its natural course.

Mr. Orlikow: Why didn't you do that in the first place?

Mr. Rodriguez: It is not a natural course.

Mr. Speaker: The Hon. Minister is answering the question. The Hon. Minister.

Mrs. McDougall: Mr. Singh has very able legal counsel who have stated that they will appeal to the Immigration Appeal Board.

The advisory committee is an advisory committee; it is just that. I do respect its integrity. All proper procedures were followed and will continue to be followed.

CSIS SECURITY CHECK

Mr. John Nunziata (York South—Weston): Mr. Speaker, this is not the first time that the Secretary of State for External Affairs has made irresponsible and unsubstantiated allegations of criminal activity by members of the Sikh community.

In his letter dated April 1, 1987, to the Minister of Immigration, the Secretary of State for External Affairs stated, and I quote: "Major Santokh Singh Bagga is wanted in India because of his suspected involvement in a conspiracy to assassinate the Indian Prime Minister and a number of other subversive activities".

Will the Solicitor General confirm that this statement by his colleague is untrue? Will he further confirm that Mr. Singh was security cleared both by the RCMP and the Canadian Security Intelligence Service?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can advise the Hon. Member, as is usual and normal in cases where a person is applying for this status, that CSIS is requested to do a security check. I can advise the Hon.

Member that, yes, indeed, a security check was done, and was given to the relevant Ministers.

The Hon. Member knows that, for security reasons and for matters under the Privacy Act, we do not reveal the contents of those checks or make them public.

CONSPIRACY ALLEGATION

Mr. John Nunziata (York South—Weston): Mr. Speaker, I spoke to Mr. Singh about 20 minutes ago. He asked me to ask the Solicitor General to confirm that he was cleared both by the Canadian Security Intelligence Service and the Royal Canadian Mounted Police.

If that was the case, can the Solicitor General explain to Mr. Singh and to Canadians why the Secretary of State for External Affairs would allege that Mr. Singh was involved in a conspiracy to assassinate the Indian Prime Minister?

Hon. James Kelleher (Solicitor General of Canada): Mr. Speaker, I can only repeat what I have already said. For privacy and security reasons we do not reveal the contents of security checks that are done on individuals.

Is the Hon. Member suggesting that every time we do a security check on somebody in Canada that I should rise in the House and tell the people of Canada personal information relating to that individual? Is that what the Hon. Member is suggesting?

* * *

BANKRUPTCIES

PROTECTION OF EMPLOYEES AND SUPPLIERS—REQUEST THAT LEGISLATION BE AMENDED

Mr. Jim Jepson (London East): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. As the Minister knows, the bankruptcy laws are hopelessly outdated. We desperately need new laws to be brought in to protect many thousands of employees, as well as suppliers.

Can the Minister tell the House if we can hope to see some legislation brought forward to address the many shortcomings in the present legislation?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to thank the Hon. Member for his question and for his continuing interest in this very important subject.

I am very hopeful that I will be able to introduce legislation in this session. It rather depends upon the ability to gain the co-operation of the opposition Parties in dealing with the legislative program of the Government.

Mr. Blackburn (Brant): Put it on today, this afternoon.

Mr. Andre: I would be pleased to join with the Hon. Member in talking to the New Democratic Party to see if we can get them to act responsibly, and perhaps we will have an opportunity to make corrections to the Bankruptcy Act.

* * *

HEALTH

PULP MILL OUTFALLS—DIOXIN LEVELS IN CRABS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my question is directed to the Hon. Minister of Health and Welfare. When it comes to dioxins the Conservative Government takes the same position as Ronald Reagan does on acid rain, lots of studies but no action.

While a 20-part-per-trillion tolerance has been established for 2378 TCDD, tests conducted near the outfalls of B.C. pulp mills have shown alarming levels of dioxins in crabs and oysters far above that level of tolerance.

Why has the Government not put a complete ban on all crab fishing near pulp mill outflows when dioxin levels up to 24,968 parts per trillion have been found in the hepato-pancreas of crabs, and when the Minister knows that many people consider the hepato-pancreas a delicacy?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I think the Hon. Member has to be a little careful in making certain statements as if they are facts.

The release that was issued yesterday on behalf of the Government, and two of my colleagues, very clear states the type of sampling that was done, and the type of sampling that will continue. I would direct the attention of the Hon. Member to the backgrounder which I think is accurate.

In respect of the dungeness crab, I asked very clearly whether there were people who were using the pancreas for purposes of their own food supply. I say to the Hon. Member that the edible parts of the crab, also included in the backgrounder, were well within the tolerance levels. I still wish to have sampling done even beyond that.

For the Hon. Member to say that some of the intestinal tract will not have certain dioxins or other toxins in it, and to make that statement as he did, is obviously stating a fact that all of us know. That is why, if the Hon. Member looks at this background paper, he will find that is why we made it the way we did.

Additionally, I asked yesterday if there were Vietnamese communities eating the pancreas and that is also being checked out further.

Mr. Manly: I think the Minister illustrates the problem. Things are being checked out and there is a real and present danger there.

EXAMPLE SET BY SWEDISH PULP MILLS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, my supplementary question is directed to the Minister of the Environment. The alarming nature of dioxin levels can be seen by the fact that at Crofton there is a three-fold increase in dioxin levels in the eggs of the blue heron, and not one egg hatched last year out of 57 active nests.

What is Canada doing to follow the example of Sweden where the great majority of pulp mills have cut dioxin levels by up to 80 per cent, and where people are encouraged to use unbleached and semi-bleached paper products in an attempt to cut down on the use of chlorine in pulp mills and dioxin contamination in the environment?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, on that point also, if the Hon. Member had read the material that was prepared yesterday, he would find that with chlorine bleach if we move toward the oxygen method, while that reduces the dioxins by approximately 50 per cent, it does not eliminate them.

If the Hon. Member looks at the action plan in the paper to cover further sampling to see what other action can be taken by the Government of Canada in respect to protection, that is the issue that has to be dealt with.

I would suggest to the Hon. Member that, when he rises and makes statements, he make them on facts, rather than the type of impression he was attempting to leave in the House today.

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TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—
CANADIAN STEEL EXPORTS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of International Trade. Yesterday, David Hawley, an official of Inland Steel in Chicago, told a conference in Toronto that the United States steel industry is withholding its support for the free trade agreement, and it is pressing for a formal restraint agreement to limit Canadian steel exports to the United States in spite of the free trade agreement.

• (1450)

Can the Minister advise the House if the United States Government has asked for a formal restraint agreement on steel exports from Canada? What guarantee can the Minister give to Canadian steel producers that there will not be a formal restraint agreement to restrict Canadian exports of steel as a result of pressures from the United States Government?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I received no request for such action to be taken. It is well known, however, that the Canadian steel industry is extremely efficient and productive and that it will be one of the greatest beneficiaries of the U.S.-Canada Free Trade Agreement. That is why, when I spoke in Hamilton yesterday, many illustrious members of the industry were present at the meeting to applaud heartily whenever I spoke positively about the U.S.-Canada Free Trade Agreement.

Ms. Copps: You weren't applauded in Hamilton, so disabuse yourself of that notion.

Mr. Crosbie: I missed the hon. lady's comment, but I could have heard her voice in Hamilton yesterday had she been speaking here in the House.

One of the main reasons for the U.S.-Canada Free Trade Agreement is to be protected from such suggestions of U.S. figures as we will be—

Mr. Benjamin: We are not; we are not.

Mr. Crosbie: —when the U.S.-Canada Free Trade Agreement takes effect. Please read the agreement, Mr. Benjamin.

UNITED STATES OFFICIALS' COMPLAINTS

Mr. Maurice Foster (Algoma): Mr. Speaker, yesterday United States officials also complained about the subsidies provided to Sysco steel, and the countervail duty and the dumping duty provisions of the free trade agreement. Since the U.S. will still be free to use the countervail duty and dumping duties against Canadian steel exporters, does this not really make a sham of the whole agreement?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we export steel and steel products to the United States and they export steel and steel products to Canada. We have an extremely efficient industry. Last year when the Americans introduced their voluntary program, we were exempted from it.

Twenty countries were supplying steel products to the United States. They negotiated voluntary restraint arrangements with 20 countries and we were exempted because of the integrated and mutually beneficial nature of the two-way trade in steel between Canada and the U.S., and because Canadian steel exports were found to be fairly traded. That has not changed. Thank God, when we have the Canada-U.S. Free Trade Agreement in place, we will have all the protection we need for products that are fairly traded.

[*Translation*]

CONSUMER AFFAIRS

CHRYSLER CORPORATION—FALSIFICATION OF ODOMETERS IN CERTAIN CARS—MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs.

Last August, the former president of the Automobile Protection Association, Phil Edmonston, wrote to the Minister about the offer made by Chrysler. The company intended to offer compensation to 6,000 Canadians who purchased a demonstration model.

In a letter dated August 22, the Minister answered, and I quote: "The falsification of odometers is also a criminal offence under the federal Weights and Measures Act". The Minister added: "The matter has been referred to the Solicitor General who is responsible for enforcement of the legislation".

What has been done about this matter? Have charges been laid to protect consumers?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I gather Mr. Edmonston has received his nomination for the New Democratic Party, has he?

If the Hon. Member wants the kind of details for which he has asked, he should give me some warning that he will ask for that. I will look into the questions he has raised and get back to him.

REQUEST THAT CORPORATION BE PROSECUTED

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Minister responded that Chrysler indeed had broken the weights and measures law regarding the disconnecting of the Chrysler odometers. There are 6,000 Canadian consumers who have not been compensated by Chrysler. In the United States, Chrysler has been prosecuted. Will the Minister stand up for Canadian consumers and prosecute Chrysler, and ensure that Canadian consumers get a deal?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have replied, and I repeat I will look into the matter and get back to the Hon. Member.

* * *

HEALTH

AIDS DISEASE—ADVISORY COMMITTEE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. Almost two years ago he said on the subject of AIDS that "Canadians are concerned about this dreaded disease and expect their Government to take action". How can he explain then why his own advisory committee on AIDS has not met for six months and why, according to the director of the centre, there are no meetings scheduled in the near future? Why is it that the federal Centre for AIDS, established with much fanfare when the Minister made his original announcement, is now running on overdraft because there is no money for an operating budget?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, first, the term used by the Hon. Member, "overdraft", is not the case. That is not a word that describes in any way the situation with the federal Centre for AIDS. As she knows, the Government came forward with $39 million for a five-year program.

The second point she made was that the national advisory committee did not meet for six months. Today I asked the Deputy Minister to check it out, and she said very clearly to me that, if a meeting had been called, the money would have been there for them to have a meeting.

FEDERAL FUNDING

Ms. Sheila Copps (Hamilton East): Mr. Speaker, again the Minister is misleading on both counts. My office spoke this morning to his appointed director, Dr. Alastair Clayton, who said that there were no meetings scheduled in the near future, and in fact it was a member of the advisory committee, Kate Hentchen from the Montreal General Hospital, who advised me specifically today that the federal Centre for AIDS has run out of funding and is operating on overdraft. It has no money for any more meetings and there are no meetings scheduled, according to the director of the centre. How can the Minister claim that he is doing everything possible when the bodies involved cannot even meet together to discuss this extremely serious issue?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I already answered the first question so that answer stands. Second, I have also said quite publicly that the Government is considering additional initiatives on the matter of combating AIDS, including public education, and that announcement will be made in due time.

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CANADA-NOVA SCOTIA OFFSHORE FUND

USE OF MONEYS

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources and concerns the Canada-Nova Scotia Offshore Fund. I am sure the Minister is now aware that the Auditor General is investigating some of the management and spending practices regarding moneys from that fund.

Some $2 million of the Offshore Fund has now been funnelled through the City of Dartmouth into the hands of a private developer called Portland Estates to pay for the sewer costs of this private development. Does the Minister think it is appropriate to use funds from the Offshore Fund to pay the sewer costs of a private development when the terms of reference of that fund are to provide the moneys for infrastructure costs related to resource activity in the offshore? Is that an appropriate use of the fund? Is it an appropriate use of taxpayers' money to pay the sewer costs of a private developer?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, two years ago, the Government of Canada signed an agreement with the Government of Nova Scotia, providing for a development fund to help the people and the private and public sector in Nova Scotia take advantage of offshore development.

These agreements are governed by an accord between the Government of Canada and Nova Scotia. The projects have been submitted to the respective committees, Mr. Speaker, and the Auditor General is examining the situation, and we will comment as soon as the results are known.

[*English*]

AUDITOR GENERAL'S INVESTIGATION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, I remind the Minister that there is now an Auditor General's investigation into this matter, and I would like to inform him that the private developer in question is a Mr. Allan Stockall, the fellow who received some $2 million to defray sewer costs.

• (1500)

Is the Minister aware that Mr. Stockall contributed some $1,500 to the Conservative Party in 1984, and some $1,500 to the Conservative Party in 1985? As the Minister responsible, does he justify this kind of expenditure of the taxpayers' money when the main beneficiary is a high-ranking Nova Scotia Tory, a private developer for whom sewer costs are being paid, when that money should be going toward the costs of offshore development for the people of Nova Scotia? Does he justify that?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, I do not think Canada has a law preventing citizens from contributing to political parties. Furthermore, I am not in the habit of checking whether contributions were made before approving a project proposed by the Government of Nova Scotia.

[*English*]

HEALTH

AIDS DISEASE—FUNDING FOR RESEARCH

Mr. David Berger (Laurier): Mr. Speaker, my question is addressed to the Minister of National Health and Welfare. In 1985 and 1986 the Health and Welfare Committee of this House heard from pretty solid witnesses, like Dr. Phil Gold, the physician in chief of the Montreal General Hospital, who told us that we were spending "about one-tenth of what we should be spending for AIDS research".

On the basis of this testimony and testimony similar to that, the Health and Welfare Committee of this House recommended substantial funding for AIDS research.

Why is it that two years later the Government still has not provided adequate funding for AIDS research in Canada? When will it do so?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member refers to the committee report as well as reports that I have received, including from Dr. Gold, Dr. Gilmore and others. When we came in with the initial program of $39 million I said at that time that, if that was not enough, I would go back to my Cabinet colleagues on it.

The report of the committee said pretty well the same thing that additional money was needed.

It was that response, and the Royal Society's report, which we asked to have done and for which we paid $250,000, which have given us a broad ranging view of the various aspects of the AIDS illness. It was from all of those recommendations that I made recommendations to the Government. In response to the Hon. Member, as I responded to his colleague earlier, the answer stands as to the announcement.

Mr. Berger: Mr. Speaker, I thank the Minister for his answer, but I remind him that the funding he provided for research was substantially less than that recommended by the Health and Welfare Committee of this House and again substantially less than the kinds of sums mentioned by people like Dr. Phil Gold.

GOVERNMENT PRIORITIES

Mr. David Berger (Laurier): Mr. Speaker, I have a supplementary question for the Prime Minister. What kind of priorities has he set for his Government and for this country when he can find billions of dollars for nuclear submarines but has difficulty coming up with a few millions for research into a problem such as AIDS? Why is it mega-bucks for subs but peanuts for AIDS research?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend has been misled. As he may remember, one of our first initiatives was on behalf of spousal

allowances benefiting Canadians between the ages of 60 and 64. We have moved on social policy to child care.

On the social side of the ledger we have attempted—

Ms. Mitchell: Two years ago you made a commitment and you have done nothing about it.

Mr. Mulroney: On the social side of the ledger, be it from the spousal allowance to child care—

Ms. Copps: What are you talking about?

Mr. Mulroney: —the Government has made a very significant effort. There is a special problem—

Mr. Ouellet: Answer the question. Do you know what the question is?

Some Hon. Members: Order.

Mr. Mulroney: A special problem has arisen with respect to the AIDS infection—

An Hon. Member: Sit down!

Mr. Deputy Speaker: Order, please. Could Hon. Members allow the Prime Minister to answer the question, please.

Mr. Mulroney: Mr. Speaker, what is particularly regrettable about the intervention of the Hon. Member for Papineau is that he comes once a month to the House of Commons. I would have thought he would do a little better.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mulroney: The issue raised by—

[*Translation*]

Mr. Rossi: You're out of your depth!

[*English*]

Mr. Hnatyshyn: Rossi, we are going to put the police on you.

Mr. Rossi: Okay, stupid.

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Mulroney: Carlo, just a minute, please!

[*English*]

My hon. friend raises a very sensitive and important national issue, Mr. Speaker. The AIDS problem deserves the highest attention not only by this Parliament but by Governments, agencies, and research institutions across Canada. We have committed large amounts of funds to this matter. The Minister of National Health and Welfare has indicated a number of times that if those funds are insufficient he will return to his Cabinet colleagues for further funding.

Ms. Copps: He already has.

Mr. Mulroney: He has already done that. He is in the process of bringing forth more initiatives that we believe will be of great benefit to Canada in its pursuit of a solution to this very, very challenging, very sad, human problem. I hope my hon. friend will agree with the approach of the Government in this regard.

Some Hon. Members: Hear, hear!

* * *

BUSINESS OF THE HOUSE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, earlier this morning there was an agreement among the Parties to revert to Motions at this time in order that I could put the following motion which has been discussed with the House Leaders of the two opposition Parties and the independent Members of the House. I move:

That consideration of the motion of the Minister of Justice—

Mr. Gauthier: The Member has to have unanimous consent. I do not want to be operating outside of the rules.

[*Translation*]

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, on a point of order.

Mr. Deputy Speaker: The Hon. Member for Ottawa—Vanier (Mr. Gauthier), on a point of order.

[*English*]

Mr. Gauthier (Ottawa-Vanier): Mr. Speaker, I just want to clarify the situation. I was here this morning. We gave unanimous consent but it was not sought by the Chair. I would just like the Chair to make sure the rules are followed, that is, unanimous consent be put at this time to revert to Routine Proceedings. I think that we should operate under the rules.

Mr. Deputy Speaker: Is there unanimous consent to revert to Motions at this time?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

BUSINESS OF THE HOUSE

DISPOSITION OF CONSTITUTION AMENDMENT, 1987

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, there has been discussion

among the Parties and I think you will find there is unanimous consent for the following motion. I move:

That consideration of the motion of the Minister of Justice for amendments to the Constitution of Canada (Government Orders, Government Business, Number 23) shall be conducted as follows;

(1) No later than 6:00 p.m. on Tuesday, May 17, 1988, the Leader of the Opposition and the Leader of the New Democratic Party, or a Member of their respective Parties acting on their behalf, may each give notice of a motion incorporating amendments described in addendum A and B, respectively, of the report of the Special Joint Committee on the 1987 Constitutional Accord, tabled in the House on September 21, 1987, and, when the said Government Order is taken up on a subsequent sitting day, the Speaker shall, after the main motion is proposed, notwithstanding any Standing Order or usual practice, declare these motions to have been duly moved and seconded;

(2) No later than 6:00 p.m. on Wednesday, May 18, 1988, other Members may give notice of amendments substantively different from those of which notice has been given pursuant to Section (1) of this Order, and when the said Government Order is taken up on a subsequent sitting day, the Speaker may declare these motions to have been duly moved and seconded;

(3) No amendment shall be permitted other than as provided for by Sections (1) and (2) of this Order;

(4) During the debate on the said Government Order, and any amendments thereto, no Member may speak more than once;

(5) At the conclusion of debate on the said Government Order, the Speaker shall put forthwith and successively, without further debate or amendment, all of the questions necessary to dispose of all of the proposed amendments and of the Main Motion, as amended or not amended, as the case may be, in the following order:

(I) The motion proposed by the Leader of the Opposition or a Member acting on his behalf pursuant to Section (1) of this Order;

(II) The motion proposed by the Leader of the New Democratic Party or a Member acting on his behalf pursuant to Section (1) of this Order;

(III) Any motion proposed pursuant to Section (2) of this Order;

(IV) The Main Motion;

(6) For the purposes of this Order, a Whip may request a deferred vote on all questions set out in Section (5) of this Order for 48 hours.

(7) During consideration of this Government Order, the provisions of Standing 9(4) shall not apply.

• (1510)

I might advise the House before you put the motion, Mr. Speaker, that this has been discussed with all Parties. This is exactly the same order used when the debate ensued last fall. I would also advise that we intend to start the debate on this question on Thursday of this week. I will also formally advise the House that tomorrow will be an allotted day.

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

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

POINT OF ORDER

WITHDRAWAL OF UNPARLIAMENTARY LANGUAGE

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, during Question Period today my friend from Vancouver—Kingsway accused the Minister for International Trade of lying. I am sure he would want to withdraw that statement.

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, yes, I did. It is unparliamentary for me to call the Minister for International Trade a liar and I therefore withdraw that unconditionally. I would express the hope that the Minister would show some integrity—

Some Hon. Members: Order!

Mr. Waddell: —and look at the votes on the National Energy Program where my friend and I both voted against the provisions of the NEP. I wish the Hon. Member would tell the Minister that so the Minister is informed.

I unconditionally withdraw, and express the hope that my good friend over there will talk to the Minister and inform him so he is not ignorant about these matters.

Mr. Shields: Mr. Speaker, I would ask the Hon. Member to read his own speeches where he implied that the NEP did not go far enough and that we should go after one of the big boys like Imperial Oil and nationalize it. It is clear that the NDP voted against the policy but only because it did not go far enough.

Mr. Deputy Speaker: On another point of order, the Hon. Member for Kamloops—Shuswap (Mr. Riis).

Mr. Riis: Mr. Speaker, I will try something totally different from the point made by the Hon. Member for Athabasca (Mr. Shields). I would like simply to say that we appreciate the co-operation offered by my friend, the House Leader for the Official Opposition, as well as the Deputy Government House Leader in negotiating today's special order. I appreciate their co-operation.

GOVERNMENT ORDERS

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. de Cotret that Bill C-127, an Act to amend the Cape Breton Development Corporation Act, be read the second time and referred to a legislative committee.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I want to take this opportunity to say a few words about Bill C-127 which will increase the present working capital provision of

DEVCO from $25 million annually to $50 million annually. We in this Party have no problem with that.

Mr. Lewis: Let's vote on it then.

Mr. Rodriguez: We will support it and vote for it in due course, brother. I want to take this opportunity to say a few things about DEVCO and just where the Government is headed in Cape Breton with DEVCO.

There was a time when the DEVCO workforce was up around 6,500 employees. That was in 1965. Over the years the workforce has been eroded to 3,400 employees at present.

DEVCO had two arms. There was the coal mining arm and the industrial development division. That concept placed DEVCO in the picture of economic development in Cape Breton. In fact, DEVCO not only dealt with the coal mining operations on the island, it was also plugged into the diversification of the economy of Cape Breton. That seemed to be a proper approach.

What has happened now, of course, is that the Government established ACOA. The industrial development division of DEVCO has been put into Enterprise Cape Breton and it will now go under ACOA. ACOA will be administered by a Minister whose head office is here in Ottawa. The headquarters of ACOA will be in Moncton, New Brunswick. However, the major decision-making will be centralized here in Ottawa. DEVCO will simply be the coal mining operation.

At present there are three coal mines under the jurisdiction of DEVCO that need development work. We know the Government inherited DEVCO from the private sector. It was originally DOSCOE. The private sector could not make enough money. It never really invested in modernization of the operation and so the company left the shores of Cape Breton. The Government of the day had to save the jobs and avert disaster in Cape Breton. That is how it inherited DEVCO. It was not a planned initiative by the Government to enter the market-place. There was no planning to it. It was the private sector defaulting on its responsibility to the community, not living up to its social responsibility in Cape Breton, and pulling out. Like so many other Crown corporations, it is a history of the failure of the private sector, and the inability of Governments to hold the private sector responsible for their actions in a community. That is the history of DEVCO and it is now being sheared off and set up.

The question which the people of Cape Breton, the workers at DEVCO, have in their minds is: What is the long-term aim of the Government? What is the agenda?

Mr. Heap: Does it have one?

Mr. Rodriguez: It has. Every time the Government says it is not going to do something, it is going to do it. It said it was not going to privatize Air Canada, and we know what happened. The Government's "no" means "yes".

In this particular case the Government said it has no intention of selling off DEVCO to the private sector. We know that is the hidden agenda, and the people of Cape Breton are concerned. The workers at DEVCO are concerned. They know that there is a private operator in Pictou County called Westray. They are establishing a coal mine operation in Pictou County, Nova Scotia. The people of Cape Breton are concerned about what will happen once Westray is established. Of course they have probably already approached ACOA hats in hands for some hand-outs. I understand it is $75 million. You notice how these capitalists operate? They are all against government involvement in business. They want nothing to do with that. They want no regulations. They want governments off their backs. I hear it all the time. They condemn people who are on welfare. The John Bullochs of this world are all against the unemployment insurance program and our other social programs. They say they are disincentives to work.

• (1520)

However, why is it not a disincentive for the Corporation to go hat in hand to the Government for a $75 million hand-out? That is what is happening. They have a proposal before ACOA for $75 million. Therefore, on the one hand the Government will fund the establishment of coal mines in Pictou County in Nova Scotia while, on the other hand, setting DEVCO up by sharing it off and leaving it in left field.

We can see what will happen. DEVCO will be squeezed, it will not be advanced the money it needs to develop its mines. There will be no marketing for its coal and no money for research and development.

Mr. Forrestall: Nonsense.

Mr. Rodriguez: DEVCO has a very interesting experimental program under way called carbogel. It is still in its early stages. It is a coal and water process to develop energy, a liquefaction program. It is funded to the tune of $1 million or $2 million a year out of DEVCO. It seems to me that the Government will not give DEVCO the funds it needs. It will fund this other operation in another part of Nova Scotia, and eventually you will see that once the workforce of DEVCO has been cut back and DEVCO has been made profitable the Government will allow DEVCO to be bought out. I have no doubt that Westray may very well be the company which eventually takes over DEVCO.

These are the concerns that the people of Cape Breton have. When we get into Committee of the Whole we are going to try to get a commitment from the Government with respect to the long-term prospects for DEVCO. For example, is the Government prepared to forbid any more lay-offs and allow an attrition process to take place? Is it prepared to make a commitment that DEVCO will in fact become more aggressive in terms of finding new markets for its coal? Is it going to give a commitment that it will not allow this new company in Pictou County, which the Government is going to fund with taxpayers' money, to raid the major customer of DEVCO, the

Nova Scotia Power Corporation? Is it prepared to make those commitments? Those are the kinds of things we are looking for.

In fact, the Government owes it to the people of Cape Breton to ensure that their major coal mining operation enterprise, DEVCO, is not destroyed, is not sold off to the private sector which will eventually close it out. When the Government is questioned, then it will say that those decisions are taken in the private sector and it has no responsibility for them.

The downsizing of DEVCO, the future of DEVCO, a commitment from the Government with respect to the funding of DEVCO, its expansion and its marketing are the issues we will seek to have clarified in Committee of the Whole. As I said, we are going to support the Bill, but we are gravely concerned, as are the workers and people of Cape Breton, about the future of DEVCO.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Forrestall: Mr. Speaker, before you put the question, I suggest that, were you to seek the unanimous consent of the House you might find agreement to deal with this matter in Committee of the Whole. At a later stage I may ask for unanimous consent for third reading.

Mr. Deputy Speaker: Is there unanimous consent that the Bill proceed to Committee of the Whole?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into committee thereon, Mr. Danis in the Chair.

The Chairman: Order. House in Committee of the Whole on Bill C-127, an Act to amend the Cape Breton Development Corporation Act.

Shall Clause 1 carry?

On Clause 1—*Advances to Corporation for working capital*

Mr. Rodriguez: Mr. Chairman, I would like to ask the Minister responsible what the Government's intention is with respect to DEVCO. Is it the intention of the Government to allow the company to shrink, to allow the workforce to shrink, and eventually to phase out or sell the company? What is the Government's intention?

Mr. Forrestall: Mr. Chairman, the hon. gentleman's question is appreciated and quite legitimate. It is a matter of some regret that the Member was not here when I spoke earlier in the day. At the very outset of my general remarks earlier today I indicated that there were two matters I wanted to address. The first was the nature of the amendment and the underlying history behind it.

Second, and most important, in a most positive vein, this amendment, as well as dealing with the commitment with respect to cash flow, is also a long-term commitment to the future of coal mining in Cape Breton. The Government has no intention now or in the foreseeable future of abandoning DEVCO. I can give that undertaking with complete assurances.

Mr. Rodriguez: Perhaps we can be a little more specific. Can the Parliamentary Secretary give a commitment that the workforce at DEVCO will not be shrunk through lay-offs but that any process to reduce the workforce would be through attrition rather than lay-offs?

Mr. Forrestall: Mr. Chairman, the Hon. Member will be aware that in large measure the downsizing of DEVCO is as much a product of the productivity of the miners. It is, second, a consequence of the new mine with state of the art mining procedures and processes. There are 650 to 700 people employed there.

As good an indication as I can give to the Hon. Member may be that DEVCO has increased from a $7 million or $8 million corporation to one approaching a $500 million business. That alone speaks with certainty of the future.

• (1530)

The Hon. Member knows that I am not in a position to give undying assurances. I can suggest to him, however, that the workforce has been downsized but should now grow with the growth of the coal industry in Cape Breton Island.

Mr. MacLellan: Mr. Chairman, I rather take exception to something the Hon. Parliamentary Secretary said with respect to the productivity of the workforce of the Cape Breton Development Corporation. The workforce of the Cape Breton Development Corporation has one of the finest productivity rates in Canada. If there is a problem with DEVCO, it is the lack of concerted effort by the Government to have a strong management team.

The Hon. Parliamentary Secretary will admit that we have gone for months without a president of the Cape Breton Development Corporation, for no real good reason other than the federal Government has refused to appoint one. A president and chief executive officer for a Crown corporation is very important. When will the Government deem it fit to appoint a president?

Mr. Forrestall: Mr. Chairman, let me assure the Member that I was making no derogatory comments on the productivity of Cape Breton coal miners. It is quite the opposite. I was saying that it was due to their productivity that built-in efficiencies have occurred so that this year DEVCO will show

an operating profit. It still has a couple of years in its plan, but at the end of the cycle when Phelan is fully operational and efficiencies of the new processes are working at their maximum, the question of productivity or lower numbers will not even come into question. Indeed, it should grow.

The Government hoped that the new president could have been named some time ago. I can only give the Member the assurance that when he hears the news, perhaps as early as next week, he will be relatively pleased.

Mr. Dingwall: Mr. Chairman, will the Parliamentary Secretary confirm or deny that in the next seven days Mr. Ernest Boutiler, the current President of Sydney Steel Corporation, will be appointed president and chief executive officer of the Cape Breton Development Corporation?

Mr. Forrestall: Mr. Chairman, Mr. Boutiler will be pleased to hear those comments by the Member for Cape Breton—East Richmond. I am not sure whether it will come as a surprise to him or not.

Mr. Dingwall: Mr. Chairman, is the Parliamentary Secretary confirming his appointment here today?

Mr. Forrestall: Of course not. Perhaps he is a candidate himself, Mr. Chairman.

Mr. Dingwall: Mr. Chairman, the Parliamentary Secretary is well aware that documents have been provided to the Atlantic Canada Opportunities Agency, the Government of Canada and particularly the Minister of Regional Industrial Expansion (Mr. de Cotret) with regard to the position of the Cape Breton Development Corporation concerning the funding of a coal mine in Pictou County. I tabled those documents in the House some time ago.

Will the Parliamentary Secretary give an undertaking to the House, since we are dealing with this federal Crown corporation, to provide to Members who are interested, including myself and the Member for Cape Breton—The Sydneys and the Member for Nickel Belt, all the information from the Government of Nova Scotia suggesting that a new coal mine in Pictou County will in no way compete with the Cape Breton Development Corporation?

A submission was made by the Government of Nova Scotia regarding this particular matter. In the spirit of openness and the spirit in which this Bill is being passed today, will the Parliamentary Secretary provide that information and all other information which the Government of Canada and the Government of Nova Scotia have on this new coal mine in Pictou County.

Mr. Forrestall: Mr. Chairman, I think the distinguished Member is very aware that it would be quite inappropriate for me to give that kind of undertaking. However, I would be pleased to make available to the hon. gentleman that which he can get by a phone call himself, which is the information that the province is quite prepared to release at this point in time with respect to Westray and the Pictou area. That matter is under very active consideration now and no decision has been made with respect to it.

Mr. Rodriguez: Mr. Chairman, this whole Westray operation is very interesting. I recall when the uranium industry was being started in Elliot Lake. Stephen Roman, who owned Denison Mines, began that mining operation. In order that the mining magnate could develop the mine and assure income, governments were quite willing to guarantee the price for uranium. In fact, they guaranteed the price for uranium, guaranteed contracts and the length of the contract. For example, Ontario Hydro helped make the Roman empire.

DEVCO's major customer is the Nova Scotia Power Corporation. Some 60 per cent of the coal mined by DEVCO goes to Nova Scotia Power Corporation. Has the Government made any attempt to ensure that there is a long term 30-year contract for coal delivery to Nova Scotia Power Corporation, similar to what Ontario Hydro had with Denison Mines? Has there been any attempt by the Government to secure that market for DEVCO and at least give some assurance to the workers that their jobs will be protected for the future?

Mr. Forrestall: Mr. Chairman, it would be very difficult to respond to the Member's question in detail. The phenomenal growth of DEVCO, from the concept of a Crown corporation established not only to downsize but phase out coal mining, from a $7 million entity a few short years ago into a half billion dollar enterprise today would suggest that any government would want to carry on that kind of phenomenal growth.

It is the stated intention of the Province of Nova Scotia to move away from dependency on imported oil and into coal. Indeed, the present Government of Nova Scotia intends to generate excess capacity for hopeful sales to New England states.

The coal industry in Nova Scotia is very vital to the provincial government and is crucial to this Government's long term economic planning.

Mr. Rodriguez: Mr. Chairman, this is the concern of the people of Cape Breton and the workers in those mines. I think it is incumbent upon the Government to clear up some of the rumours and some of these concerns with respect to the opening up of the coal mine in Pictou County. The workers and the people in Cape Breton are concerned that the Government is going to put up money for Westray to open a new mine for coal and that coal is going to be supplied to the Nova Scotia Power Corporation and obviously there will be some cutbacks to the coal from DEVCO. I think it is incumbent on the Parliamentary Secretary to give assurance to the people of Cape Breton that whatever is done with respect to Pictou County and ACOA that it will not interfere with the coal contracts that are now in existence between the Nova Scotia Power Corporation and DEVCO.

• (1540)

That is the foundation of DEVCO's present existence. Sixty per cent of its production goes there. God knows, it has been a declining production over the years. Surely, we are not going to let happen to DEVCO what we let happen to Sysco with respect to the production of railway lines.

Mr. Forrestall: Again, Mr. Chairman, I can only repeat to the Hon. Member that the coal production forecasts are for some 4.6 million tonnes within the next couple of years. That does not seem to me to be a negative thing. It seems a very positive thing. The people responsible for DEVCO will have to ensure that any further development in the coal area in Nova Scotia is not incompatible one with the other. Neither the Government of the Province of Nova Scotia nor the present federal Government is in the business of putting people out of work. That is not our role. I am sure it is not one the Hon. Member would support.

I think what I am saying is that on any development with respect to Westray, I am sure the consideration being given to that development is based in no small measure on that compatibility. I am a little more positive than the Hon. Member. He has some scepticism with respect to the future of the employees of DEVCO, but I do not. I have great faith in the future of coal and the development of coal mining in the Province of Nova Scotia. I have absolute faith in the capacity of DEVCO to find that type of market.

As I mentioned earlier today, DEVCO and the federal Government have in place a series of talks dealing just exactly with the concerns raised by the Hon. Member with respect to finding new long term sales opportunities.

Mr. Dingwall: On that note, I would like to ask the Parliamentary Secretary if he can confirm today whether or not the mandate for the Cape Breton Development Corporation has been changed in view of the statements made by the previous Minister of Energy, Mines and Resources when she indicated very clearly that DEVCO was not to be in the business of exporting its coal abroad. Could the Parliamentary Secretary confirm to the House that that direction is no longer being given to the Cape Breton Development Corporation?

Mr. Forrestall: Mr. Chairman, I think I can put to rest the Member's fears. When I talk about finding long-term markets, I am talking about the long term markets that will derive from the value added to that coal, and that is in the generation of electricity.

Mr. Dingwall: The Parliamentary Secretary is very clear by his answer that internationally there will not be a thrust in terms of the exporting of coal, but let me ask him another question with respect to the health services program at the Cape Breton Development Corporation. Will the Parliamentary Secretary indicate to the House why senior management, either at the behest or the direction of the Government of Canada, is attempting to delude the health services program at the Cape Breton Development Corporation, thereby reducing the number of nurses at the various stations throughout the Cape Breton Development Corporation. At one point in time it was in the position of seriously doing away with the employee assistance program. However, I am now informed it is not proceeding on that but it is proceeding with respect to downsizing the number of nurses at the Cape Breton Development Corporation. Could the Parliamentary Secretary indicate whether or not the Government has plans to change this regressive direction?

Mr. Forrestall: Mr. Chairman, I must apologize to the Hon. Member. I do not have the answer to that question. It would come as somewhat of a surprise to me if there is a downsizing of nurses as suggested by the Hon. Member. I would undertake to the Hon. Member to find the answer to that question and provide it to him at a later date.

Mr. Dingwall: Mr. Chairman, with respect to the continuous service aspect for pre-retirement leave, the Parliamentary Secretary will appreciate that coal miners at the Cape Breton Development Corporation are entitled to what they call a compassionate disability leave. Under the compassionate disability, one of the things written into the collective agreement is that one must have *x* number of continuous years of service. However, about two years ago the Government of Canada came with an early retirement incentive plan to provide older miners who worked in the coal industry an opportunity for pre-retirement. It was very clearly spelled out what the conditions were. The conditions were different from that of compassionate disability in that members did not need to have *x* number of years of continuous service with respect to the early incentive retirement plan at the Cape Breton Development Corporation. Coupled with the fact that the Supreme Court of Nova Scotia adjudicated clearly and convincingly that if continuous service is not spelled out in the collective agreement and/or the agreement reached with the Government of Canada, management then does not have the discretion to say one must have continuous service. I wonder if the Parliamentary Secretary would care to comment on that situation. There are a large number of individuals who could in effect go on pre-retirement early leave if the continuous service argument was not applicable, as it should not be applicable with respect to that incentive program.

Mr. Forrestall: Again, Mr. Chairman, I am sure the Hon. Member will appreciate my necessary response. It would be quite inappropriate for me to comment on a matter of internal responsibility such as that. Let me assure the Hon. Member that the situation is being watched very closely and his comments are not lost.

Mr. Dingwall: Mr. Chairman, I appreciate the sensitivity of the Parliamentary Secretary to these issues. Another issue which is of burning significance to a great number of employees at the Cape Breton Development Corporation is what is known as PRL, Pre-Retirement Leave which took place back in the early 1970s. I am glad to see the Minister of

National Health and Welfare has entered the House. He might want to participate in the debate since it concerns pension and pension reform. On the pre-retirement leave plan of some years ago, individuals who went on pre-retirement leave then and now, some 15 years or 16 years, have had to pay unemployment insurance premiums when in fact they could never and will never be able to collect unemployment insurance. But they must pay the unemployment insurance premiums. The unfairness and discriminatory aspects of that is that other individuals who are on pre-retirement leave, compassionate disability, and so on, do not have to pay unemployment insurance premiums.

There has been a hassle between the senior management of the Cape Breton Development Corporation and the Government of Canada as to whether they want to change that, for example, having some 267 people not pay unemployment insurance premiums any longer. I suggest with great respect that it is not a lot of money to the Government but it is a lot of money to those individuals who are on a fixed limited income.

• (1550)

I would ask the Parliamentary Secretary if he would give due consideration to those concerns to see whether or not he and the Government would be prepared to change that regressive aspect of the employee relations at the Cape Breton Development Corporation.

Mr. Forrestall: The representations are very sensibly given. I take them as such. I would be very pleased to pursue them.

Again, I must say that apart from the principle that is involved, which I do not find myself in any serious disagreement with, the matter is still very much in the jurisdiction of the corporation itself. It would be somewhat inappropriate to try to respond in a major policy way with respect to that particular question. However, I am sensitive to it.

Mr. Dingwall: Mr. Chairman, there are other issues of equal importance. However, again, I raise them for the benefit of the Parliamentary Secretary.

Some 600 individuals were not tested at the Cape Breton Development Corporation, people who made claims to the effect that they had serious hearing loss as a result of employment at the corporation. Management in its wisdom decided that in order to adjudicate, to provide some degree of fairness and to expedite those claims that it would take a number of the tests with specialists. These were local specialists. There were also specialists involved from Halifax. The management talked to Compensation officials, its doctors and what have you. It felt that it would be in a position to adjudicate those various claims.

I want to ask the Parliamentary Secretary through you, Mr. Chairman, this question. In view of the large number of hearing loss claims at Cape Breton Development Corporation, and in view of the fact that these men in many instances are one mile down, or six or seven miles underneath the ocean mining coal, and due to the fact that the new machinery has a noise volume which is rather excessive to say the least, will the Parliamentary Secretary undertake to once again look at this situation and try to have the Government adjudicate it in order to resolve these matters in an expeditious way?

I say to the Hon. Member that many of these individuals are being told by senior management people that they will have to wait not one day, not two weeks, not three weeks, not one month, but maybe five years before their claim can be adjudicated. I would ask that the Parliamentary Secretary, with due sensitivity to those concerns, respond in perhaps a positive light.

Mr. Forrestall: For the sake of those involved, I trust that the Hon. Member is not exaggerating. I have not heard any suggestion that they might have to wait up to five years. However, his representation is one that I will bring forcibly to the attention of the Minister at the earliest possible opportunity.

Mr. Dingwall: My final question, Mr. Chairman, to the Parliamentary Secretary goes back to the initial question with regard to the new coal mine in Pictou County. The Parliamentary Secretary, with his many years of experience, was able to respond that he would provide information. I understand that this is information that the Department has on file with regard to this particular matter. I sincerely ask the Parliamentary Secretary to provide expeditiously, not information which is of a confidential nature in terms of cash flow of the particular company—we are not specifically after that—but the thinking, the rationale and the full explanations that have been given to the Government of Canada, not only by senior management of the Cape Breton Development Corporation but, indeed, by the Premier's office, and the Nova Scotia Power Corporation with respect to what they are saying with regard to this particular project.

I can tell you, Mr. Chairman, union representatives have requested of the Premier written assurances that there will be no downsizing with regard to the Cape Breton Development Corporation. I want to be absolutely certain that the information that one source is getting all sources are getting, and that it is of the same quality and of the same nature. In other words, I do not want to have information which could be misinterpreted or which could be misplaced or could be questioned in another chamber.

I hope that the Parliamentary Secretary who has shown some concern here could provide that information to Members who are interested in this subject matter.

Mr. Forrestall: Mr. Chairman, I can only reiterate my undertaking of a few moments ago to do what I can with respect to information.

I can reassure the Hon. Member, as I did a few moments ago, and my colleague from Nickel Belt, that the Government is not in the business of putting people out of work. It is in the business of creating employment, employment opportunities

and economic opportunities. Coal mining in Nova Scotia is one of those opportunities.

Mr. Rodriguez: Mr. Chairman, one of the concerns of the people of Cape Breton is, of course, the level of employment at DEVCO. It is also a concern of the workers. However, there is another concern. It is to work in a safe and healthy environment.

Everyone knows that one of the dangers for coal miners, one which they live in constant fear of, is black lung disease. The present regulations provide for coal dust levels of two parts per million. However, in actual fact it is somewhere up around six parts per million—I am getting a signal that I am being a bit conservative—small "c" conservative, Mr. Chairman.

I am being signalled that it is eight parts per million in reality. Can the Parliamentary Secretary give us a commitment, since he is in a committing mood here today, that in fact greater resources will be directed toward bringing the levels of coal dust in the mines closer to the two parts per million that we have been unable to achieve so far?

Mr. Forrestall: I can give the Hon. Member this assurance. If we can get on with this stage of the Bill and increase the working capital limits for DEVCO that the management of DEVCO will have whatever pressure I can lend with respect to achieving that goal. I must say that I was not aware that it was eight parts per million. I must claim that I have no expertise with respect to the significance of the difference between two and eight. It does seem like a significant amount. I would be pleased in terms of commitment to ensure that that question is raised.

Mr. Rodriguez: If the Government had come forward with a Bill stating that we can raise the capitalization not up to $50 million but up to $100 million, and if one of the prime efforts on which we were to concentrate would be how to get that level down to two, or even to eliminate it completely, we would be more than willing to support that effort. However, I want to say that there is another effort that is important to the existence of DEVCO and to its future. That is to say the research that is going on at DEVCO in these situations with respect to carbogel, which is the coal water process. I understand that is taking place under DEVCO's jurisdiction. I understand that the corporation puts annually into that effort $1 million to $2 million. It is extremely important in terms of looking to the future.

• (1600)

Can the Parliamentary Secretary tell us if there will be any greater commitment to that research that might be reflected in a greater amount of money put into the effort of that process?

Mr. Forrestall: My information with respect to that is that the level of $1 million to $2 million is a flexible level, and that the moneys required for adequate research are available as and when needed. There was a project under consideration, and the corporation together with other institutions has been expending approximately that much on an annual basis, with some promising results.

Mr. Rodriguez: I noticed in the Estimates that in 1985-86 the Government transferred to DEVCO $160.8 million. In 1988-89 the Estimates indicate a transfer of $45 million to DEVCO. I presume that the reason it is down is because of greater productivity, greater earnings, and the downsizing of the workforce somewhat; am I correct? I see the Parliamentary Secretary is nodding.

Can the Parliamentary Secretary give a commitment to the House that should the price of coal drop, and support from the Government is needed, the Government would be prepared to contribute to DEVCO in the same amounts as it has in the past to ensure that the operation continues?

Mr. Forrestall: I have given assurances to the House, both at second reading and during the committee stage, that through this amendment the Government is demonstrating its very firm commitment to precisely the question the Hon. Member raises. When funds are necessary, as has been the practice in the past, those funds will be available in the future. The well-being and the efficiency of DEVCO and coal mining in Cape Breton is very important to all of us, and in that sense I can certainly give the Hon. Member that understanding.

Mr. Rodriguez: We hear the Parliamentary Secretary beating his chest and pleading his commitment to Cape Breton and to DEVCO. Some of the mines are in need of upgrading, for example, the Lingan mine facility and the Donkin-Morien mine. Could the Parliamentary Secretary be more specific. Does he think $25 million is enough? There needs to be a commitment to upgrading the mines. Can the Parliamentary Secretary be specific with respect to the intent of the commitment? Can he give us a figure, a commitment, to the upgrading of those two mines?

Mr. Forrestall: Let me reassure the distinguished Member that if $50 million in working requirement is not sufficient, I believe the most pleased people in the world to increase that would be this Parliament. That would mean that things were working well, expansion was taking place, and necessary modernization programs were in fact ongoing and being put in place. For the time being, I think the doubling of that is a reflection of the very significant growth at DEVCO, but more important, it is a matter of faith of this Parliament, previous Parliaments, and I trust Parliaments to come in DEVCO and its future in Cape Breton Island.

Mr. MacLellan: I wish to return to the question of employment at the Cape Breton Development Corporation. The question of a mine in Pictou County is one thing. The Parliamentary Secretary has said that he is optimistic about future coal sales and the future of the coal industry. Since the Government came into power there have been approximately 600 jobs lost at the Cape Breton Development Corporation. As

the Hon. Member for Cape Breton—East Richmond has stated, the number of employees is down to 3,400.

If that enthusiasm and confidence is in the Cape Breton Development Corporation, certainly the Government should be prepared to state emphatically that there will not be a further reduction in the job level at the Cape Breton Development Corporation, by attrition or otherwise. It is not only a question of jobs, it has become a question of maintaining the economic base of that area. Maintaining that job level is vital. As the Hon. Parliamentary Secretary knows, that industry is a cornerstone industry and it cannot afford to have further job reductions.

Mr. Forrestall: The Member will be aware that the new colliery is beginning to approach its production capacities. The downsizing has now come to an end, and I think the Hon. Member would share that view. What happens from now on can only be positive and could only result in an increase in the labour force, not a further reduction.

In the definitive sense, DEVCO is a Crown corporation that stands on its own. The management will have to answer that question. I have no sense of anything other than absolute confidence that, quite the contrary to any further reductions, there will be an increase in the workforce.

Mr. MacLellan: I grant that management has the hands-on decision as to the actual workforce in the Cape Breton Development Corporation. The reason that DEVCO is a Crown corporation is because of the economic situation on Cape Breton Island. We need the Government to have the ability to decree public policy and direct the corporation.

I wish to mention one such case which has been important, a case of which the Hon. Parliamentary Secretary has actual knowledge. It is the case of stockpiling of coal at the international piers. The Parliamentary Secretary will remember the concern that caused to residents of Sydney in the Whitney Pier area. The Parliamentary Secretary may or may not know, but the Government should certainly know that that stockpiling is taking place again. The Government gave its assurance that no stockpiling would take place. What is the Government going to do in reaction to what has obviously been a disregard for the Government's instructions in this matter.

Mr. Forrestall: Perhaps that speaks loudly for the urgency of naming a new president and chief operating officer, a matter which I hope will happen within the next several days. The situation is a very serious one. Stockpiling and the buildup of inventory will be necessary over the next two or three years as a result of a number of situations which I dwelled upon at some length in my remarks earlier today, Mr. Chairman.

The Hon. Member's comments are noted. We are very much aware of the situation, and very concerned about it. Hopefully, with the appointment of the new president very shortly, these matters can be rectified.

Mr. MacLellan: It is one thing for the Hon. Parliamentary Secretary to say that some stockpiling has to take place. The Government assured us that no stockpiling would take place because it was of very great concern to the people in the Whitney Pier area. Once stockpiling takes place, where does it stop? The Government is not saying that there will only be 20,000 tonnes stockpiled. The Government has gone from saying that stockpiling was not allowed under its previous directive to the Cape Breton Development Corporation, to now saying that stockpiling is allowed. There is infinity between the two positions. Surely the Government can at least clarify the contradiction in those two positions.

• (1610)

Mr. Forrestall: Mr. Chairman, I did not say that there would necessarily be stockpiling at the pier, I said that there would be a buildup of inventories because of the nature of markets and the capacity to deliver into a very real market on time when required. Several other factors are involved. Under certain circumstances, it is cheaper to build and hold inventory than it is to approach it in another way. That inventory buildup will probably be necessary, but it does not necessarily follow that there will be stockpiling at the pier.

Mr. MacLellan: Mr. Chairman, I would then ask the Parliamentary Secretary to look into this question and to assure the people of Sydney that stockpiling which seems to be re-emerging will in fact cease and that the Government will reinforce the directive it has already given to the Cape Breton Development Corporation to that effect.

Mr. Forrestall: Mr. Chairman, there has been no change in that policy in that regard.

The Chairman: Shall Clause 1 carry?

Some Hon. Members: Agreed.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the Bill be read the third time? By unanimous consent, now?

Some Hon. Members: Agreed.

Hon. Jake Epp (for the Minister of Regional Industrial Expansion) moved that Bill C-127, an Act to amend the Cape Breton Development Corporation Act, be read the third time and passed.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, I will be brief, because I think this Bill is a good one. However, a great deal needs to be done to the Cape Breton Development Corporation, but as far as it goes, I think this Bill can be supported.

I listened to my friend from Nickel Belt speak at second reading stage. I was surprised at the strident position that he and his Party are now taking with respect to supporting the Cape Breton industrial development division of the Cape Breton Development Corporation. We certainly could have used that support from his Party last week when this came up for a vote and members of the New Democratic Party chose to support Bill C-103 which unequivocally, without hesitation or remorse and without afterthought completely terminated and absolutely abolished the industrial development division of DEVCO.

My friend and colleague from Cape Breton—East Richmond and I realized that that abolishment was in the Bill, and we had been speaking long and hard on the injustice of doing away with the industrial development division. Certainly our Party took the position that this was completely unjustified.

The Cape Breton Development Corporation legislation was brought forward in 1967. The legislation came about because of the will of the Canadian people, through the Members of Parliament of the time. The economy of Cape Breton was in such a difficult position that not only did the coal industry in Cape Breton have to be strengthened and perhaps diversified but as well a development agency had to be set up to bring new jobs into the Cape Breton area.

That was the situation in 1967. The economy of Cape Breton is really no better off right now. In fact, the number of jobs in the coal industry has decreased since this Government took office. The Government has closed two heavy water plants, despite the assurance of the then Minister of Energy and now President of the Treasury Board (Miss Carney) that these heavy water plants would not be closed until alternate employment could be provided. However, these two plants were closed.

The Sydney steel plant in Cape Breton has reduced employment, and even though the Government seems to have approved the second phase of the modernization of Sydney Steel, this program is being delayed again and again, to the extent that one really wonders about the commitment of the Government to actually see this program brought forward.

There has been some encouragement with respect to the special investment tax credit and there has been an indication that certain industries will be locating in Cape Breton, but the actual number of jobs that have been committed to by industries starting in industrial Cape Breton has been a small fraction of the jobs that we lost. Not only have we lost jobs in the Crown corporations, but because of the downturn in the economy in industrial Cape Breton, an area with about 120,000 people, we lost other jobs as well as regional companies decided that they did not want to maintain offices in industrial Cape Breton and went to areas like Halifax. Jobs have been disappearing, to the detriment of the economy.

This Government has said that it will get the private sector to do it, that the private sector should be at the forefront of regional development. That has not been the case, however. We have seen no evidence of that at all. In fact, in the recent annual report of the Small Businesses Loans Act, a report which was over a year late, we saw that all of Atlantic Canada, four of the 10 provinces of Canada, only received 6 per cent of the total business investment loan money available under the Small Businesses Loans Act which was passed by this Government.

The chartered banks are not allocating the money which the Government has guaranteed they will not lose. If these loans are not repaid, the chartered banks are guaranteed to receive 85 per cent of the money back from the federal Government. This is a good program for the banks. They can take this money and allocate it to areas that are in economic need, but that is not what is happening. This money is not going to Cape Breton or to northern Ontario, it is going to the areas which do not need it as much, the areas where there are more companies able to raise funds on their own.

The Government is saying on the one hand that the private sector should be investing in regional development, but on the other hand, we are seeing proof in documents from the government's own agencies that that is just not taking place. As a result, we are not only losing jobs, but, because of the legislation put forward by this Government, we are losing the legislative infrastructure needed to be able to rebuild the economy.

The Government is saying that it will do away with the industrial development division of Cape Breton Development Corporation. What should have been done instead? Bill C-103, the Atlantic Canada Opportunities Agency Bill, should not have included the abolishment of the industrial development division.

● (1620)

That portion of the Atlantic Canada Opportunities Agency should have been put in Bill C-127 so that the whole question of DEVCO could have been dealt with in one Bill instead of forcing us in the Liberal Party to vote against a Bill that would give funding to Atlantic Canada. Although we find many faults with the Atlantic Canada Opportunities Agency, that was wrong. It was trying to place Members of Parliament in a position of acting against certain areas of Atlantic Canada. That is not the way industrial development is meant to be enacted.

That portion should be in this Bill so we could deal with the whole question. Nevertheless, what is being brought forward for the coal division is appropriate and much needed in view of the fact that the Cape Breton Development Corporation Act was initiated about 20 years ago. This increase from $25 million to $50 million is long overdue.

I ask the Government not to do away with the industrial development division. To do so would be to reduce DEVCO to a coal producing company, subjected to privatization which, of course, will be a consideration of the Government as all Crown corporations are, and thereby cause further unrest and concern

in Cape Breton. Surely, Mr. Speaker, this Government has caused enough economic difficulty in Cape Breton without bringing forward further uncertainty with respect to the Cape Breton Development Corporation. To do away with the industrial development division and replace it with Enterprise Cape Breton Corporation will not anywhere near compensate Cape Breton for its loss. First, the industrial development division has its own budget.

Enterprise Cape Breton Corporation will be another arm of the Atlantic Canada Opportunities Agency which already has Enterprise Cape Breton. We have Enterprise Cape Breton. Now we will have Enterprise Cape Breton Corporation. The Government is not even showing the originality of having a different name mainly because it hopes it can gradually merge the two without anyone really knowing. We feel that this is not the time to be doing away with an agency as important as the industrial development division of DEVCO.

I ask that the Government follow through in the spirit in which it is thinking with regard to Bill C-127 by increasing the allotment of the coal division, to consider further the industrial development division of DEVCO and to consider further the economic needs of industrial Cape Breton. By doing this, I am sure the Government will then rethink the position on the industrial development division and put a stop to that absolutely silly move it is making which will be very damaging to the economy of Cape Breton.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer)—Medical Research Council—Guidelines on ethical conduct of research involving human subjects; the Hon. Member for Davenport (Mr. Caccia)—Environmental Affairs—Acid rain—Damage inflicted by emissions from United States/Acid Rain—Damages suffered by maple syrup producers—Possibility of compensation—Government position; the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—Consumer Affairs—Views of Ralph Nader/Minister's position.

GOVERNMENT ORDERS

[*English*]

CAPE BRETON DEVELOPMENT CORPORATION ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. de Cotret that Bill C-127, an Act to amend the Cape Breton Development Corporation Act, be read the second time and referred to a legislative committee.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I am indeed saddened that the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan), a colleague for whom I have great respect, would actually reflect on a vote of the NDP caucus on Bill C-103. He knows perfectly well why we voted for Bill C-103. It had nothing to do with taking moneys away from the people of Cape Breton or indeed from the people of Atlantic Canada. It saddens me because we all know the way things developed in Cape Breton came about not in the last four years of the Conservative Government but came about as a result of years of Liberal rule.

The Liberals were absolutely bankrupt of any ideas other than the patronage approach of Allan J. MacEachen who moved moneys into his riding. That was their big development project. The Liberals' only approach to development with respect to Cape Breton was the shipping out of Cape Bretoners, people with fantastic capabilities and qualities. They tried to ship them out to other parts of Canada, it was an export of Cape Breton's human resources. When it comes to creative ideas for economic development in Cape Breton, in Atlantic Canada or in northern Ontario, do not look to the Liberals. It is like trying to find eggs in a cuckoo clock. You will not find any. That is why I was saddened by the comments of my colleague.

I just want to say a few words to wrap up Bill C-127. We support this capitalization program. I outlined at the second reading debate the kinds of concerns we had. We tried to reflect the concerns of the people of Cape Breton and the concerns workers of DEVCO had about its future. We tried to get some commitments. I wonder whether the Minister really knew what the Parliamentary Secretary was going to commit himself to. It is on the record. The Parliamentary Secretary was in a committing mood today. He committed everything and I must say what he committed were good things. These are not the kinds of commitments that would run him afoul of the Criminal Code or anything.

To what did he commit himself, Mr. Speaker? He committed himself that every effort would be made to reduce the level of coal dust. He said that if it meant we would have to come back, get more money and capitalization, that this Parliament—and he is quite confident—would not deny increased amounts if that is what it took to reduce the level of coal dust to the accepted two parts per million. He said that the future of DEVCO would continue. He committed himself to that. There was no plan or agenda to downsize DEVCO, to get rid

of it or to close it. That was a commitment. He committed himself that nothing would be done to jeopardize the present DEVCO operation. He committed himself that greater employment opportunities would come as a result of the capitalization included in Bill C-127. He made the commitment that nothing would be done with respect to any other investment in Nova Scotia that would adversely affect DEVCO's operation. He was just a font of commitments.

I hope now that we have the Parliamentary Secretary on the record that he will remember what he said. I hope his Minister does not follow the practice of his Leader who was prepared to say that this is the way it is today but maybe six months later say no, this is not the way it is.

We will support Bill C-127 and the commitments which the Parliamentary Secretary has made on behalf of his Minister and on behalf of the Government. They are now part of the record. We will ensure that those commitments are distributed widely in Cape Breton. We have had the past history of the Liberals, their legacy of disaster in Atlantic Canada and in northern Ontario. Now we have the Conservative commitments. They are on paper. They have been in office for four years and the people of Cape Breton will judge them.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I have a few comments before the debate comes to a conclusion. I have to say at the outset that my colleague, the Hon. Member for Nickel Belt (Mr. Rodriguez), is distorting the facts and history when he makes reference to things that have occurred on the Island of Cape Breton about who was responsible and who was not responsible. I think he clearly and succinctly told us about the lack of appreciation and understanding that his particular Party has for the development of a successful and long-lasting regional economic development policy. In particular, we know what has happened in Cape Breton in the last number of days. The New Democratic Party is running for cover. They are hiding under the tables or in the bushes. They are scared because one of their candidates very clearly agreed with the position of the Liberal caucus concerning ACOA and the industrial development division of DEVCO. We can understand, and I am sure the Parliamentary Secretary can as well, the sensitivity to bruising of the intellectual ego of the NDP.

• (1630)

Mr. Rodriguez: Who was the candidate?

Mr. Dingwall: We have to appreciate their sensitivity because we will run the hell out of them in the next federal election on that issue, not only in Cape Breton but in all of Atlantic Canada. They will have to tell us why they wholeheartedly concur with the philosophy of the Conservative Party of Canada, which is to rack in one agency their entire regional industrial development policy. That is the philosophy, that is the program, that is the intellectual bankruptcy of the NDP on regional economic development. They are sensitive and ought to be sensitive on this important issue.

Regarding Bill C-127 and its substantive provisions, let us not be drunk with delusion. Let us be very candid with one another. This does not provide new working capital, as the NDP and the Government would have you believe, to open up new coal mines in Cape Breton. It is simply a line of credit which has been increased from $25 million to $50 million. Let us not be under any illusions whatsoever that the Government is somehow kowtowing to the interests of the coal miners and the coal industry of Cape Breton. It is emphatically not.

Finally, I do not think any reasonable—and I underline that word reasonable—Member of Parliament could object to this legislation being passed. All it does is amend something that took place some 13 years ago, that being the extension of a credit line. Therefore, I give my concurrence, as does my Party and I believe other Members who have spoken about it. I hope the Parliamentary Secretary will in good faith take under active consideration the suggestions and concerns raised in this debate and try and provide at the soonest possible opportunity responses to the real human problems, real human tragedies, involving pensions, pension reform, definition of continuous service, pre-retirement leave, unemployment insurance, job losses, and the terrible insecurity and instability the people in Cape Breton feel over the prospects of the new coal mine in Pictou County. I hope he will give serious consideration to all those concerns as he indicated he would at the outset of the debate.

Motion agreed to, Bill read the third time and passed.

* * *

[*Translation*]

RAILWAY SAFETY ACT

MEASURE TO ENACT

The House proceeded to consideration of Bill C-105, An Act to ensure the safe operation of railways and to amend certain other Acts in consequence thereof, as reported (with amendments) from the Standing Committee on Transport.

Mr. Deputy Speaker: There are seven motions on the Order Paper for amendments at the report stage of Bill C-105, An Act to ensure the safe operation of railways and to amend certain other Acts in consequence thereof,

[*English*]

All of the motions are in order and each will be debated and voted upon separately. I shall now put Motion No. 1 to the House.

Hon. Jake Epp (for the Minister of Transport) moved:

That Bill C-105 be amended in Clause 13 by striking out line 6 at page 12 and substituting the following therefor:

"not exceed eighty per cent of the construction or alteration cost of".

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I am pleased to speak

for a moment on Motion No. 1, but before I do I will just give a brief summary of where the Bill comes from.

At the committee stage, which was the Standing Committee on Transport rather than a special legislative committee, we heard over a dozen witnesses from across the country, from railways to unions to municipalities and special interest groups. There were some 40 plus amendments proposed, some 30 by the Government and some dozen by the opposition Parties, all of which were accepted. We are now at report stage with seven additional motions for change.

Motion No. 1 increases the maximum federal contribution towards grade separation projects from 50 per cent to 80 per cent. There was a good lobby by the municipalities which showed it should be left at 80 per cent and thus it will be. It also changes the words "capital cost" to "construction and alteration cost" pursuant to the change made to other clauses of the Bill. The reason the motion is before us is that it required Royal Recommendation and therefore had to come back at report stage.

Motions Nos. 2, 3, 4 and 6 are technical amendments picked up by the Clerk of the Committee and the Department of Justice and the drafters, and are moved by the Government. Motion No. 5 standing in the name of the Hon. Member for Regina West (Mr. Benjamin) will require some debate and we will hear from that Hon. Member. Motion No. 7, standing in the name of the Hon. Member for Humboldt—Lake Centre (Mr. Althouse) flows out of an earlier Private Members' Bill and the Government is prepared to accept it.

I believe in general the Bill speaks to the good work done by Hon. Members.

I would certainly like to commend those Hon. Members, starting with the chairman, the Hon. Member for Annapolis Valley—Hants (Mr. Nowlan), the vice-chairman, the Hon. Member for Bonaventure—Îles-de-la-Madeleine (Mr. Gray), the Hon. Member for Thunder Bay—Atikokan (Mr. Angus), the Hon. Member for Fraser Valley East (Mr. Belsher), the Hon. Member for Regina West (Mr. Benjamin), the Hon. Member for London—Middlesex (Mr. Clifford), the Hon. Member for Moncton (Mr. Cochrane), and the Hon. Member for St. Catharines (Mr. Reid) who always works hard at committee. He attends committee meetings faithfully and always has questions.

I would also like to commend the Hon. Member for Westmorland—Kent (Mr. Robichaud) who had some very good amendments in the debate. I would also mention the Hon. Member for Bow River (Mr. Taylor) and the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin). All those Members did a magnificent job on the Bill and I think that explains why several dozen amendments were accepted.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am pleased to hear from the Parliamentary Secretary his remarks about the members of the committee. We cannot help it if we are so good.

Mr. Robichaud: It comes naturally.

Mr. Benjamin: Mr. Speaker, my Party supports the Government's intention to amend the Royal Recommendation to restore the cost sharing formula under the Railway Relocation and Crossing Act which the Bill was originally going to repeal. However, after representations from the Canadian Federation of Municipalities, members of the trade union movement and railway management, as well as members of the committee from all sides, the Government was wise to agree to restore the cost sharing formula for things like grade separation and rail line relocation.

• (1640)

I want to remind the House that, regardless which Party is in power, if we are going to do what needs to be done on grade separation alone we are looking at $200 million a year over the next five years. I know that sounds like a bundle, and it is. However, when we think of what it will save in terms of railway safety in particular and public safety in general and of the fact that we will have put that many more people to work who will pay taxes, we see that it is not all net cost by any means.

This is something which should have been started years ago. It remains to be done yet. The fact that the Government has agreed to retain the cost sharing formula from the old Railway Relocation and Crossing Act makes me a little bit optimistic. It has to do not only with the cost of safety but with the cost of roads and public safety as well.

This legislation also deals, in a somewhat indirect manner, with rail line abandonment as well as rail line relocation which also deals with maintaining maximum safety. Of all the modes of transportation railways are still the safest. When there is a train wreck it is in the headlines, but it is still the safest way to move goods and people.

The Canadian Federation of Municipalities was almost totally ignored on other pieces of legislation. I must be fair and say that the Federation of Municipalities was somewhat lax on other items of legislation. It was not before the Transport Committee when it should have been and it was left up to individual municipalities. However, on this legislation it showed up to represent all the municipalities of Canada.

The Federation made it extremely plain to the Government, through the committee, that it does not want any more transportation of goods transferred from movement by rail to movement by road. My hon. friend, the Parliamentary Secretary, will verify that the Federation was very explicit that it is in no position to provide greater funding not only for maintenance and repair but for construction of additional roadways to handle an ever-increasing amount of truck traffic.

The CPR is presently attempting to abandon 100 miles of track in southern British Columbia, the boundary subdivision.

Over 2,000 carloads a year move on that subdivision. The railroad claims it is losing money. Since a truck does not hold as much as a long railway flat car, if that rail line is abandoned it would be safe to say that 3,000 truckloads of traffic will be transferred from the rail on to Highway 3, a narrow, winding road, something which the municipalities of southern British Columbia neither need nor want.

Therefore, safety goes beyond how well railway cars are maintained and constructed and how well track is maintained. I am most pleased that the Government has acceded to the request of the municipalities and members of the committee to retain the cost sharing formula of the Railway Relocation and Crossing Act and to consider rail safety as more than just how safe railway trains operate.

You may be wondering, Mr. Speaker, what this has to do with Motion No. 1 changing the Royal Recommendation. Without changing the Royal Recommendation to restore the formula to up to 80 per cent of the cost paid by the federal Government, not a municipality in Canada would bother to put in a grade separation because they could not afford it. A small municipality could not pay 50 per cent of a grade separation which costs $5 million. It would have trouble paying 20 per cent. It would have to try to persuade the province to pay at least half of that.

A grade separation of eight lanes of traffic and a clover-leaf would cost $20 million, $30 million or $40 million. If this were required in a large municipality, the cost per taxpayer would be as great for a large municipality as for a small one. That is why I commend the Government for its wise decision to retain the cost sharing formula. I would have done more than that. The revolution has not yet arrived, but it will.

That is all I want to say on Motion No. 1. I hope that the Government will proceed to arm the respective Departments and agencies with a number of inspections and enforcement and will assist railways and railway unions to establish good functioning employee assistance programs. Members of the committee from all three Parties were not inclined to obstruct or hold up this Bill. I agree with the Parliamentary Secretary that as a result of the work done in the committee we have a better Bill. It is too bad we cannot do this on a few other Bills.

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I support the comments of two of my colleagues who spoke earlier about the exercise we had on the Transport Committee when we were considering this Bill, and I must say it was a most positive experience. We had full co-operation from all Parties, which greatly simplified the Committee's work.

Regarding Motion No. 1, to change the maximum grant level from 50 per cent to 80 per cent, I fully agree with this recommendation, especially since it applies to work on construction or alteration of grade separations. Mr. Speaker, it is a fact that most railway accidents happen at grade crossings.

This measure is therefore a very positive one, and I support it wholeheartedly, Mr. Speaker.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 1 standing in the name of the Minister of Transport (Mr. Bouchard). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 1 (Mr. Bouchard) agreed to.

• (1650)

Hon. Jake Epp (for the Minister of Transport) moved:

Motion No. 2

That Bill C-105 be amended in Clause 24 by striking out line 28 at page 21 and substituting the following therefor:

'pesticides under subparagraphs (i) and (ii);'

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, Motion No. 2 essentially involves two amendments. It changes the word "subsection" in the Bill to "subparagraphs", which is the proper technical wording that should have been used.

As well, in the French version, in reference to weeds, it adds the words: "along a line of railway", which is omitted in the Bill.

[*Translation*]

Mr. Robichaud: I quite agree. It just clarifies the terms of the clause.

[*English*]

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 2 standing in the name of the Hon. Minister of Transport (Mr. Bouchard). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 2 (Mr. Bouchard) agreed to.

Hon. Jake Epp (for the Minister of Transport moved:

Motion No. 3

That Bill C-105 be amended in Clause 35 by striking out, in the English version, line 37 at page 33 and substituting the following therefor:

'reasons therefor, after the physician or optometrist has'.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, this amendment just

adds the words "or optometrist" to the word "physician" pursuant to the evidence that was received.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 3 standing in the name of the Hon. Minister of Transport (Mr. Bouchard). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 3 (Mr. Bouchard) agreed to.

Hon. Jake Epp (for the Minister of Transport) moved:

Motion No. 4

That Bill C-105 be amended in Clause 41 by striking out, in the French version, lines 15 and 16 at page 40 and substituting the following therefor:

'Code criminel s'applique, compte tenu des adapta-'

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, this amendment removes an incorrect reference to the Criminal Code which had previously been corrected in the English version.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 4 standing in the name of the Minister of Transport (Mr. Bouchard). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion No. 4 (Mr. Bouchard) agreed to.

Mr. Les Benjamin (Regina West) moved:

Motion No. 5

That Bill C-105 be amended by adding immediately after line 38 at page 40 the following:

'44. No charge or complaint may be laid under sections 41, 42, and/or 43, except with the consent of the Minister'.

He said: Mr. Speaker, I moved this amendment as a safeguard. Even though I have disagreed with several Ministers of Transport over the years, I have found that all of them would not allow precipitous frivolous action to be taken against a citizen. That is the purpose of my amendment.

I do not hesitate to say that this Bill is far from perfect, but no one is perfect. It does not do much about railway safety other than spell out the kind of regulations the Minister or Governor in Council will be able to enact.

I want to thank the Minister and the Parliamentary Secretary for their co-operation and willingness to be guided by a higher wisdom that came from the standing committee and a number of witnesses. The Government was most prepared to listen and accept reasonable proposals, and accepted some of our amendments during clause by clause study of the Bill.

It was wise to accept about a third of the 25 amendments that the Opposition Members proposed. The other amendments moved by the Government are acceptable, as we have already shown.

I hope the Government will be equally wise in the consideration of the two amendments moved by myself and the Member for Humboldt—Lake Centre (Mr. Althouse), an amendment which he has been trying to pass in the House for a number of years.

The purpose of my amendment is to serve as a safeguard, not only for employees but also lower level management in the railroad. I realize that there are concerns that governments and Parliament should be careful about how much authority under the law they give to Ministers. It has been my experience over the years, watching ministers at both federal and provincial levels, that whenever they abused their power they did not last long. They were either kicked out by their leader or the voters.

One has to trust that a Minister in any portfolio, at any level of government, will use those powers with great discretion. Sometimes they have used too much discretion in exercising their powers.

Clause 41 of the Bill states that anyone who, among other things, violates a rule in force under Clause 19 or 20 is guilty of an offence, punishable on summary conviction. That has never occurred before in transportation legislation. We know that the implementation of these provisions is an experiment.

There is nothing in the Bill in its present form to prevent middle or senior management in a railway company from charging their own employees with violation of company rules. Do not think they would not do it. That was always the case under railway rules before.

Mr. Thacker: Mr. Speaker, with great respect to my colleague, I rise on a point of order. There have been discussions among the Parties. It is approaching five o'clock and I believe you will find unanimous consent not to see the clock so that we can finish this Bill shortly.

Mr. Deputy Speaker: Is there unanimous consent to that effect?

Some Hon. Members: Agreed.

Mr. Benjamin: Mr. Speaker, for a minute I thought the Parliamentary Secretary did not want me to finish my speech. But I know my colleagues opposite are dying to hear me.

Under the normal railway rules the railway could charge an employee, discipline him, suspend him and bar any raise. This action could only be taken under railway rules. The only other way a railway employee could be charged is pursuant to the

Criminal Code. An employee who is proven negligent in a train wreck could be charged with anything from murder to manslaughter, to criminal negligence. I have attended such court cases as a witness.

The purpose of the amendment is to protect employees, not only union employees but lower and middle management employees, from frivolous or malicious prosecutions by over-zealous employers.

• (1700)

The second major thrust of this Bill is to put responsibility for railway safety into the hands of the Minister. Railway safety is his first responsibility. The enforcement and application of the legislation is his second most important responsibility. Since the Minister is finally and totally responsible even with respect to something of which he is totally unaware, he is still responsible. If an employee was charged and taken out of service, if he lost pay and had to go to court on what was finally concluded to be a frivolous or malicious charge, then, of course, the court would find so and the employee would be reinstated with back pay and everything else. In the meantime there would have been months and months of grievance procedures, court cases and so on. All this amendment does is ask that the Minister in effect serve as a sort of final adviser to the Solicitor General as to whether or not a charge will be laid under the provisions of this Bill.

The Minister makes the final examination to ensure the change was not frivolous or malicious, and he could say so to the Department of Justice or to the Solicitor General, who would in turn pass it on to a Crown prosecutor. If a railway company on its own volition wanted to lay a charge, that is a different ball game. But under this Act, as it stands, someone in the railway itself could lay a charge. As a protection against frivolous and malicious charges, and also as a protection for whistleblowers, those who point out that such and such happened, I would ask that the Parliamentary Secretary agree with this amendment. It can not do any harm unless we have a bad Minister of Transport, and I do not think he is prepared to admit that. It cannot do any harm but it can do a great deal of good. I hope the Government will accept my amendment.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, there is no doubt about it, when the Hon. Member for Regina West (Mr. Benjamin) lays an amendment down, it receives serious consideration because he has had many years of experience in transport, having worked for the railway himself, and he brings a great deal of expertise to this area. I have sympathy for his goal in the sense of him wanting to be able to block the railway companies from maliciously laying charges where he feels it is not appropriate. However, there are some problems with the motion which would state that no charge or complaint may be laid except with the consent of the Minister. Even as late as today I spoke again with the officials in the Department of Transport, who have given the matter a lot of thought. I spoke again personally with lawyers from the Department of Justice. We believe on balance that the problems that would be created by this type of consent being required of the Minister before a charge could be laid overrules the interests the Hon. Member for Regina West is trying to cover.

There are, according to the officials, very few cases where a political screen is put in before a charge can be laid. That in a sense is what the amendment does. There is one, I gather, in the Official Secrets Act, but that is a matter of high state treason and high state policy under the Canadian Security Intelligence Act. Another example of where it is used is with hate literature under the Criminal Code of Canada. These are very major actions and processes involving the very essence of the state whereas this is a Railway Safety Act. Therefore, the feeling is that it would be unusual to add to this normal statute, if you will, a similar type of political screening.

The normal rule is that the matter would be investigated by the police and by the safety inspectors. Provincial attorneys general might play a role. The federal Attorney General might play a role. However, it is felt that to give that power to a line department Minister, on balance, would be unwise. I ask Members to vote against my friend's amendment even though we respect what he is trying to do. I think there would be other remedies, perhaps in the court itself. Malicious prosecution would be available, perhaps with the court costs.

There would certainly be a remedy through the collective bargaining agreement. If management were to abuse this privilege, there is no doubt there would be hundreds of grievances laid down in other areas. There are all sorts of remedies under the collective bargaining agreement. I think that would be sufficient and I am, therefore, asking Members to vote against the amendment proposed by the Hon. Member for Regina West.

Mr. Deputy Speaker: Is the House ready for the question on Motion No. 5, standing in the name of the Hon. Member for Regina West (Mr. Benjamin)?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

Mr. Benjamin: On division.

Motion No. 5 (Mr. Benjamin) negatived.

Mr. Deputy Speaker: The next question is on Motion No. 6.

Hon. Jake Epp (for the Minister of Transport) moved:

Motion No. 6

That Bill C-105 be amended in Clause 44 by striking out line 36 at page 42 and substituting the following therefor:

"Referred to in paragraphs (1)(a) to (g) or (i) shall".

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, briefly, this amendment corrects the reference in subsection 44(1) to enable the payment of remuneration and allowances to a representative of the public on the Railway Safety Consultative Committee. In the way it was drafted, the public members could not be paid and that is not what we had intended.

Mr. Deputy Speaker: Is the House ready for the question on Motion No. 6 standing in the name of the Minister of Transport (Mr. Bouchard)?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion No. 6 (Mr. Bouchard) agreed to.

Mr. Deputy Speaker: The last question is on Motion No. 7.

Mr. Vic Althouse (Humboldt—Lake Centre) moved:

Motion No. 7

That Bill C-105 be amended in Clause 106 by striking out line 4 at page 63 and substituting the following therefor:

"seventy-five thousand dollars.""

He said: Mr. Speaker, the story behind this amendment began, I guess, in my experience five or six years ago when several of my constituents reported a problem with a fire that had occurred along the main line of the CPR. There were three farmyards that suffered fire damage as a result of a fire that had escaped from the property of the railway.

• (1710)

The farmers made inquiries about compensation. There were several outbuildings burned, one farm and some haystacks at another. The total damage was in the vicinity of $45,000 to $50,000 in terms of property and feed destroyed. They found the CPR very accommodating. They also found that no matter how accommodating everyone was to settle this matter, there was only $5,000 to distribute between the three people who had suffered losses. Thus they received approximately one-third of $5,000 each for an accumulated loss in the area of $50,000.

The problem I found when they complained to me about it was with respect to Section 338 of the old Railway Act. As a consequence I moved and prepared a motion which, luckily, was drawn and debated in this House which reads in part:

That this House recommend that the Government give serious consideration to amending Section 338 of the Railway Act to provide for increased compensation for victims of fire set by railway operations in order to reflect current replacement costs on items lost through property damage.

Subsequent to a short debate that motion was passed unanimously by the House. Since the Railway Act was recently opened up, I again approached the Government to remind it that it was the will of the House that that particular section be changed to reflect 1986 or 1987 costs. Since it is now 1988 we presume it would reflect 1988 costs, since this $5,000 limit has been in place in the Railway Act since 1903. As the House will know, one dollar in 1903 would buy at least 14 to 15 times more than it will buy today. As a consequence it was suggested that the $5,000 be raised to $75,000 as per this amendment.

There were some subsequent negotiations to attempt to provide an indexing component to this amendment. However, it was found to be very difficult to do something in that order. Thus I fear that subsequent Members of this House 40 or 50 years from now may find that they are having the same difficulty that my constituents had. However, at the moment we are bringing it up to debate with this amendment so that not only will justice be done for those people who have fires in the next year or two, but in fact we will be complying with the wishes of the House of Commons as declared in a motion some years ago.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, the Government is prepared to accept this amendment. This shows that once again Private Members of Parliament can be important in making public policy.

With respect to indexing in the future, it is also because of parliamentary reform that it is possible for a Member in a year or two to put forward an amending Bill that would increase this amount. It may well get on the votable list subject only to the financial restriction of the Royal Recommendation.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is on Motion No. 7 standing in the name of the Hon. Member for Humboldt—Lake Centre (Mr. Althouse). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Speaker: I declare the motion carried.

Motion No. 7 (Mr. Althouse) agreed to.

Hon. Jake Epp (for Minister of Transport) moved that the Bill, as amended, be concurred in.

Motion agreed to.

Mr. Deputy Speaker: When shall the Bill be read a third time—

Some Hon. Members: Now.

Mr. Deputy Speaker: By unanimous consent, now?

Mr. Benjamin: At the next sitting of the House.

Mr. Deputy Speaker: Is the Hon. Member for Regina West (Mr. Benjamin) rising on a point of order?

Mr. Benjamin: Mr. Speaker, my House Leader is not available. I do not think that I have any authorization or instruction to agree to complete third reading of this Bill. I am not sure if one of my colleagues knows either. We agreed to complete report stage—

Mr. McDermid: And third reading.

Mr. Benjamin: I just said that I am not sure what the deal was among the House Leaders. I do not want to make a mistake and get shot down in the next caucus meeting.

Mr. Thacker: Mr. Speaker, I rise on the same point of order. I can assure my colleague that it is my clear understanding that there was an all-Party agreement to finish third reading today. I am taking the hook off the Hon. Member and putting it on myself.

Mr. Deputy Speaker: Shall the Bill be read a third time, by unanimous consent, now?

Some Hon. Members: Agreed.

Mr. Epp (Provencher (for the Minister of Transport) moved that the Bill be read the third time and passed.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Mr. Speaker, very briefly, I wish to thank members of the committee for the very good work that they put into this Bill. This is part of an overall reorganization of the Department of Transport. It started with Bill C-18, Bill C-19, Bill C-21, Bill C-52, and Bill C-105, which is the final step that will go before the Standing Committee on Transport. It is the Standing Committee that really has done yeoman's service on the part of all three Parties in getting this whole reorganization on transportation law through as public policy for the country.

I always feel that the back-benchers do not receive the credit that they deserve. In this Parliament alone there have been almost 200 bills passed. Yet none of those Bills can get through unless ordinary Members of Parliament sit for hours and hours in committees hearing hundreds of witnesses and then make recommendations to the House as a whole. Back-benchers do not receive enough credit from the public of Canada. I believe that they deserve it.

I am thanking the Members who have worked so hard and diligently on the Standing Committee on Transport.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, I welcome this opportunity to comment briefly on Bill C-105. Again, there was full co-operation on both sides when this Bill was considered in committee. The measures proposed in this Bill are long overdue, and it is too bad the accident at Hinton happened before we started this exercise. Mr. Speaker, I welcome the inclusion in this Bill of many of the recommendations of the Foisy Report, such as providing for rest periods, which is already being done. The report's recommendation for a new safety mechanism instead of the dead man's brake has also been implemented. The new system requires some kind of activity in the locomotive compartment, and otherwise the train stops automatically. So this measure has already been put into effect.

Judge Foisy also recommended including a provision that already exists under the Aeronautics Act, namely that physicians disclose any potentially hazardous condition an employee may have. The Bill acts on this recommendation as well. This is a very important measure, Mr. Speaker. The legislation would apply to designated categories of employees. When the employees consult their family doctor, if according to the latter, the patient has a condition that would be a threat to safe operations, he will have to point this out to the medical authorities of the railway company.

We did have some reservations and we wanted to be sure that in this case, the employee would be the first to be notified.

During our discussions in committee, committee members agreed to amend the Bill to ensure that reasonable steps were taken to first inform the person concerned, the employee.

This Bill also tells us that inspection, compliance, and enforcement of railway safety standards will be improved by granting broader powers to inspectors. What the Government does not tell us is that the present number of inspectors is probably not quite adequate. To ensure that safety is taken seriously, the Government will have to provide the necessary funding to employ inspectors in sufficient numbers so that they can carry out their responsibilities. This is definitely a priority, Mr. Speaker.

The report published on the use of drugs by railway employees is a clear indication that we must proceed with certain measures, and everyone seems to agree, employers, unions and workers. I consider it essential that assistance programs be set up for employees who are addicted to drugs or alcohol. That is why, Mr. Speaker, I proposed an amendment to Section 18 of the Bill, which was intended to establish and finance such programs. After discussion in committee, the proposal was reformulated and accepted. I believe that this amendment, Mr. Speaker, was most positive.

The environment is also a subject of concern to everyone; it is of great concern to the members of my party, Mr. Speaker. This Bill may also have an impact on the environment and that

is why I have suggested some amendments. For example, paragraph 24(1)(*e*) of the Bill concerns the removal of trees, brush and weeds on railway lines. I have suggested that alternatives to chemicals be used for this purpose.

I consider this matter to be very important, Mr. Speaker, and I thank the members of the Committee for having kindly accepted this recommendation.

• (1720)

[*English*]

I also propose that Clause 41 of the Bill be amended in order that heavier fines would be levied in cases of contravention. This was also approved by the members of the committee.

Another matter the committee agreed upon was to ensure that there would be good representation of all concerned groups on the new railway safety consultative committee. This was also agreed to by all members of the committee.

The committee also agreed to retain Section 1 of the Railway Relocation and Crossing Act. Committee members have received numerous representations from municipalities across the country concerned about the loss of section 1. Again, the committee agreed to incorporate this Section in the present legislation.

Over-all the introduction of this legislation, including the measures relating to drug testing, have received widespread support from almost everyone concerned. The task force composed of government officials, the unions, and the railroads did a very good job collaborating with one another and coming out with fairly good proposals for change. All in all, outside of a few measures, the Liberal Party has no problem in supporting this legislation.

As I stated earlier, we will be keeping an eye open to ensure that the Government provides adequate funds to undertake the level of inspection necessary to police the various measures brought forward in this legislation.

Mr. Les Benjamin (Regina West): Mr. Speaker, I am inclined to say a few words. Initially, I planned on only three minutes, but the Parliamentary Secretary made the mistake of mentioning Bills C-18 and C-19. That revived some bitter memories. He should not have mentioned them. I will not dwell on those at any great length, I promise.

Under the current regime of privatization, deregulation, the trade deal, et cetera, whether it is in the private sector, the public sector, or the Government, everybody states that safety will not be compromised. We have heard that from day one. We heard it as far back as the days of the late unlamented Otto Lang when he was Minister of Transport.

Mr. McDermid: I hear he is coming back.

Mr. Benjamin: Not if I can help it he is not. He is going to try in Saskatchewan, and that is NDP country now.

In terms of rail safety or transportation safety, inspection, maintenance, enforcement, and all the aspects that go into safe public transportation, it does not matter whether it is privately owned, publicly owned, or a combination of both. It does not matter whether it is privately owned in a municipality, or by a municipality, or a provincial government, or a national government. All of them are a public utility, which everyone has to use directly and indirectly. Therefore, no matter what the regime, a national Government has a responsibility that is unavoidable and which it cannot evade.

There have been moves in good directions. This Bill is one of them. The Aviation Safety Board, Accident Investigation Board, is a good move, even though it might have some problems at the moment. There are other areas in which Government and Parliament have moved. But it is not enough to say in a law that there will be adequate inspection and enforcement, that safety will not be compromised unless the law is truly implemented.

I have seen no great moves by the Government or the previous one to increase the number of inspectors, or increase the training of inspectors. In the crucial area of aviation safety we are desperately short of air traffic controllers. It takes three to five years before they are competent to be a controller on their own. We are short of air traffic controllers. All the positions such as air traffic controllers, train dispatchers, locomotive engineers are high stress positions and have to do with safety. They do not have to do with competence. Yet we find a strange dragging of feet on employee assistance programs.

Before I leave the safety matter, I wish to mention that yesterday afternoon I received a long-distance phone call from a lady in Alabama. She is still trying to find out how and why her son was killed in the Gander crash. What does one say? The only thing I can send her at the moment is an article in today's *Maclean's* magazine. None of us on either side of the House have a darned thing yet that we can say. Her Congressman and Senator have been getting absolutely nowhere. They have been getting roadblocked in the U.S. administration because Canada is not yet ready to tell them anything. She has made appeals to the U.S. Army, and I understand that she may have written to the Government of Canada.

• (1730)

The Aviation Safety Board must conduct inquiries with complete freedom and independence. It must also set up separate inquiries within an over-all inquiry. I know that that is the case. There may be an inquiry into icing and de-icing with another inquiry going on about engine failure, and a third one going on about fire on board the aircraft if forensic evidence points to people being dead or unconscious before the crash occurred.

I understand that there is some kind of disagreement or fratricidal war going on about that particular inquiry with the Aviation Safety Board. I hope the Parliamentary Secretary

will tell the Minister to sit down with those people and tell them to get their act together, complete the investigation and ensure that it is more than thorough.

I want Hon. Members to remember and reflect upon the outfit that owned that particular DC-8 aircraft. It was a bad operator. Goodness knows how many times it was charged and fined by the Federal Aviation Administration in the United States following the 1977 deregulation. Deregulation means that the most reputable, safe carrier in any mode, rail, air, or road, is forced to cut corners and to cheat in order to compete. That is why there must be an equity of treatment, enforcement and inspection in all modes of transportation. We cannot do it to one and not do it to the other. This means that the Government has to put in place, by my estimation, 300 to 400 more inspectors for rail, air, marine and road safety.

We have made some great advances in this area, but every year I look in the Estimates for an increase in inspectors. Every year I see that the number of inspectors will stay the same or will be decreased because of person-years or the amount of money available.

The proof is in the pudding. There has to be more bucks there. If the Minister of Transport (Mr. Bouchard) is having problems with the President of the Treasury Board (Miss Carney) or the Minister of Finance (Mr. Wilson), I invite him to take not only his own colleagues but Members of the Opposition into his confidence and we will all kick them around.

If there is any one increase in taxes that taxpayers will not object to and will in fact applaud, it is an increase in taxes because of increased expenditures in transportation safety, inspection, enforcement and maintenance requirements. I have yet to find a taxpayer, even the most right-wing, wild-eyed Tory, who would object to a few bucks a year more in taxes to do that. The Government need have no qualms about increasing expenditures in that area because there will be no objection from the Canadian people. I said that transportation companies are public utilities, and they are, no matter who owns them.

I would like to say a word about employee assistance programs. During committee hearings, debate and when we discussed the Bill clause by clause, the discussions about the abilities of employees, competent, experienced, trained journeymen, in whatever capacity, got shifted to nothing but alcohol and drug abuse. That is the impression one got. However, there is more to it than that. I think the first priority should be to have employee assistance programs for stress.

If there is stress on the job or off the job which one cannot help but carry to work, it affects one's ability to carry out one's duties because other things are on one's mind and it can also lead to increased use of alcohol or drugs. I think that one is subsequent to the other. I would hope that the Minister would sit down with the railway management and the railway brotherhoods to help them reach a mutual agreement on an employee assistance program.

We can take as a model the program of the Chesapeake and Ohio. We heard a witness from St. Thomas, Ontario, and another from Cleveland, both involved in that railway operation, and we found that that operation has an excellent program which could be a model for our country, not only in the railway sector but in other modes of transportation.

The Minister needs to provide facilities, encouragement, persuasion, arm-twisting and anything else he has to do to have the railway management and the railway brotherhoods reach such a mutual agreement, whether it is a part of a collective agreement or is a separate document. However they want to do it is up to them, but it must be put in place. It can then serve as a model not only for rank and file employees but for management as well in a host of other industries.

Air Canada has in the main set the example for maintenance, safety, inspection and training. It has always been a leader. In fact, it has received international awards on two or three occasions, as I recall, because of that corporate leadership and its efficiency in its dealings with its employees, though there is the odd strike which will happen once in a while.

I want to illustrate the danger the Government will have to face up to when it comes to deregulation. A reputable carrier, whether it be CNR, CPR, Air Canada or Canadian Air International, is faced with competing with other outfits.

• (1740)

Some new companies have just started up, fly-by-night operations. They face international competition. CP, CN, Air Canada and Canadian Airlines have always had a standard higher than the minimum required by the Government of Canada or the regulatory agency. What we have done now is forced them to bring their standards down to what the Government minimum is. These companies need to be applauded for maintaining standards which are higher than the minimum requirements. Under the kind of regime this Government wants and what is going on south of the 49th parallel, those days are numbered unless and until the Government shows with funding and by example that no carrier publicly or privately owned will be allowed or will be tolerated which does not maintain maximum standards of maintenance, repair, inspection and all the other things that go into the safety of public transportation.

Let me illustrate what position our railroads are now put in because of deregulation. The transportation annex to the trade agreement got dropped, thank goodness. But, under deregulation, Canada will now allow competitive line rates. They are against the law in the United States. An American railroad can then come into Canada, siphon off business from CP and CN under competitive line rates, but CP and CN are not allowed to do the same in the United States. What are those two Canadian railroads to do? They will cut costs. They have to. They have been left no other choice. Two reputable corporations have been left no other choice but to cut costs.

When they cut costs, they cut corners and when they cut corners they cut safety. That is the inevitable result with this ideological hysteria and hypnotism of the Tories about deregulation. We are going to go full circle. Mark my words, Mr. Speaker. I plan on being here for several more years. You will see the Government of the day whether it is Tory, Liberal or NDP go full circle and reinstate regulations to make these corporations do what they refuse to do under deregulation or were not allowed to do under deregulation.

Sometimes you need to have regulations, not to stop corporations from doing something, but to make them do something. There is a great deal of difference. I do not think that is Government on somebody's back by having regulations that make corporations do something. It makes them do something in the interests, not only of efficient and safe transportation, but in the interests of the travelling public and in the interests of safety.

I hope the Government does not think that with this Bill it can rest on its laurels. We will be watching the Estimates very carefully. We will be rising to ask questions in Question Period when there is a shortage of inspectors. We will be raising Cain in the committee and in the House when it is obvious that safety, maintenance and inspection standards have not been complied with or are not at a level where the public can feel as safe as it is possible to feel.

We agree that this legislation should pass today. We hope the Government will proceed with total accident and safety regulations for all modes of transportation with an accident investigation board which covers rail, highway, marine—the whole ball of wax. On the committee I, for one, am prepared to work at this and to work hard. The quicker the better. Let us not rest on this Bill. There is a lot more to be done.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Question.

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

Some Hon. Members: Agreed.

Motion agreed to, Bill read the third time and passed.

Mr. McDermid: Mr. Speaker, I rise on a point of order. It being 14 minutes before the hour of six o'clock, I would like to call it six o'clock on the understanding that the Private Member's Motion to be introduced and debated later today by the Hon. Member for Drummond (Mr. Guilbault) will remain in the same place and be discussed on Thursday of this week.

Mr. Deputy Speaker: Is there unanimous consent to call it six o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Is there unanimous consent to allow the motion of the Hon. Member for Drummond (Mr. Guilbault) to keep its place in the order of precedence?

Some Hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, I want to address the problem of those Members of Parliament who are speaking in the Adjournment Debate and who have 15 minutes to get here. I take it that the House will respect the order of those Members, namely, the Hon. Member for Etobicoke—Lakeshore (Mr. Boyer), the Hon. Member for Davenport (Mr. Caccia) and the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—

Mr. Epp (Provencher): He and I are here, Mr. Speaker.

Mr. Gauthier: If the Minister is going to answer, then I will sit down. This is an exceptional circumstance.

Mr. Deputy Speaker: If the House agrees, we will proceed with the first Member listed for the Adjournment Debate and if the second Member is not here, we will adjourn for a few minutes.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

MEDICAL RESEARCH COUNCIL—GUIDELINES ON ETHICAL CONDUCT OF RESEARCH INVOLVING HUMAN SUBJECTS

Mr. Patrick Boyer (Etobicoke—Lakeshore): Mr. Speaker, I asked the Minister of National Health and Welfare (Mr. Epp) some days back about the guidelines on research involving human subjects, because just at that time the Medical Research Council of Canada had adopted a report dealing with that subject. This document is extremely timely because it raises central issues respecting the protection of human life in society.

The Medical Research Council accepted the report which I hold here as the MRC's guidelines on research involving human subjects. It requires all research funds to be in compliance with these guidelines.

By way of introduction, let me briefly make a few comments about this report and the guidelines. First, it is very clear that this document, and the members of the Medical Research Council Standing Committee on Ethics in Experimentation who authored it are experts in the subject. They come from diverse backgrounds reflecting medical, legal, ethical, theologic, and scientific backgrounds. No one can take lightly the conclusions they come to in the report. I would defer personally to any of them on this subject. I do not raise this subject in

Parliament as an expert but simply as a concerned Canadian who sees many straws in the wind and an historic opportunity to weave those straws together into something new, a human life Act.

This document further sets out a fundamental principle on page 12:

> The Standing Committee believes that the basic ethical principle in research, as in health care, is respect for life. From this principle flow others: the concept of autonomy, the duty to beneficence, and the duty to justice.

From the principles one quickly gets into the practicalities. We find, for example, on page 32, with regard to research with fetuses and embryos, the following:

● (1750)

> At this time, the legal status of embryos and fetuses is not well-defined, nor is the social consensus. While issues of consent and autonomy may not therefore apply, clear ethical concerns arise from the inarguable fact that embryos and fetuses are human life forms.

Finally, I would refer to page 11 of this document which gave rise to my question to the Minister wherein the standing committee states its belief as follows:

> ... at this time the use of Guidelines within the current body of law is sufficient to reinforce the ethical conduct of research with human subjects.

The significant phrase there is "within the current body of law". It is at this juncture that I submit the Medical Research Council of Canada and those adopting this approach of guidelines only in this difficult area of human experimentation are perhaps pushing an empty wheelbarrow. To say that guidelines will suffice within the body of existing law is to refer to something that truly does not exist. The existing body of law in this area is clearly unsettled.

That is why I advocated on February 4 in this House the formation of a new federal statute which I call the human life Act. It would draw together in a single statute all aspects of intentional intervention in the human life cycle.

It would deal not only with the question of abortion, which is so galvanizing this country and this Parliament these days, but with other questions such as genetic engineering, surrogate motherhood, euthanasia, and on and on the list goes. The newspapers are full of it. *The Toronto Star* of March 29, 1988 had an article headlined "Genetic Tests Open Scary World of Super-Species". The subheading is "Gene-Splicing Promises Society Huge Pay-Offs, But Others Fear Biological Chaos".

We even have the religious press replete with concerns expressed on this subject. For example, the April issue of *The United Church Observer* had a series of articles under the general heading "Manufacturing a Miracle". One week after I called for a human life Act, the West German Government announced plans to ban research on human embryos, outlaw surrogacy, and curb artificial insemination. The new legislation will forbid surrogate motherhood, production of human embryos for research, measures allowing the choice of a child's sex in artificial insemination, and attempts to breed mixtures of humans and animals.

We have the Canadian Coalition for Reproductive Technologies seeking a royal commission on this subject. It states in its documents that as a society we are not ready to pass laws and that we need first to do the necessary research and engage in a broad, informed national debate. That debate is under way, and I want to see it brought to the floor of the House of Commons in new legislation that can encompass all these questions. The debate will take place this summer at the Fifty-Seventh Couchiching Conference, a well-known national forum for dialogue on public issues. That conference will deal with biological engineering, a blessing or curse.

I have been in touch with David Suzuki who popularizes questions of scientific research in this country. He has gone back to the whole question of genetic engineering and what the Nazis were busy with under the guise of science in Germany in the 1930s. That had as its dimension on one hand the elimination of millions of people, and on the other hand the biological efforts to create a master race. In a letter to me dated May 10, David Suzuki says:

> I think you've raised a very important issue and I agree we must not get bogged down on abortion alone. We have acquired great manipulative powers that take us into completely uncharted territory. I believe we need a Royal Commission to look at the issue.
>
> Please press on with your efforts.

Be it a royal commission, be it Bill C-107 dealing with patenting forms of human life, be it the report of the Law Reform Commission, I have much more on this subject that I want to bring forward in the discussion. However, given my limited time, I call upon the Government to take a broader initiative at this time and set all this discussion in the framework of a new human life Act.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am sure it is evident to the Hon. Member as well as others that one cannot address this issue in any depth in the three minutes I have, but I can make one or two points, and that is the purpose of my being here.

First, I want to commend the Hon. Member for his initiative and leadership, not only bringing this issue to the House but also for his efforts in the promotion of a human life Act.

Second, the MRC guidelines are not the first Canadian examination of these issues. It is important to note that this area is moving very quickly for us as a society and as members of the human race. Guidelines are important and they are a good piece of work; they flow from national agreements as well as the summit conference on bioethics which was held in April, 1987. The findings from that conference were taken by the Prime Minister (Mr. Mulroney) to the Venice Summit a month or two later. No matter the political, ethical, social, or religious make-up of nations, how do we deal with these issues is the question.

The Hon. Member made a very telling point, that the guidelines stress the fundamental importance of respect for human life as the key principle underlining the decisions by researchers and research ethic boards alike, and the difficult

ethical decisions intrinsic with human subjects. In conjunction with the guiding principles of justice and of beneficence, this principle, as implemented through the practices developed in these guidelines, ensures that priority in research ethics will be given to protection of human life.

While that assurance is there, I do not think that is a complete answer. The reason I say that that is for the last two years plus is that I have been meeting with groups and asking: "What do we do with respect to developing medical technology? Is our moral and ethical position keeping pace with technology?"

I have said for some time, quite apart from the abortion question and the January 28 decision of the Supreme Court, that I feel personally—and it is difficult for a Minister to put it in that context, but I know the Hon. Member will know what I mean—that we have to explore the possibility of either a royal commission or a ministerial task force to broaden the base and come together as Canadians with a medical system which is considered one of the best in the world, concerning the ethics regarding the preservation of life that are as important a factor as medical technology, experimentation, or the medical breakthroughs we all celebrate.

I cannot go much beyond that other than to commend the Hon. Member and others in this House who have similar viewpoints on the need to explore these questions over the broad range which the Member has brought forward, and I thank him for that.

ENVIRONMENTAL AFFAIRS—ACID RAIN—DAMAGE INFLICTED BY EMISSIONS FROM UNITED STATES/ACID RAIN—DAMAGES SUFFERED BY MAPLE SYRUP PRODUCERS—POSSIBILITY OF COMPENSATION—GOVERNMENT POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the subject matter is acid rain tonight and specifically concerns the ineptness of the present Government in dealing with Washington. On the one hand one must recognize that the Government of Canada, in the last four years, has completed in a satisfactory manner the negotiations with provincial Governments on the reduction of acid gas pollution. In that way it completed the work initiated by the Liberal Government in 1983-84.

• (1800)

One must conclude at the same time, with a sense of regret, that the foreign policy of the Government on acid rain has been a series of mistakes and failures. We will recall that in 1985 the Prime Minister (Mr. Mulroney) raised the expectations of Canadians by emphasizing that he had a special relationship with President Reagan in Washington and that, on the basis of that special relationship, he would resolve the bilateral problem between Ottawa and Washington and obtain a commitment from the U.S.A. to cut its transboundary pollution.

In 1986 the Prime Minister made a fatal mistake by agreeing to and applauding the recommendation of the acid rain envoys to launch a clean coal technology program over the next five years in order to accelerate a process of research and demonstration projects south of the border.

I say that was a mistake. The Prime Minister's position on behalf of Canadians should have been that in the United States they should do what they want to do and what needs to be done, but that that which counts for us in Canada is the pollution which comes across the border, and that we want the Americans to join in the signing of the international protocol in Helsinki which requires signatories to cut SO2 pollution by at least 30 per cent by 1993.

Having raised expectations in 1985 and given the wrong signal to Washington in 1986, we come to the 1988 Summit and the purpose of my question today. Why at this stage, on the eve of completing the fourth year in office, did the Prime Minister, the Secretary of State for External Affairs (Mr. Clark), and the Minister of the Environment (Mr. McMillan) not prepare a bill for damages which we incur yearly as a result of this transboundary pollution?

We have now entered a new phase. We have evidently given up on the special relationship with Washington. We have seen very meagre, if any, results flowing from the clean coal technology program announced and endorsed in 1986. It is, therefore, only sensible to conclude that in the fourth year of the administration, having seen no results from the special relationship and the clean coal technology program, Ottawa would have to use language which is understood in Washington, that is, the yearly presentation of a bill which would indicate the damage caused to Canada by the million of tonnes of pollution which crosses the border into Ontario, Quebec, and the Atlantic provinces.

It is for that reason, that I asked this question and prodded the Government. I asked it to prepare such a bill in anticipation of the summit to indicate the damage to our maple sugar producers, the damage to buildings and structures, and the damage to the Muskoka and other resorts, where the losses are reasonably easily quantifiable, where tourist traffic has been affected by the acidification of lakes which has killed the fish in those lakes. The bill should indicate the damage incurred in the growth of our forests, particularly in eastern Canada, as a result of this acidification of soil. It should indicate the damage caused to forestry, to fisheries, and, in some cases in southwestern Ontario, to agriculture.

I admit that in some cases the calculation of the damage may not be easy, while in some cases it may be readily available. Nevertheless, the effort must be made. In this respect we have not developed, even within Environment Canada, the necessary skills because of the cuts in person-years that have been applied as a result of the freeze on its budget. Environment Canada has not even kept up with inflation.

• (1805)

Tonight I want the Parliamentary Secretary to answer in the House the question I asked the Prime Minister. Why is

Canada not getting to the point of developing the necessary knowledge and preparing a yearly bill for the damage being caused to our natural resources, to our tourist industry, and to all other facets of Canadian economic and natural resource activities, which it can present to Washington so as to demonstrate to the Americans that we mean business, that we are suffering damage and want compensation. I believe that is a reasonable request, in the fourth year of this administration.

Mrs. Pauline Browes (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, the federal Government is committed to finding a real and lasting solution to the serious environmental and economic damage being caused by acid rain. That is why our Government, unlike the previous Government, has implemented major emission reductions in Canada and has pressed the United States for targeted, mandated emission reductions necessary to stop damage to the Canadian environment.

I want to remind Hon. Members that this Government has been very clear in identifying to United States decision makers and the American public the costs, both environmentally and economically, related to acid rain damage.

More than 350,000 lakes in eastern Canada are vulnerable. Approximately 150,000 lakes have acidity levels at which detrimental effects begin to occur. Some 14,000 have already been acidified, which means they are essentially devoid of normal aquatic life.

More than 50 per cent of eastern Canada's forests grow in areas where rainfall is acidic. More than 80 per cent of all Canadians live in areas where acidic deposits exceed acceptable levels.

In addition to these environmental costs, economically, acid rain is endangering the natural resource base in an area of eastern Canada that measures about 2.6 million square kilometres. This resource base sustains approximately 8 per cent of Canada's Gross National Product and some 250,000 jobs.

We estimate that the annual value of acid rain damage in Canada at approximately $1 billion.

We have told the Americans that we will accept nothing less than an agreement which includes specific emission reduction targets and timetables that will reduce the transboundary flow of sulphur dioxide from the United States into eastern Canada to about two million tonnes in a time frame compatible with our own control program.

If the Hon. Member is suggesting that Canada should be prepared to accept something other than the reductions required to protect our environment, that we might accept money rather than reductions, then I can only say to the Member that the Canadian environment is not for sale at any price. Submitting a bill implies that when it is paid the obligation has been met in full. This Government cannot and will not give the United States a way out of its internationally recognized obligation not to dump its garbage in its neighbour's yard. This Government is not prepared to sell the Canadian environment, at any cost, as a toxic waste dump site for continuing U.S. acid rain emissions.

• (1810)

CONSUMER AFFAIRS—VIEWS OF RALPH NADER/MINISTER'S POSITION.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise today with respect to a question I put to the Minister of Consumer and Corporate Affairs (Mr. Andre) who is often referred to in this place as the Minister responsible for corporate affairs. On August 19, I asked the Minister a question about the high cost of prescription drugs. The Minister, in his wisdom or lack of it, responded in this way, and I quote from *Hansard* at page 8202:

> In Canada we have medicare, and we have social safety nets. Eighty-five per cent of the population is covered by drug plans, including virtually 100 per cent of senior citizens. No one who receives welfare goes without drugs. We have a tremendously beneficial health care system to which Bill C-22 is a positive addition.

This was said by the Minister of Consumer and Corporate Affairs for the Government of Canada. I wish to read into the record a letter I recently received from an individual:

> I am writing you concerning the price of prescription drugs. I am a fifty-five year old woman with angina, my husband is a retired veteran on a fixed income, he cannot pay for my drugs on what he receives, and I'm not suppose to work; but had to take a part-time job to pay for my pills. When I started to take "Cardizen", the price was a little over $44.00; now the price is $93.89. The price goes up every two to three months, soon at this rate I won't be able to pay for them with what I make. I cannot get help for this as I'm not old enough.
>
> I am including a copy of my prescriptions from April 4, 1987 to April 11, 1988. There is no reason in this world why the price should go up that much. As far as I'm concerned, it is out and out robbery. I'm bringing this to your attention in hopes that you can do something about it.

That is the kind of letter we in Parliament have been receiving since the Government passed Bill C-22. Both in substance and in its effects, the Bill is causing havoc among those Canadians who do not have the necessary funds to pay for prescription drugs. As was alluded to in previous debates in this House and in committee, the Government has been challenged very vigorously and enthusiastically by Canadians, such as those in the United Church, the Royal Canadian Legion, and six provincial Governments across country. Senior citizens *en masse* have challenged the Government of Canada that it ought not to proceed with this particular legislation and have indicated that Canadians from coast to coast would have to pay for higher drug prices.

The Government has refused to listen to the calls that have come from all corners of the country. It has reacted in great haste, notwithstanding the enthusiastic opposition we put up in this House, to facilitate multinational corporations in their profit margins while the health of Canadians has been jeopardized.

I want to ask the Parliamentary Secretary to explain to Canadian people the rationale for increasing the price of the drug a 55 old woman with angina takes from $44 to $93.89. That is not a 10 per cent increase, nor a 20 per cent increase; it is close to a 102 per cent increase. Is this the justice, the sacred trust, the Right Hon. Prime Minister (Mr. Mulroney) talked about in July, 1984? Or, is this nothing more than a sham that is being put to Canadians by a Canadian Government which seems to be in bed with the multinational corporations?

• (1815)

I suggest, with great sincerity and great respect to you, Mr. Speaker, that Canadians have judged the Government and the actions and words of the Prime Minister. They will come to cast their final judgment in the next federal election. First and foremost on their minds will be the Government's attempt—in fact reality—to sock it to Canadians, to hose Canadians with higher drug prices.

I would have thought that the Minister of Consumer and Corporate Affairs would have regarded his responsibilities as being first and foremost to Canadian consumers. Obviously, that is not his intention. His intentions are to facilitate the profit margins of the multinational corporations, laying aside the health of Canadians and the costs that they will incur in the ensuing weeks, months, and years ahead.

It is unfortunate for a Member to rise in this House to condemn the Government of Canada and all its Members who have aided and abetted this particular process and who have done so without concern for the dignity of those individuals such as the ones I have referred to this afternoon. I hope the Parliamentary Secretary can zero in and focus her attention on this very needy concern for those individuals in Canada who have to pay higher drug prices.

[*Translation*]

Mrs. Lise Bourgault (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I am pleased to answer my colleague, especially since I would like to come back to the nub of his question to the Minister concerning Ralph Nader, who as you know is well known as an ardent consumer advocate in the United States.

Indeed, Mr. Speaker, the Prime Minister (Mr. Mulroney) answered Mr. Nader's open letter and in his reply, he clearly stated that the Government of Canada does not set policy based on the recommendations or interests of Americans or of any other country. That is clear. The policy surrounding the drafting of Bill C-22 was made in Canada by Canadians. Furthermore, Mr. Speaker, this policy was made necessary as a result of a commission of inquiry on the pharmaceutical industry in Canada.

People tend to forget. The Hon. Member forgot to mention that his own party, the Government of which he was a distinguished member, had stated that the Drug Patent Act was obsolete and that it had to be changed even if, and I mean even if, it would be hard to get the legislation through.

Mr. Speaker, that is not hard to understand. The Liberals did not have the courage to make this amendment to the Drug Patent Act. They did nothing and we, the Conservative Government, were the ones who had the courage to bring in a bill meeting the needs of all, Canadians as well as drug consumers. The Hon. Member should keep in mind that 85 per cent of beneficiaries in Quebec, and in Canada, have part of their drug costs covered under Medicare and other programs.

The Bill also states that we have a board called . . .

[*English*]

The changes to the Patent Act also created the Patented Medicine Price Review Board to ensure consumer protection during the period of market exclusivity given by Bill C-22, and indeed throughout the entire patent life of a drug.

[*Translation*]

Mr. Speaker, that is clear. The Minister answered the questions raised by our hon. colleague adequately, I think, as he always does, and we agree with him on one point, namely that consumers are entitled to protection and that we are protecting and will continue to protect them; that this party, this Government, is aware of this matter; that the Hon. Member who spoke has done nothing about it. He should congratulate us rather than raise such questions.

[*English*]

The Deputy Speaker (Mr. Danis): The motion to adjourn the House is deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at two o'clock.

The House adjourned at 6.21 p.m.

HOUSE OF COMMONS

Wednesday, May 18, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

PANEL RULING ON BEEF IMPORTED FROM EUROPE

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in 1986, on a complaint by Canadian cattle producers, the Canadian Import Tribunal ruled on the importation of subsidized beef from the European Economic Community and imposed a countervailing duty on these imports.

Now a panel from the General Agreement on Tariffs and Trade has ruled that Canadian cattle producers cannot bring a complaint against the EEC because they produce cattle, not beef. Where I come from beef is not manufactured by supermarkets, it comes, believe it or not, from beef. I do not know what the EEC GATT panel members were smoking, but it certainly was not Canadian tobacco.

Canadian cattlemen, together with their counterparts in Australia, New Zealand, and the United States, have now asked the Governments of their respective countries to intervene. I urge the Canadian Government to amend the procedures at the GATT at the next round in order to ensure that ridiculous decisions like this are not rendered in the future.

* * *

INTERNATIONAL MUSEUMS DAY

DISCUSSION PAPER ON FEDERAL POLICY

Mr. Barry Turner (Ottawa—Carleton): Mr. Speaker, there are over 2,000 museums in Canada serving Canadians in all parts of the country. They include small community museums which preserve the memories of our forefathers, and internationally renowned institutions, the collections of which vividly remind us that Canada's heritage is part of the world's heritage.

• (1405)

Today the Minister of Communications (Miss MacDonald) released a discussion paper to stimulate public consideration of federal policy and program proposals for Canadian museums.

Next Saturday, Canada's new world-class National Art Gallery opens its doors to the public. Next month will feature a major international exhibition of the works of Degas.

In June the National Aviation Museum opens its new building to showcase Canada's national aviation collection.

I invite all Canadians to join in the celebration of our museums and the contribution they make to the lives of all of us on this, International Museums Day.

* * *

INDIAN AFFAIRS

LUBICON LAKE BAND—REFERRAL OF LAND CLAIMS TO COURT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, the Minister of Indian Affairs and Northern Development (Mr. McKnight) has continually stonewalled Lubicon Lake Indian attempts to settle their land claims in northern Alberta. Now the Minister has thrown the question to the courts where it can drag on for years.

This comes at the very time when the Alberta Government and the Lubicon band had agreed on the need for a mediation tribunal.

The action of the Minister indicates a failure both of leadership and of good faith. Instead of acting in the interests of Lubicon people, the Minister has worked against them. He has been their adversary instead of their advocate.

He refused to act on an all-Party committee recommendation that the Honourable E. Davie Fulton, a former Conservative Justice Minister, be asked to mediate the dispute. By placing this issue in the courts at this time, the Minister has guaranteed that there will not be a just and mutually acceptable settlement.

The Lubicon will not accept the imposition of any settlement that does violence to their idea of themselves as a people and that divides families in the way that the Minister has proposed.

I call on the Government to withdraw this case from the courts and work toward a mediated solution, providing justice for the Lubicon people.

S. O. 21

CANADIAN NEWS HALL OF FAME

ADMISSION OF DOUGLAS CREIGHTON

Mr. Reginald Stackhouse (Scarborough West): Mr. Speaker, the admission of Doug Creighton to the Canadian News Hall of Fame recognized not only an outstanding journalist, but, through him, all members of the working press.

Long before Douglas was head of a corporate empire, he was a newsman himself, as a police reporter, sports reporter, and managing editor.

His initiative as a founder of the Toronto *Sun* was an example of that entrepreneurial confidence which in recent years has renewed the Canadian economy and the Canadian spirit. Canada will always grow when it has citizens with this courage and creativity.

* * *

AGRICULTURE

DROUGHT IN WESTERN CANADA

Mr. Maurice Foster (Algoma): Mr. Speaker, the drought situation in western Canada continues to worsen daily and still the Government refuses to act. It is the driest spring in western Canada in 99 years. Sloughs, which no one can remember ever being without water, are dry.

Last weekend I visited the Milk River Ridge area of southern Alberta. Pasture lands are dry and bare with no grass for grazing. Dug-outs are dry with no water for livestock. Hay and feed supplies are dangerously low for cattle herds. Farmers are delaying planting because there is not enough moisture to germinate seeds. Still the Government refuses to act in the face of the prospect of the worst drought since the 1930's—a total disaster for thousands of farmers.

I call on the Minister of Agriculture (Mr. Wise) to stop stalling and announce an action plan to provide emergency assistance to farmers for emergency water and feed supplies for livestock, a long-term drought mechanism, and an expanded long-term water storage program.

* * *

SPORTS

MEMORIAL CUP—CONGRATULATIONS TO MEDICINE HAT TIGERS

Mr. Bob Porter (Medicine Hat): Mr. Speaker, I want to extend my annual congratulations to the Medicine Hat Tigers, winners of the 1988 Memorial Cup.

The Tigers defeated the Windsor Spitfires 7 to 6 in the final game on Saturday, May 14.

As well as winning two Memorial Cup Championships in the past 12 months, five members of the Tigers played for the Canadian team that won the gold medal at the World Junior Championships in Moscow.

Best wishes to the team, George Maser, Russ Farwell, coach Barry Melrose, and team announcer Bob Ridley. While there may be a drought in western Canada, the Canadian junior champions are still reigning in Medicine Hat!

* * *

CANADIAN BROADCASTING CORPORATION

COURT DECISION ORDERING REINSTATEMENT OF ROSANN CASHIN

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, the Federal Court of Canada has ordered the CBC to reinstate Rosann Cashin and give her back-pay. I am pleased to see that decision.

What was Ms. Cashin's offence? Was it poor work? No. Failure to have objectivity? No. Having a high profile spouse? That is true, but not the whole story. Her real crime was that she uses the same name as her husband.

• (1410)

It is very important for Canadian women not to suffer this discrimination, that they be able to pursue their careers and not be barred from jobs because they have the same name as their husband. Many Canadian women do. Many couples share the same double-barrelled name. That is life at the present time.

I urge the CBC to respect this decision and not pursue its foolish appeal to another stage, and that it reinstate Rosann Cashin and let her get on with her job.

* * *

[*Translation*]

BY-ELECTIONS

CONSTITUENCY OF LAC-SAINT-JEAN—FORMER UTTERANCES OF LIBERAL CANDIDATE

Mr. Gilles Bernier (Beauce): Mr. Speaker, the federal Liberal candidate for the June 20 election in Lac-Saint-Jean, Mr. Gimaïel, said in this House on January 29, 1982, as reported on page 14479 of the Official Report of the *Debates*: "If the development of individual Canadians is to be achieved through socialization, the Liberal Party can be socialist. If the development of individual Canadians is to be achieved through a turn to the right, by more private enterprise, the Liberal Party can move to the right. If, to promote our development, the Liberal Party thinks we have to be communist, we will be

communist. This is what being a Liberal means. Liberals are open to all ideas." That is what Mr. Gimaïel said.

On the weekend, his leader, Mr. Turner, promised him a Cabinet position. To date, he has promised 72 Cabinet posts and the election campaign has not yet begun. However, for sure 22 Liberal Members sitting here today, Mr. Speaker, who betray and challenge their leader will never become ministers, according to Mr. Turner. There is growing discontent in the federal Liberal caucus.

* * *

FREE TRADE

POSITION OF NATIONAL FEDERATION OF CONSUMER ASSOCIATIONS OF QUÉBEC

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, to be more serious, unlike the Conservative Member . . . The *Fédération nationale des Associations des consommateurs du Québec*, which in May 1987 supported the Government's free trade proposal because it then believed that consumers would save money, announced yesterday that it was withdrawing its support and it called this Free Trade Agreement a "lemon."

First, it is a "lemon" because studies that it has conducted show that consumers will pay more with this Free Trade Agreement. Second, Quebecers and all Canadians are not assured of lower electricity and telephone rates as they have now. Third, the Quebec Consumers Association wonders who will pay for the $2 billion of income they will lose? The Consumers Association asks people to oppose the Free Trade Agreement signed by the Prime Minister of Canada.

* * *

BY-ELECTIONS

CONSTITUENCY OF LAC-SAINT-JEAN—LIBERAL CANDIDATE

Mr. Marcel Tremblay (Québec-Est): Mr. Speaker, Mr. Gimaïel is a man in the mold of the federal Liberal Party, a man without critical ideas or philosophy or direction, an irresponsible man who seeks power for power's sake and who doesn't care how he achieves that goal.

Mr. Gimaïel has already been promised a ministerial appointment, and like his Party, if he is given a chance, will let himself be influenced by polls, pressures from right or left, from the East or the West, from inside and outside this country.

The Leader of the Opposition and his Quebec lieutenant probably overlooked this when they forced him to run to defend what is left of a party that is so divided.

However, now that you know the political risk involved, you have a duty to demand the withdrawal of Mr. Gimaïel's candidacy, otherwise Canadians will conclude that this candidate is indeed cast in the same mold as the Liberal Party of Canada.

* * *

[*English*]

EDUCATION

REBUILDING OF COLLEGE MATHIEU AT GRAVELBOURG, SASK.—CALL FOR FEDERAL ASSISTANCE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, last weekend most of College Mathieu at Gravelbourg, Saskatchewan, was destroyed by fire. College Mathieu is the only French language boarding school in western Canada. The college is important to the well-being of the entire community of Gravelbourg and to Francophones throughout western Canada. Its importance is in part recognized by the fact that the college has been designated as a heritage site in Saskatchewan.

The directors of College Mathieu have already received assurances that special provincial assistance will be available for the rebuilding of the school. However, more funds are urgently required.

In recent weeks the Prime Minister (Mr. Mulroney), the Minister of Justice (Mr. Hnatyshyn), the Minister of Indian Affairs and Northern Development (Mr. McKnight), and other federal Ministers have promised to provide the Francophone community in Saskatchewan with meaningful federal support. I suggest that an offer of immediate assistance to rebuild College Mathieu would be a clear sign that the Prime Minister and his colleagues meant what they said.

* * *

• (1415)

YOUTH

HIGH SCHOOL DROP-OUT RATE

Mr. John Gormley (The Battlefords—Meadow Lake): Mr. Speaker, I am personally concerned about the need for a concerted approach to deal with the employment issues facing Canada's youth.

Our Minister of State for Youth (Mr. Charest) has spoken recently of a pending national youth strategy. He should be supported in his efforts to bring this plan to national prominence.

While youth unemployment has dropped from 18 per cent to 12 per cent, the Canadian high school drop-out rate is still

approximately 30 per cent, the second highest rate in the industrialized world.

At present our country spends over $3 billion on unemployment insurance, welfare, and training programs for the young.

I believe it is time to establish and promote a unified approach which links classroom courses, on-the-job training, life skills education, and federal-provincial co-operation. We need a national will to keep kids in school, and show our young the value of education and meaningful work.

* * *

[*Translation*]

UNEMPLOYMENT INSURANCE

SOUTH-EAST NEW BRUNSWICK—REQUEST THAT 10-WEEK QUALIFYING PERIOD BE RETAINED

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, the Minister of Employment and Immigration has announced that from now on, the people of southeast New Brunswick, in the districts of Kent, Westmorland and Albert, will need sixteen weeks of insurable employment to qualify for unemployment insurance instead of the usual ten weeks. This will make life very difficult for people in the southeast, many of whom already have trouble finding ten weeks' employment.

Mr. Speaker, the unemployment rate in my region is still very high. According to Statistics Canada, it was 16.2 per cent in March and still over 12 per cent in April. Furthermore, the bankruptcy of *Pêcheurs unis des Maritimes* has added to the problem. Jobs will become even scarcer, and people will have even more trouble qualifying for unemployment insurance. I therefore ask the Minister of Employment and Immigration (Mrs. McDougall) to consider these factors and to maintain the ten week qualifying period.

* * *

NATIONAL MUSEUMS

TRIBUTE TO BUILDERS

Mr. Claude Lanthier (LaSalle): Mr. Speaker, a view from the Peace Tower of the urban landscape around our Parliament Buildings cannot but fill us with pride when we see the magnificent buildings housing the impressive new museums that will further enrich our Canadian cultural life. Mr. Speaker, I invite Hon. Members to pay tribute to these outstanding achievements of our architects, engineers and technicians and the Department of Public Works which so ably directed the construction of these buildings.

These impressive monuments which are also an investment in our national heritage are so many feathers in the cap of a department that tends to shun the limelight but plays such an important role in a Government that builds for the future of this country.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—PROVINCIAL JURISDICTION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister for International Trade who, in defending his trade deal, is acting as though giving away provincial jurisdiction to the American Government is a perfectly reasonable course of action. Never before has the Canadian Government in a trade negotiation caved in to foreign Governments by deliberately stripping provinces of their jurisdiction.

I want to ask the Minister to admit, as is the fact, that the Americans want him to override Canadian provincial jurisdiction in areas that go far beyond alcoholic beverages. Will he confirm that the trade deal as he proposes to achieve it steps on provincial jurisdiction over minimum prices of energy, national treatment of services, automobile insurance, agriculture, forestry, mining, construction, regional and industrial development incentives, real estate marketing, and engineering? Will he admit that?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, if the hon. gentleman was correct, I would certainly be worse than Rasputin.

Some Hon. Members: Oh, oh!

Mr. Crosbie: With respect to the question, which is not a question really but just a list of misapprehensions, the position is this. We cannot strip the provinces of their jurisdiction. The United States cannot strip the provinces of their jurisdiction. No one can strip the provinces of their jurisdiction over anything.

The Hon. Member is the justice critic for the Official Opposition. He knows that ultimately all those questions would be in the hands of the courts of the country, as they have been since 1867.

It is a ridiculous suggestion that the U.S. Congress is trying to urge us, or is attempting itself, to strip the provinces of jurisdiction. Under our system no one can strip them of one shred of jurisdiction that they now have. We are certainly not attempting it.

We have been most solicitous of the provincial jurisdiction, far more of course than in the period from 1980 to 1984 when, for four years, the hon. gentleman's Government spent their time trying to strip the provinces not only of their jurisdiction but of their resources and everything else they could think of.

• (1420)

[*Translation*]

REQUEST FOR EXPLANATION WHY WATER RESOURCES ARE NOT EXCLUDED FROM AGREEMENT

Hon. Bob Kaplan (York Centre): Canadians want to know what will be the real impact of this trade agreement.

Could the Minister explain why water is not excluded? Why should the Government give the United States unlimited access to our water resources? Will the Minister confirm that Canadian negotiators tried to exclude the sale of water resources from the trade agreement and that at the last minute, because of U.S. pressure, water resources were included?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, this is so silly and so jejune that one hardly knows how to attempt to answer. How can one answer such a silly question as that?

Water is not even the subject of a provision of the U.S.-Canada Free Trade Agreement. The hon. gentleman can rest easy; no one is attempting to cut off his water, or anyone's water in Canada.

FORTUNE MAGAZINE ARTICLE

Hon. Bob Kaplan (York Centre): Mr. Speaker, we have repeatedly raised in the House an interview that the Prime Minister gave to *Fortune* magazine in March, 1985. That article states: "Mulroney is so ready for the leap that he is prepared to sell some of his country's abundant fresh water—a shocking thought in Canada . . .

Mr. Epp (Provencher): That is not a quote.

Mr. Kaplan: It is a quote from the article. This is what *Fortune* stated: " . . . If a proposition makes economic sense and would help relations between the countries, he says", and *Fortune* quotes, "Why not?"

Are we then supposed to believe what the Minister is telling us today, or what the Prime Minister said in 1985?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I do not know anything about Leaders being ready to take the leap, but certainly the hon. gentleman's Leader is not ready to take the jump that he and his colleagues attempted to urge him to take.

Mr. Kaplan: Answer the question.

Mr. Broadbent: Pretty funny.

Mr. Crosbie: Oh, they do not like to hear that. The hon. gentleman is becoming uneasy. They might get the habit in the NDP.

Mr. Speaker: Perhaps the Hon. Minister could complete his answer.

Mr. Crosbie: With reference to the hon. gentleman's question, yesterday the hon. gentleman referred to *The Wall Street Journal*. That was somewhat more relevant than a magazine article of three years ago. He should bring his reading more up to date in order that he can get more fanciful questions for the House.

* * *

INDIAN AFFAIRS

LUBICON LAKE BAND LAND CLAIM—LEGAL PROCEEDINGS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, my questions are directed to the Minister of Indian and Northern Affairs and they relate to his decision to refer the Lubicon Lake Indian Band claim to the courts. The Minister has decided to launch legal proceedings against both the Government of Alberta and the Lubicon Indian Band.

Why is the Minister relinquishing the leadership role that he ought to play in pursuing a negotiated settlement of this outstanding claim? Has he forgotten altogether that he has a constitutional trust obligation to Indian people? Why has he abandoned the other avenues of action that are open to him?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, the Hon. Member recognizes a constitutional responsibility. It is for that very reason that the decision was made to ask the court for assistance in settling this entitlement which, as the Hon. Member knows, has gone on since 1940.

When the Government came to office in 1984 it actively became involved in attempting to bring about a negotiated settlement.

The Government of Canada has asked Alberta to provide land quantum, to provide a reserve for the Lubicon people, and the quantum was assessed with the knowledge that we had at that time as to the numbers of people involved.

I met with the chief of the Lubicon Lake Band and his advisers, and asked to have negotiated settlements. Preconditions were put on negotiations with the Lubicon, and Alberta did not respond to the request of Canada to fulfil its constitutional obligations under the 1930 Act. Therefore, to fulfil our responsibility we had to seek the court's assistance in this matter.

• (1425)

PROPOSED MEDIATION PROCESS

Mr. Keith Penner (Cochrane—Superior): Mr. Speaker, this certainly must be regarded as a slap in the face to Premier Getty of Alberta. I give Premier Getty full marks and a good

deal of credit because he met with Chief Ominayak and they agreed to a mediation tribunal process. Less than two weeks ago the Premier said this in the Alberta Legislature:

> I hope we can convince the federal Government to allow a tribunal like this to proceed. We are trying to convince the federal Government that this tribunal system will work.

I want to ask the Minister again why he is ducking his political responsibility and letting this matter go to confrontation in the courts?

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, it would seem strange that Alberta would need a tribunal to assign land which is already the property of Alberta to the Lubicon Lake people.

Mr. Penner: Tell it to Premier Getty.

Mr. McKnight: It would seem strange that Chief Ominayak would not agree to a binding decision of the tribunal if he wished the tribunal to work. It also seems strange that I have not had any contact with the Government of Alberta in any pro forma way that would allow me to understand the tribunal put forward.

I find the actions we have taken are consistent with Canada's commitment and obligations to fulfil entitlement to the Lubicon Lake Band to the best of our ability. The only avenue left to Canada, after attempting to negotiate since 1984 on a claim which has been outstanding since 1940, was to ask the court for assistance in this matter.

* * *

[*Translation*]

OFFICIAL LANGUAGES

BILL C-72—PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. Everybody knows there is a lot of opposition in the Conservative Caucus to Bill C-72. In February, the Deputy Prime Minister indicated that the Government would accept some minor changes, but yesterday, Conservative Members produced twenty-five amendments. Obviously, they are out to destroy this Bill, not improve it. Does the Prime Minister of Canada agree, yes or no?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I agree that Bill C-72 should be adopted and the principles contained in this Bill approved by the House. That amendments are suggested to improve the Bill is not out of the ordinary. That is why we have parliamentary instruments, including committees, to improve bills as much as possible. In fact, I can say that we are the first government since 1969 that has made improvements to the Official Languages Act. I think this is to the credit of the Government and this Parliament.

[*English*]

PASSAGE OF LEGISLATION—PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister said outside the House in March that his priority was to get this Bill passed. Everyone in the House of Commons, no matter where he or she sits, whether in the Conservative caucus, the Liberal caucus, or the NDP caucus, knows that if you have 25 amendments to a Bill, whatever their substantive content, the purpose is to destroy legislation, not simply to improve it.

Some Hon. Members: Oh, oh!

Mr. Broadbent: The Prime Minister knows that the Government plans legislation on Meech Lake, a comprehensive trade bill, conflict of interest legislation, and many other important matters. How can he possibly live up to his commitment to pass this important language legislation on a priority basis and deal with 25 amendments at the same time?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this is quite an interesting dichotomy. Every time the Conservatives present amendments to a Bill it is to destroy it; any time the NDP bring in amendments it is to improve the legislation!

Some Hon. Members: Hear, hear!

• (1430)

Mr. Mulroney: Mr. Speaker, we have important pieces of legislation. Bill C-72 is one of them. I have not seen the proposed amendments.

An Hon. Member: You should take a look at them.

Mr. Mulroney: We will take a look at them if they are in the nature of improving the Bill.

Bilingualism is a very noble concept. Its promotion is very important and it requires all the persuasive talents of which we are capable to persuade Canadians of its value.

We ought to avoid partisanship and we ought to avoid brutality with regard to this important and sensitive issue. What we are trying to do is bring forward a piece of legislation that I hope my hon. friend will be able to stand up, support, and applaud.

With regard to other pieces of legislation, indeed Bill C-72 is a priority, free trade legislation is a priority, and Meech Lake is a priority. We hope to be able to consider the matter of abortion. We have an important series of items to be dealt with, including tax reform. In light of that, I hope we can get complete co-operation from the Leader of the NDP and his colleagues.

NUMBER OF PROPOSED AMENDMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, on related matters, the Prime Minister well knows we gave our support

for co-operative action of Meech Lake. That is why we had only three amendments. We have agreed to the Bill in question, Bill C-72, on this side of the House. It is the other side of the House that is holding up the Bill.

Could the Prime Minister cite one example in parliamentary history when a Party that was seriously committed to passing a Bill has brought in 25 amendments yet not setting out to destroy it? Can he give me one example?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I understand that the Hon. Member for Essex—Windsor of the NDP brought in over 70 amendments to the Investment Canada Act.

Some Hon. Members: Oh, oh!

Mr. Broadbent: We opposed it.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Broadbent: You are making our argument.

[*Translation*]

BILL C-72—NATURE OF GOVERNMENT'S AMENDEMENTS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to get back to Bill C-72, on Official Languages. It seems that the number of amendments that will be proposed by the Government is quite substantial. Apparently, there will be more than twenty.

I would like to ask the Prime Minister to inform the House about the nature of these amendments. We want to ensure that they will not take the Bill back to prehistoric times . . .

Mr. Speaker, perhaps you could call the House to order so that I can ask the Prime Minister to inform us about the nature of the amendments . . .

An Hon. Member: . . . out of order!

Mr. Guilbault (Saint-Jacques): . . . it is not! Since the Government is going to present these amendments, Canadians have a right to know what they involve.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I don't have the amendments here and I haven't seen them. The Bill is before the parliamentary committee. If I am not mistaken, amendments will be presented by a number of Members on this side of the House and also by the Official Opposition, by the Hon. Member for Ottawa—Vanier.

Am I right? Well, We'll see!

An Hon. Member: We'll see!

Mr. Mulroney: He says we'll see. I suppose we can assume the Hon. Member for Ottawa—Vanier is exercising his rights as a Member here in the House, just like the other Members.

What I find surprising is that his colleague, right next to him, didn't know he had any amendments.

CONSEQUENCES OF AMENDMENTS TO BE INTRODUCED

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I would like to ask the Prime Minister to stop playing stupid and tell us outright what the nature of these amendments are, not what Joe Blow wants but what his Government wants to change in the Official Languages Bill.

Could he at least give the House the assurance, and that is my question, that the multitude of amendments his Government intends to propose will in no way change the fundamentals of Bill C-72?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, obviously the Hon. Member doesn't like Joe Blow, but I kind of like the fellow. The Hon. Member is talking about amendments but I haven't seen them. They will be presented at the appropriate time, like the amendments of the Hon. Member for Ottawa—Vanier.

I have said on several occasions, and I say it again today, that the Bill is important, that the principles it contains will be protected, and that the integrity of the legislation is being strengthened. I hope that with the help of the Hon. Member from Montreal, we will be able to advance further the vital cause of bilingualism in Canada, and do so in a climate devoid of any partisanship and on a higher plane than the one suggested by the Hon. Member.

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—
PROVINCIAL LABOUR LAWS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister for International Trade. He received bouquets from Ken Harrigan, President of Ford Canada, who complimented the Government on the free trade proposal.

Some Hon. Members: Hear, hear!

Mr. Shields: Bob White must be on the phone.

Mr. Blackburn (Brant): Wait for it.

Mr. Murphy: The reason is quite obvious because Mr. Harrigan went on to say that he had concerns about provincial laws, overtime, pensions, workers' compensation, and workplace safety. Will the Minister not agree the reason Mr. Harrigan supports the trade initiative is that he is now able to avoid those provincial laws which protect Canadian workers?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. Member knows full well that the U.S.-

Canada Free Trade Agreement has no connection whatever with provincial laws that might or might not apply in the field of workers' compensation or any of these other programs. Nor does it affect in any way social security programs and regional development. The hon. gentleman and the other members of the Official Opposition who go around giving out these outrageous falsehoods are lucky that they were not made of wood like Pinocchio, or the same result would occur.

PROTECTION OF WORKERS

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister for International Trade may want to tell jokes, but the people in Oakville are concerned about the replacement of their plant in 1992. Mr. Harrigan said it may not be profitable as long as there are provincial laws protecting workers, and such things as overtime and workers' compensation.

Mr. McDermid: Tell Bob Rae to ask Peterson that question.

Mr. Murphy: People are concerned about the tariff protection being removed by free trade. Will the Minister rise in this House and explain how those people will be protected when that tariff protection is taken away?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I happen to have visited Oakville. I do not know when the hon. gentleman last visited there, but I visited the Ford Truck Plant in Oakville on Monday and I found a surprising receptivity among the members of the CAW who have not all been brainwashed by Bob White or the Leader of the New Democratic Party.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Would you like to have a vote there?

Mr. Crosbie: I might say that all across Canada I find people wondering why the Leader of the New Democratic Party wants $8 billion in investment in Oshawa from General Motors but does not want to see that kind of investment anywhere else in Canada, and fights against it for the rest of Canada.

* * *

[*Translation*]

HEALTH

AIDS—RISKS TO HEALTH

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of National Health and Welfare and once again concerns AIDS.

As I said yesterday, two years ago a committee of this House recommended launching a major campaign against AIDS to promote research, education and health care. The resources subsequently allocated by the Government were clearly inadequate and did not reflect the advice our committee received from eminent experts and physicians.

I find it hard to understand why the Government bothers to call in these experts if it subsequently rejects their recommendations. My question to the Minister is this: Why is the Government taking such risks with the health of Canadians?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Government is not ignoring the advice of experts with respect to AIDS. That is why the Government has the National Advisory Committee on AIDS.

I think it is my responsibility when public statements are made, either by members of that committee or for that matter by Members in this House, for example, that money was not available and that the committee could not meet so I could get further advice. My officials have checked that out both with the Chairman, Dr. Norbert Gilmore from Montreal, as well as with the secretariat. That is not the case. Despite that we have been analysing the recommendations made by the Royal Society on testing, for example. I am sure the Hon. Member knows that because he is a responsible Member. He knows that there are very serious implications with any recommendations, pro or con, with respect to testing. We are following the advice and are looking at it very closely.

• (1440)

I think what is at issue, and the Hon. Member did not ask about this, is the matter of funding for the recommendations that have been made. That goes back to the statements I made both in the House and outside it, and reconfirmed yesterday by the Prime Minister in the House, that is, that the Government is looking at funding for those recommendations. As I said yesterday, those announcements will be made in due course.

PARLIAMENTARY COMMITTEE RECOMMENDATIONS

Mr. David Berger (Laurier): Mr. Speaker, I have seen the new study that has been produced by the Royal Society, but I remind him again of a study by a committee of this House which was done over two years ago. The sum total of the Government's actions did not meet the thrust of the recommendations and the sense of urgency that the committee of this House tried to convey two years ago.

I have little confidence, and I wonder why Canadians should have confidence today, that the Government will deal with a problem which could be perhaps the most pressing national health problem of the 1980s.

When dealing with a problem which has been described—

Some Hon. Members: Question.

Mr. Speaker: The Hon. Member will want to put his question.

Mr. Berger: When dealing with the problem which this committee describes as having the potential of becoming a national catastrophe, how can the Minister justify several years of little or no action? How can he justify committing such meagre resources when we are talking about the most pressing public health problem of the 1980s?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, again this has to be put in context. The Royal Society's report is one that I commissioned. We spent $250,000 on the report, so to characterize the report as showing that in some way the Government did not care about AIDS nor did not want information about AIDS is not the case.

I am obviously aware of the committee report. It was at that time that the Government came forward with a five-year plan, and $39 million which has been mentioned as well.

Yes, we have to spend more money and I have said that publicly. There has been public education through the Canadian Public Health Association and the Emergency Drug Protocol. We have sent out over 2,500 copies of this, and anyone can look at what has been done here. Comparing what emergency drugs are available in the United States, for example, with those available in Canada, we rate well there.

I do not think that those are the issues. Yes, the Government must move further, but I think the issue we must deal with is that of education. Canadians must take personal responsibility about AIDS. They must accept the message of the Government and of health care workers, which is that they can protect themselves against AIDS if they take certain personal actions. I think that message as well should be put into this mix, and the Government has done that.

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MINES AND MINING

DECOMMISSIONING OF MADAWASKA MINE MILL SITE NEAR BANCROFT, ONT.

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Mr. Speaker, my question is for the Minister of State responsible for forestry and mines. The decommissioning of the Madawaska Mine mill site near Bancroft may end as early as November of 1988. Can the Minister tell the House which level or agency of government will be responsible for any subsequent remedial work and monitoring of this site?

The decommissioning of the Madawaska Mine mill site does not include all of the tailing ponds, nor does it seem to include the Greyhawk properties east of Highway 28. Local residents ask why these properties are excluded, what will happen to them in the future, and which levels of government will be responsible.

Hon. Gerald. S. Merrithew (Minister of State (Forestry and Mines): Mr. Speaker, the Hon. Member for Hastings—Frontenac—Lennox and Addington is absolutely correct. There has been a request of AECB to decommission that particular site by November 30. I might mention that our regulatory agency handling issues of this nature does set conditions. We have negotiated with the province concerned and in fact with all provinces on this matter, and there is a proposal before the Ontario Government with a proposed MOU regarding that particular site and others around it.

Discussions are taking place now. The Hon. Member can be assured that we have inspected those sites personally and that we will actively pursue this particular issue.

* * *

HEALTH

AIDS DISEASE—PUBLIC EDUCATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question, which is directed to the Prime Minister, also concerns the question of AIDS. We agree with the Minister that the major issue is education.

The advice of the Royal Society was: "In the absence of an effective vaccine or treatment, educating the public about the nature of the disease must be the mainstay of efforts to retard the spread of the AIDS epidemic". Two weeks ago the Prime Minister said that this is a most important societal problem, one deserving urgent action and the urgent devotion of national resources.

Since the Canadian Government spends only $750,000 on public education as compared to Australia which spends $50 million, and since the Royal Society recommends a total of $80 million to be spent, will the Prime Minister approve a major and immediate increase in AIDS education funding?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the core of the Hon. Member's question is that more education is needed, especially in the absence of a vaccine or a cure for AIDS. That is absolutely correct and I think we all agree on that. In respect to increased financing, I think I have been quite clear on the record on that as well.

I do not want to quibble, but if the Hon. Member were to look at those figures she used, she would find that they are not accurate relative to the other countries. I have those figures. I will not take the time of the House now, but suffice it to say—

Mr. Riis: Go ahead.

Mr. Epp (Provencher): Australia spends more. Of the total program, this year Australia is spending $20 million. Canada is spending eight, plus what the provinces are spending and the MRC and public health. There is no question that we have to spend more, but I think that the comparisons were not quite accurate.

FUNDING OF FEDERAL CENTRE FOR AIDS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the point is that this is an appalling epidemic, and the Minister talks about quibbling about statistics. What we want is a commitment of action.

The appalling fact is that the total federal expenditures, as I understand it, for 1989 amount to less than $2 million, and that is to cover research, treatment, education, and funding for community groups. Even the operating funds for the national Centre for AIDS have been held up.

Will the Minister make sure that the $139 million which I understand was requested by the federal Centre for AIDS is made available immediately? Will he also ask for a major increase in AIDS funds to deal with this terrible disease?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I agree with the Hon. Member that statistics are not the central issue, but she used them in her preamble, and I think it was only right that I responded by giving the correct figures.

Again, the Government's commitment is quite clear, and I cannot add any more to it than I already have.

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[*Translation*]

RADIO-CANADA

PROVISION OF SERVICES OF EQUAL QUALITY IN BOTH OFFICIAL LANGUAGES

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the *Coalition pour la défense des services français de la Société Radio-Canada* has asked that annual public funding of the French network be significantly increased, to guarantee Canada's Francophones the same quality of programming and services received by Anglophones through the CBC. My question is this: Does the Minister agree that offering all Canadians the same quality of public services is a principle that should be rigourously applied?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, decisions concerning the programming budget of the French network are the sole responsability of the Corporation. I share the Hon. Member's concern about this important issue, and that is why I announced new funding for the production and distribution of Francophone films by Telefilm Canada and more than $15 million for dubbing. Mr. Speaker, I also informed the Standing Committee last September that the new broadcasting Bill will recognize the distinct identity of Francophones in broadcasting.

• (1450)

[*English*]

FRENCH NETWORK—PRODUCTION OF QUALITY PROGRAMS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am pleased that the Minister mentioned the moneys she has allotted to improve the dubbing. That will certainly not, however, account for the $49.7 million she has lost through not putting ephemeral rights into her copyright Bill.

[*Translation*]

Although funding for public radio and television programming in Canada is inadequate to meet all needs, will the Minister admit that the French network does not have sufficient funds to produce the same quality of programming produced by the CBC? If so—and I am not asking the board of directors but the Minister—what concrete measures does she intend to take to deal with this situation?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I just said I announced last year that the new broadcasting Bill would recognize the distinct identity of Francophone broadcasting. Mr. Speaker, every day, I await the report from the Standing Committee.

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—CULTURAL MATTERS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, my question is technically for the Minister for International Trade, but the Prime Minister may want to answer it.

Mr. Hnatyshyn: Is it about Meech Lake?

Mr. Waddell: Don't try to sidetrack me, please. It pertains to the free trade deal at the time of the negotiations.

Are we to understand that cultural matters like films, television, videos, and so on, were not on the table in terms of the free trade negotiations? I believe the Government has said that before. Are we to understand that it is true that cultural matters were not on the negotiating table?

Was there any other deal at the side of the table, or off the table, between the Canadian negotiators or the Canadian Government and the United States negotiators?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, is it the expression that the result of the cooking is in the pudding? It is something like that. If the hon. gentleman will examine the free trade agreement he will see that the cultural industries are excluded from its provisions.

While I am on my feet I would like the hon. gentleman to pass on to his Leader the results of a recent poll which show that 46 per cent of union members favoured the free trade agreement with the United States versus 38 per cent who did not. Of Conservative supporters, 66 per cent were in favour; of Liberals, 48 per cent were in favour; and of New Democrats, 41 per cent were in favour. However, union members are more intelligent than New Democrats and 46 per cent of them favoured the free trade agreement.

Mr. Waddell: Mr. Speaker, union members, like other Canadians, are interested in honest and open government.

Some Hon. Members: Hear, hear!

FILM DISTRIBUTION INDUSTRY

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, I have here another memo from Jack Valenti's group which says:

> —Canada pledged to the U.S. negotiators it would try to "accommodate" the U.S. film industry outside the Agreement.

It then mentions the licensing provisions for films, exactly what Canada has done.

Why is the Prime Minister not being honest and straightforward with Canadian people, including the workers, as to why in fact cultural industries were not excluded from the free trade deal and why the Government has made a secret agreement with the American film industry?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, every day I am amazed that members of the NDP have to rely on people in the American film industry for their quotes.

Mr. Broadbent: Because you don't give us the truth.

Miss MacDonald: Now they are busy quoting Jack Valenti. I would much sooner quote Canadians who are involved in this industry.

For instance, Connie Tadros, the editor of *Cinema Canada*, said that the impact of the legislation will be the creation of a separate domestic market. She says that the new policy puts Canadian distributors on an equal footing for the first time.

Barry Young, the President of the Spectra film distribution company in Toronto, said that "it strengthens our hand". Garth Drabinsky said that this means "improved days for Canadian distribution".

We are talking about Canadian spokespersons.

Oral Questions

CANADA MORTGAGE AND HOUSING CORPORATION

RRAP—FUNDING FOR PROGRAM IN CAPE BRETON

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, my question is directed to the Minister responsible for Canada Mortgage and Housing Corporation. Cape Breton has one of the highest unemployment rates in the country and its homes are among the oldest in the country. Yet, the Government, in its 1988 budget for the Residential Rehabilitation Assistance Program, has cut the RRAP for Cape Breton by over 50 per cent.

A lot of homes will not be able to pass inspection in a few years and people are going to be forced to leave their own homes. Why is the Government forcing people out of their homes? Why does it not reconsider this reduction and at least reinstate the amount of RRAP funding which existed in 1987?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I would like to advise the Hon. Member that in its 1987 budget CMHC added $100 million of additional funding for social housing for people who are very much in need. All of the Government's housing budget is directed to those most in need.

In co-operation with the provinces we have been able to help 30 per cent more of those most in need than did the previous Government, and that includes the RRAP program.

Mr. MacLellan: Mr. Speaker, have the Hon. Minister tell that to the people who are sleeping in alley-ways and on park benches, and who are living in substandard conditions in this country.

GOVERNMENT POLICY

Mr. Russell MacLellan (Cape Breton—The Sydneys): Mr. Speaker, when is the Government going to wake up and realize that to give assistance to homeowners to maintain the standard of their homes is a lot cheaper than building new homes? It is not only good economic sense but good social sense and common decency. Will the Government reinstate this RRAP funding for 1988 or not?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, the facts will answer my hon. friend. Last year, 1987, there were a record 245,000 housing starts in Canada. That was an increase over the previous year, in which there was also an increase over its previous year.

Last year 50,000 units of social housing were added to the complement of more than 100,000 the year before. The present Government has done more to help people in need of housing than has any previous Government.

HOUSING

SHORTAGE OF AFFORDABLE HOUSING IN METROPOLITAN TORONTO—SALE OF CROWN OWNED PROPERTY

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Minister responsible for housing. As the Minister knows, there is a crisis in Metropolitan Toronto with regard to the availability of affordable housing.

Can the Minister explain to this House and to Canadians why his Department is selling Crown owned property in Metropolitan Toronto on the auction block to the highest bidder when that land should be made available to groups which are prepared to build affordable housing on these lots?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I believe the Hon. Member is referring to the sale of the Malvern Land Assembly in Toronto. That program involves both the federal and provincial Governments. It commenced in 1972. Ten thousand units have been sold during that period of time. Fifty per cent of those have a subsidy assisted component. More people have been assisted in this land assembly than in any other part of Canada.

Mr. Young: Mr. Speaker, that answer is totally unacceptable. The Minister knows full well that that land was set aside to build affordable housing on if the housing market reached the point at which it is today.

• (1500)

SALE OF LAND TO HIGHEST BIDDER

Mr. Neil Young (Beaches): Mr. Speaker, will the Minister come clean with Canadians and explain exactly why he is selling off land, that was put aside for construction of affordable housing, to the highest bidder? Can he explain that to Canadians because I cannot understand it?

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I am happy to respond. There are now 100,000 units of social housing in Toronto. That compels an annual subsidy from the federal Government of approximately $200 million. We have a policy in co-operation with the Ontario Government, which has been in place since 1972, to sell land at market conditions. In co-operation with the other governments we are returning plans under various government programs to help those most in need. Perhaps a particular section of Toronto is not the only place in Canada that needs help.

[*Translation*]

UNEMPLOYMENT INSURANCE

ELIGIBILITY CRITERIA

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. People in Kent, Westmorland and Albert, in New Brunswick, now have to work sixteen weeks to be eligible for unemployment insurance, instead of the previous ten weeks. According to Statistics Canada, the unemployment rate in the Southeast was 12.1 per cent in April and 16.2 per cent in March, which contradicts the 11.5 per cent given by her own Department. Could the Minister explain to the House what her Department is doing and why?

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I would like a chance to review that situation. I am not aware of the situation raised by the Hon. Member and would be very happy to look into it.

[*Translation*]

OPPORTUNITY TO RETAIN 10-WEEK QUALIFYING PERIOD

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, when the Minister looks into this problem, would she consider the fact that in our part of the country, it is very difficult to find a job for ten weeks? Some jobs only last ten weeks, and I am thinking of workers in lobster plants and assistant-fishermen, because the lobster season is only ten weeks long. So considering this situation, could the Minister maintain the eligible period at ten weeks because otherwise, a number of families will be facing a pretty bleak winter.

[*English*]

Hon. Barbara McDougall (Minister of Employment and Immigration): Mr. Speaker, I will take that as a representation. Certainly I will look into it and take all the relevant information into account.

* * *

PRIVILEGE

ACCURACY OF RESPONSE DURING QUESTION PERIOD

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, I rise today on a question of privilege arising from the response given to me in Question Period on May 12. I believe we have established that notwithstanding the lapse of time since May 12, this is the first practical opportunity I have had to raise this question of privilege which arises from the answer given to me on a supplementary question concerning the exportation of gun powder by Expro.

After the rather delightful Alfonse and Gaston routine, the two Ministers went through, finally the Hon. Minister of Supply and Services (Mr. Jelinek) replied to my question.

I want to make it abundantly clear that I impute no motive. Whether from misunderstanding or misapprehension, inadvertence or inadequate briefing, the Minister gave a response which was totally at variance with the facts of the matter on which I raised the question. I believe that a breach of my privilege occurs when a reply or, more accurately, a response contains information which is palpably false. Surely as a Member of the House and an elected representative of my constituents, I have a right to hear the truth, whether it be partial, slanted or skewered, the truth nevertheless.

If you find that a prima facie case of privilege has arisen from the response given, then I am prepared to move the appropriate motion. Of course, the point is that the Minister said that negotiations are ongoing in terms of the lock-out, whereas I have information from the local representative and the representative of the *Comité des Syndicats Nationaux* that no negotiations had occurred for over a month.

If you are not prepared to recognize that there is is a prima facie case of privilege involved in this matter, I would ask you to consider a reference to the Committee on Privileges and Elections on the matter of what measures could be taken or regulations instituted to ensure a modicum of veracity in replies given in this House.

Hon. Otto Jelinek (Minister of Supply and Services): Mr. Speaker, I believe the misunderstanding is on the part of the Hon. Member. If he reads my answer very carefully as reported on page 15392 of *Hansard* on May 12, 1988, he will note that at no time did I refer to any negotiations taking place by the union. There are negotiations between Expro and my officials taking place on a regular basis. There are negotiations between Expro and the consultants we have hired, Peat Marwick, which are taking place on a regular basis.

The Hon. Member will know that the loan was made to try to protect some 600 jobs and was well before the lock-out took place. I am surprised at the audacity of members of the NDP, who speak out of one side of their mouth about protecting jobs and out of the other side of their mouth about opposing a loan that was made, in effect, to protect the 600 jobs. My answer as stated on May 12 stands.

Mr. Speaker: The Hon. Member has raised as a question of privilege an exchange that took place several days ago. I agree with the Hon. Member that this is the first time, for practical purposes, it could be brought before the Chair.

I appreciate the Hon. Member for Kenora—Rainy River (Mr. Parry) having made it very clear at the beginning that he is not imputing any dishonourable motives to the Minister in whatever answer he gave. The difficulty facing the Chair is that it is very difficult for the Chair to know whether an answer is absolutely accurate or to know whether the Hon. Member who is asking the question has interpreted the answer in exactly the way the Minister wished it to be interpreted.

In this case we seem to have an answer given which appears to be at variance with certain facts about which I have no doubt the Hon. Member for Kenora—Rainy River is absolutely correct, that there had not been any negotiation with the union for a month.

However, of course we accept the word of the Minister who has advised the House, when he refers back to *Hansard*, that he did not intend to refer to negotiations with the union but to other negotiations that were peripheral to the matter.

I think the Minister's comment today may clarify the misunderstanding. Having been on both sides of the House for some years, I understand how difficult it can be sometimes when an answer, often quite unintentionally, does not seem to be in accord with facts that the Member asking the question has at his disposal. However, we have had comments from Speakers in the past that it is extremely difficult for the Speaker to settle matters which amount to a dispute over facts.

I believe the exchange today has indicated that perhaps the Hon. Member who asked the question was quite understandably confused, not intentionally misled but certainly could not understand why the Minister gave the answer he did.

The Minister has made it clear that he was not referring to the union, in any event. The Chair does not like to get into the position of having to settle a question of the accuracy or otherwise of a comment, either in a question or in a reply. Under the circumstances, I think the matter is resolved, at least a little better than it was, and I cannot find a question of privilege.

• (1510)

ROUTINE PROCEEDINGS

[*Translation*]

SUPPLEMENTARY ESTIMATES (A), 1988-89

A message from Her Excellency the Governor General transmitting Supplementary Estimates (A) with regard to sums required for the public service of Canada for the financial year ending March 31, 1989 was presented by the Hon. Pat Carney (President of Treasury Board) and read by Mr. Speaker to the House.

[*English*]

REFERENCE TO STANDING COMMITTEE

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, in order that we can do this all at once, I would move, pursuant to the provisions of Standing Order 83, seconded by the Hon. Member for Ontario (Mr. Fennell):

> That the Supplementary Estimates (A) for the fiscal year ending March 31, 1989, laid upon the Table earlier this day, be referred to the Standing Committee on Agriculture.

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

Some Hon. Members: Agreed.

Motion agreed to.

* * *

WAYS AND MEANS

TABLING OF NOTICE OF MOTION

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, pursuant to the provisions of Standing Order 84(1), I have the honour to lay upon the Table copies of a Ways and Means motion to implement the Canada-U.S. Free Trade Agreement.

Pursuant to the provisions of Standing Order 84(2), I ask that an Order of the Day be designated for the consideration of the said motion.

* * *

POINT OF ORDER

NECESSITY OF WAYS AND MEANS MOTION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, I rise on a point of order relating to the tabling of the Ways and Means motion by the Minister for International Trade (Mr. Crosbie). As I understand it, this Ways and Means motion is being proposed by the Minister as a necessary preliminary step in advance of the enabling legislation for the trade deal. I would like to argue quite the opposite.

This Ways and Means motion is not only unnecessary today, but it also imposes unnecessary restrictions on our ability as Members to amend the trade legislation that will follow the adoption of this resolution. I would like to cite Beauchesne's Fifth Edition, Citation 516, at page 174; which reads as follows:

> A Ways and Means motion is a necessary preliminary to the imposition of a new tax, the continuation of an expiring tax, an increase in the rate of an existing tax, or an extension of the incidence of a tax so as to include persons not already payers.

Let me refer to Erskine May, Parliamentary Practice, Twentieth Edition, at page 822. It reads:

> The following are examples of matters which require to be initiated in the form of a Ways and Means resolution by a Minister of the Crown.

The subheadings include new taxes, continuation of an expiring tax, reimposition of a repealed tax, an increase in the rate of an existing tax, the extension of incidence of a tax, the repeal or reduction of alleviations of taxation, the delegation of taxing powers, granting of borrowing authority, and payments into the Consolidated Fund from a source other than taxation.

Both Beauchesne and Erskine May are clear. Nowhere is it indicated that a reduction in charges on the taxpayer, either through, for example, a reduction in direct taxes or reductions in tariffs, need be preceded by a Ways and Means motion. It is only when a Government seeks to increase charges on the taxpayer that a Ways and Means motion is required to precede the legislation.

Erskine May, at page 825, gives some guidance on this important question. It is stated:

> Provisions for the alleviation of taxation are not subject to the rules of financial procedure.

I think this makes it quite clear. A Ways and Means motion such as the one introduced today by the Hon. Minister, according to the traditions of parliamentary practice, is not required to precede the free trade legislation because, as is outlined in this specific motion itself, the changes being sought are reductions in duties which impose no additional burden on the taxpayer.

This is not to suggest, however, that although it is not required, it is not be permitted. Clearly, in the last few years, it has often been the case that reductions in taxes have been preceded by Ways and Means motions. But it should be recognized that when a Ways and Means motion is passed by the House prior to the introduction of a Bill, there are certain restrictions and limitations on the scope of amendments to that Bill which are not present when a Bill is simply introduced for debate. That is my concern.

Beauchesne's Fifth Edition, Citation 518, at page 175, outlines the relation of Bills to Ways and Means resolutions. Subsection (2) states:

> The most desirable practice is for the Bill to adhere strictly to the provisions of the resolution, and departures if any, ought to be subject to the strictest interpretation.

In other words, the Bill must strictly accord with the provisions of the Ways and Means motion. As I indicated, this has severe implications for the ability of Members on all sides of this House to alter or amend the Bill in question because the Bill must, in the end, conform to the Ways and Means motion. Erskine May, Twentieth Edition, at page 825, recognizes the undue restriction placed upon the ability to amend a Bill to alleviate charges on the taxpayer when it is preceded by a Ways and Means resolution. It reads:

> This resolution—

That is, the Ways and Means motion presently before the House.

> —is occasionally omitted when it is desired to restrict the scope of a financial Bill to a minimum, as, for example, before the general election in 1974.

Here we have an explicit recognition that Ways and Means motions or resolutions are not necessary to precede Bills that do not increase charges on the taxpayers and that if such Ways and Means resolutions are in fact introduced, they can unnecessarily limit the scope of the Bill and the ability of Members to amend it as it goes through the normal committee stage clause by clause.

If we take a hypothetical case where, for example, after the trade legislation is introduced, a member in the legislative committee wanted to amend the legislation to restore a duty on some specific goods—let us take the U.S. wine industry, for example—entering the country, it is not at all clear that, if the Ways and Means motion passed by the House had indicated that this levy was to be eliminated, the amendment to restore this levy would be possible. I refer to Beauchesne's Fifth Edition, Citation 532, which reads:

> A motion for the imposition of an import duty has been ruled out of order because such a proposition should emanate from the Government.

Clearly, the ability of Members of this House to amend such legislation would be unnecessarily restricted.

To conclude, Mr. Speaker, I would just simply restate the two main arguments I think should cause you to rule this Ways and Means motion completely and totally out of order. First, I think I have shown clearly that such a resolution is, according to past practice, clearly not necessary in this instance where the Government seeks to simply reduce and not increase charges on the taxpayer. In this instance, where the House will be faced shortly with a major piece of legislation that will have monumental consequences for the political and economic sovereignty of our country, Members of Parliament should have the maximum degree of freedom to amend and alter this legislation as they, as representatives of the Canadian people, see fit. This is not possible when the legislation is preceded by this totally unnecessary Ways and Means motion. It will handicap Members of Parliament. It will restrict the ability of Members of Parliament to improve the legislation as we see fit as it moves through the committee process.

• (1520)

I hope that Your Honour will reflect upon the arguments that I have offered today and rule this Ways and Means motion out of order.

Mr. Speaker: The Hon. Member for Kamloops—Shuswap (Mr. Riis) is raising a highly technical point. I am having some difficulty fully appreciating the point that is being made.

However, it is obvious to Hon. Members that a certain amount of work has gone into the intervention that the Hon. Member for Kamloops—Shuswap has made. I would of course be very careful about being too hasty in dismissing the argument. I will consider it very carefully and return to the House as soon as it is appropriate.

However, my difficulty is, and I put this to the Hon. Member for Kamloops—Shuswap, who may want to address the matter for another moment or two, that the Chair has not seen the Bill, nor of course has the Hon. Member. No one in the House has seen it. It may well be that the argument, even if sustainable, is premature. I am concerned about that.

The second matter of course is that without seeing the Bill I am not completely sure that I would be able to accept some of the propositions which the Hon. Member has cited, which may of themselves be good authority. However, I cannot tell until I see the Bill whether in fact the Bill conforms with the five paragraphs that are now in front of the House and the notice of Ways and Means motion. I draw to the attention of the Hon. Member for Kamloops—Shuswap the fact that paragraph i) of the notice of Ways and Means motion states:

> i) to impose customs duties in accordance with the Tariff Schedules of Canada referred to in Annex 401.2 of the Agreement;

I cannot tell from that whether that will increase customs duties or decrease them. It seems to me it puts us in some difficulty.

However, I have a great deal of respect for the Hon. Member. It was a closely reasoned argument that obviously had been prepared with some care. I will consider it carefully and return to the House.

The Hon. Member indicates that he may have something to add. I will hear him.

Mr. Riis: Mr. Speaker, I appreciate your comments. I think they are more than appropriate. What I was hoping at this point was simply that Your Honour would at least reflect on the arguments that I have made prior to accepting and approving the tabling of this Ways and Means motion.

The point I want to make is that I am not anticipating what is in the trade legislation at all. I am making one assumption, that is, that the Ways and Means motion would not be increasing taxes and tariffs on Canadians. I am making the assumption that one of the reasons we are going through this from the Government's perspective is that we would see a reduction in charges. I am making that assumption. I want to make that perfectly clear. I am not suggesting what the Bill may or may not be.

I would ask Your Honour to at least reflect on the ability of Members of Parliament to move appropriate amendments to the legislation when it is introduced. The point I am attempting to make today is that the Ways and Means motion, if accepted, would place limitations, would provide a certain number of parameters on the nature of amendments that Members of Parliament from all sides of the House could put forward.

I am simply asking Your Honour to reflect on whether or not it is necessary at this point for the Minister to table this Ways and Means motion. As you know, Mr. Speaker, he has the right to table it at any time up until the legislation goes to committee. That would give us ample time to consider whether a Ways and Means motion could not be tabled at that time as opposed to the beginning of the process, which would have the effect of perhaps limiting our ability as Members of Parliament.

Mr. Speaker: I thank the Hon. Member for his intervention. What I propose to do is to consider the matter, as I said I would. It may well be that, upon further reflection, it is premature for even the Chair to make any further comment.

In the meantime, the Ways and Means motion of course is not dependent on the Chair accepting it. Under the orders, clearly, the Minister has the right to table it. The question that the Hon. Member is raising goes to its substantive effect subject to the arguments that the Hon. Member has raised. Of course, if I accepted completely the Hon. Member's arguments, then I would have to return and we would have to deal with the matter.

In any event, I hope that the Hon. Member will accept my assurances that I will look very carefully at the argument made. I will report back to the House as soon as convenient.

I point out that I have some concern that it may be, even if I was fully in agreement with the Hon. Member, premature to make a ruling. However, I will do the best I can.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 12 petitions numbered as follows: 332-4336, 332-4379, 332-4449, 332-4476, 332-4516, 332-4524 and 332-4530 to 332-4535 inclusive.

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

* * *

[*English*]

GOVERNMENT OPERATIONS

PRESENTATION OF FIFTH REPORT OF STANDING COMMITTEE

Mr. Felix Holtmann (Selkirk—Interlake): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee on Government Operations.

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

* * *

ORDER-IN-COUNCIL P.C. 1988-424

REFERENCE TO STANDING COMMITTEE ON GOVERNMENT OPERATIONS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, there has been discussion among the Parties and there is unanimous consent, at least among the House Leaders, with respect to the following motion, which states:

> That, Order-in-Council P.C. 1988-424 tabled in the House on April 27, 1988 and referred to the Standing Committee on Consumer and Corporate Affairs be withdrawn from the said committee and referred to the Standing Committee on Government Operations, and that the provisions of Standing Orders 103 and 104 shall apply upon the adoption of this order.

Is my understanding correct?

Mr. Riis: Mr. Speaker, I have no problem with that. There has not been a clear understanding yet with respect to it, however. I wonder if we can hold this matter for a few moments to allow some consultation to take place. I do not anticipate any difficulty but I would like to have a few more opportunities to discuss this matter with some of my colleagues.

Mr. Hawkes: It was handed to me by a member of my staff and it does have the signatures of the two House Leaders. I was not part of the discussion but it was my obligation to bring it forward.

Is it all right?

Mr. Riis: Agreed.

Mr. Speaker: If we could just cast our minds back for a moment or two, the Hon. Parliamentary Secretary has made a proposition. The Hon. Member for Kamloops—Shuswap (Mr. Riis) wanted some further clarification. I think that the Hon. Member has that further clarification.

I take it, then, that the House is in accord with the Parliamentary Secretary?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

PETITIONS

OPPOSITION TO BILL C-72—OFFICIAL LANGUAGES

Mr. Gordon Taylor (Bow River): Mr. Speaker, I have the pleasure to present two petitions, both of which have been approved by the Clerk of Petitions as to form and content.

The two petitions come generally from the areas of Nanton, High River, Carmangay, Stavely, Lethbridge, Calgary and Edmonton. Both state that your petitioners humbly pray and call upon Parliament to cancel Bill C-72 so that the unilingual speaking people have a chance for positions in Government.

• (1530)

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Benno Friesen (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I have two

petitions signed by residents of Burnaby, Vancouver, Surrey, Ottawa, and Toronto.

The petition states as follows: The petition of the undersigned residents of Canada, who now avail themselves of their ancient and undoubted right as to present a grievance common to your petitioners in the certain assurance that your Hon. House will therefore provide a remedy humbly sheweth: Whereas the distinguished Justices of the Supreme Court of Canada in striking down Section 251 of the Criminal Code have left Canadians without any law restricting abortions; whereas nothing in the Supreme Court decision has established abortion as a right; whereas human life is a continuum from the moment of conception to the moment of death, and there is no point in time between conception and the birth of the infant at which point we could say that this is not a human life.

Wherefore, the undersigned petitioners ever pray and call upon Parliament to pass into law legislation that will protect the life of an unborn child from conception and at all stages of development, with the exception of the extremely rare situation in which an abortion is performed in order to save the life of the mother.

As duty bound the petitioners will ever pray.

MINISTER'S STATEMENT REGARDING ISRAEL

Mr. Peter Peterson (Hamilton West): Mr. Speaker, I have three petitions to present today. The first petition is the last in a series of petitions I received from members of the Hamilton Jewish Federation who continue to take issue with remarks made by the Secretary of State for External Affairs regarding charges that he has made with respect to the State of Israel's handling of matters on the riotous Gaza strip.

CALL FOR RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Peter Peterson (Hamilton West): Mr. Speaker, the other two petitions have been signed by residents of my constituency in the City of Hamilton and the surrounding area. They wish to point out to the House the seriousness of schizophrenia in Canada. The petitioners point out that a number of people have this illness, and its cost to Governments in terms of social costs. The petitioners would like to petition the Government to have it increase the research funds available to combat this dreaded disease.

BLOCK AVERAGING OF INCOME

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, pursuant to the requirements of Standing Order 106, I have two petitions to present. The petitions are signed by residents of Kelliher, Leross, Lestock; Saskatchewan who call upon Parliament to take the necessary steps to retain block averaging for farmers and fishermen, as recommended by the Standing Committee on Finance and Economic Affairs in its report on the White Paper on tax reform, stage one.

IMMIGRATION—SPONSORING OF RELATIVES

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and pleasure to present two petitions from residents of the City of Toronto, which have been certified by the Clerk as to form and content.

The first petition points out that in 1987 the then Minister of Immigration promised that unmarried sons and daughters of all ages would be considered as members of the family class of immigrants, and that married children and brothers and sisters in the assisted relative class would get 15 points instead of 10 points when assessed for immigration to Canada.

In 1986, the then Minister of Justice promised that the unfair distinction between Canadian citizens and permanent residents of three years or more would be eliminated in order that both groups would have equal rights to sponsor parents of any age.

The petitioners point out that none of these promises has yet been fulfilled by those Ministers, their successors, or the Government.

Therefore, the petitioners ask that the House of Commons ensure that the Government now fulfil these promises.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, the other petition concerns the trade deal negotiated by the Prime Minister (Mr. Mulroney) and the President of the United States, for which the petitioners state that the Prime Minister had no mandate. The petitioners point out that it will reduce Canada's ability to plan economic, social, and cultural programs that Canadians need, and would integrate Canada further into the North American defence industrial base.

Therefore, the petitioners ask Parliament to ensure that there will be a national debate on the Mulroney-Reagan trade deal, and that this debate will result in a national general election before the agreement is finalized.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Lorne McCuish (Prince George—Bulkley Valley): Mr. Speaker, I have the honour and responsibility to file with the Table two petitions, both of which have been certified correct as to form and content by the Clerk of Petitions.

The first petition is signed by some 1,300 residents of Prince George. The second petition is signed by 42 residents of Vanderhoof, both communities in the riding of Prince George—Bulkley Valley.

Both petitions humbly pray and call upon Parliament to grant protection to unborn human beings from the moment of conception, and I proudly support this concept.

NORTHERN TAX ALLOWANCES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, pursuant to Standing Order 106, I have the privilege to present

a petition received in my office on May 17 and certified on the same date.

This petition is signed by some 45 residents of the community of Ignace, which is arguably the most isolated community on the TransCanada Highway. The petitioners call upon Parliament to declare that all communities in Tier 3 ridings should be eligible for the northern residents' tax allowance.

CALL FOR RESEARCH INTO PREVENTION AND CURE OF SCHIZOPHRENIA

Mr. Anthony Roman (York North): Mr. Speaker, I have the privilege to present to the House a petition from residents from the region of York on a matter of concern. The petitioners have requested that I bring to the attention of the Minister of National Health and Welfare (Mr. Epp) and all Members of Parliament the fact that schizophrenia is a major illness in Canada.

The petitioners humbly pray and call upon Parliament to ensure that research efforts related to schizophrenia will be given priority in the future.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, Question No. 307 will be answered today.

[*Text*]

COLUMBIA RIVER TREATY PROJECTS

Question No. 307—**Mr. Brisco:**

To the knowledge of the Government, under the Columbia River Treaty (*a*) what was the total construction cost of the (*i*) Duncan Dam (*ii*) Hugh Keenleyside Dam (*iii*) Mica Dam (*iv*) each of the other treaty dams (*b*) for each project, were there costs for the (*i*) purchase (*ii*) acquisition (*iii*) expropriation (*iv*) mitigation of real and personal property depreciation (*v*) site preparation prior to construction and, if so, what were they (*c*) are any mitigation funds that were committed as a result of the Columbia River Treaty still to be paid out and, if so, in each case (*i*) to what project (*ii*) in what amount (*iii*) for what purpose were they committed (*iv*) for what reason has payment been delayed?

Mr. Jack Shields (Parliamentary Secretary to Minister of Energy, Mines and Resources): (a) (i) - (iv)

Costs of Columbia River Treaty Projects [1]

Construction Costs Incurred in Canada ($ Cdn. Millions):

Duncan Dam	$ 32.4
Keenleyside Dam	195.3
Mica Project	
Storage	339.4
At-Site Generation	405.6
Transmission	228.2
Substation and Microwave	36.7
Other Costs	33.2
(Includes Libby reservoir clearing $2.6M)	
Total Construction Costs	$1 270.8

Construction Costs Incurred in the U.S. ($ U.S. Millions):

Libby Dam	
Construction Costs	$453.2

[1] Source: British Columbia Hydro and Power Authority and the United States Army Corps of Engineers.

(b) (i) - (v) Such costs were incurred and have been incorporated in the cost figures listed in Part (a). However, the Government has no knowledge of the amount of these costs independently.

(c) (i) - (iv) The terms of mitigation and compensation related to the Columbia River Treaty projects are outlined in the respective water licences issued by the Province of British Columbia to the operating entity, the British Columbia Hydro and Power Authority.

Information regarding the terms of these licences can be obtained from the Water Licensing Section, Water Management Branch, Ministry of Environment and Parks, Government of British Columbia, 765 Broughton Street, Victoria, B.C., V8W 1X5.

[*English*]

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

The Deputy Speaker (Mr. Danis): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Government is prepared to call Motion No. P-9, but the Hon. Member for Skeena (Mr. Fulton) is not in the Chamber. Therefore, I would ask that all the Notices of Motions for Production of Papers be allowed to stand.

The Deputy Speaker (Mr. Danis): Shall all Notices of Motion for the Production of Papers stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S. O. 82—THE HOMELESS

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic) moved:

That this House condemn the government for its total lack of leadership in the area of housing, as a result of which

a) the present number of 100,000 homeless people, including women and children, increases every day despite the economic recovery;

b) there is an ever-growing number of Canadians with unsuitable housing who risk becoming homeless and those people are not provided with preventive programs;

c) the number of new social or cooperative housing units cannot satisfy the increasing demand;

d) the majority of our aboriginal peoples are badly housed, in conditions that the majority of Canadians would not accept;

e) it is becoming more and more difficult for average Canadians to buy a house;

f) since the government has turned over powers to the provinces, it has given up its responsibilities and has lost control over national housing issues;

g) the housing policy of the government is restricted to reducing the deficit; and

h) the lack of a national policy deprives Canadians of the right to have a roof over their heads.

—She said: Mr. Speaker, the Liberal Party decided to dedicate today's Opposition Day to housing to prove there is a lack of leadership on the part of the Conservative Government in this respect. Since the Government delegated its powers to the provinces, there has been no national housing policy, no priorities have been set. There has been no direction and, especially, no co-ordination among the various policies and programs, and no co-ordination among the various levels of government. The ship is off course, Mr. Speaker. And even worse—although by now we should be used to this sort of thing on the part of the Government—I was appalled when I heard the Government will very shortly start construction of a prestige building for the Canada Mortgage and Housing Corporation here in Ottawa.

The plans and specifications have been submitted and approved. Public tenders have been examined. The contract will be awarded to the private sector, and the new headquarters will cost Canadians about $40 million.

All of this is occurring under the very eyes of Canadians who are either homeless or living in substandard housing. It is scandalous! It is shameful! It is shocking! And it is appalling!

Morever, Bill C-111 is another example of this Government's lack of interest in housing. It includes many positive steps and incorporates the findings of a study sponsored by Mr. André Ouellet, the former Minister of Urban Affairs in the previous Liberal Government. Believe it or not, Mr. Speaker, the Government had announced this Bill in the summer of 1987. It waited until February before introducing it in the House of Commons. Bill C-111 remained for at least 15 days on the House's *Order Paper and Notices* and since the Government controls the agenda, why is it procrastinating with this Bill?

Having realized the positive potential of Bill C-111, the Liberal Party has informed the Government that it is prepared to get on immediately with Second Reading, with only one Member taking part in this debate, with a view of refering this Bill to a legislative committee as expeditiously as possible. This does not mean that we will let the Bill pass blindly, but that it deserves a quick study. We are already in the middle of May, and there is still nothing. If the Bill were so perfect and if housing were a Government priority, we would have had Second Reading a long time ago. This delay reflects the Government's lack of concern for housing. Meanwhile, several concerned Canadians, including the members of the Canadian Manufactured Housing Institute, are still waiting for the Government to make up its mind.

Bill C-111 would make it possible for purchasers of mobile homes and floating homes to obtain mortgages from Canadian Mortgage and Housing Corporation. Second, it would raise the ceilings for the expenditures and loans authorized by Parliament to the Corporation. Third, it would facilitate the administration of mortgage titles and mortgage insurance. Fourth, it would improve working relations between the provincial and federal Governments.

In a little while, the Government will brag about all the money it has spent on the homeless. What it will fail to say is that this money was used on studies and conferences. As far as we know, the Government has established no policy which might help the homeless get back into the mainstream of our Canadian society.

The Government has not yet recognized the permanent nature of the homeless problem and the fact that is much more difficult for the homeless to get back into the mainstream of the Canadian society once they have left it. The Government has really missed the boat during the International Year of the Homeless. In view of all the studies it has sponsored, the information it has obtained at the Canadian Confederation held to mark that year, the Government should have been in a position to come up with adequate policies. Mr. Speaker, those who attended this conference agreed that what was lacking to solve the homeless problem was the political will to act. The Government has shown that this question is of no interest and set a limit on all operating and other grants. This may be acceptable in the short run, but no effort has been made to find a lasting solution to the problem. The homeless and the army of volunteers who look after them are running out of breath and will soon be back asking for more money.

The Government deals with homeless people as if they were beggars. This attitude is totally unacceptable to the Liberal Party, just as it is unacceptable to all Canadians.

Who are the homeless? In Montreal, for instance, there are 10,000 transients. The average age for men is 34 and for women 33. I did say women, because what causes much

concern these days is that the Government seems to forget about the ever increasing number of youths, women and even entire families without a roof over their heads.

Liberal Members have never missed an opportunity to rise in the House and urge the Conservative government to intervene. Unfortunately this Government worries more about the deficit than it does about human beings. You see, Mr. Speaker, homeless people do not vote, they have no address, they have no political clout. During the conference held for the international year people wanted to sit down and settle various problems. This is how people responsible for social housing, social agencies, industry and construction were prepared to set their own interests aside in an attempt to solve this problem. The federal Government did not get involved in the September 1987 homeless conference, and it still does not want to get involved. This is tragic because the federal Government is the only level which has the moral power and mandate to get people to work together to find short-, medium-, and long-term solutions.

• (1540)

[*English*]

I have newspaper headlines here which prove the Government does not take housing problems seriously. From *The Toronto Star*: "No one should have to live like this. Desperate mother of two lives in rundown house and says she doesn't know where to turn." Again, *The Toronto Star*: "Housing crisis taking toll on kids." From the St. John's *Evening Telegram*: "All women facing common housing difficulties. Housing too scarce and too expensive."

[*Translation*]

The Conservative Government also missed the boat when it comes to people living in substandard housing units. These people are Canadians sitting on the fence, as it were: they do have a roof over their heads, but they may become homeless or be forced to move into dilapidated housing, with all the social, family and psychological consequences that entails. There are many reasons why a tenant might be forced to vacate the premises, including chronic unemployment, marital violence, alcoholism, drug abuse, and family problems to name a few. The Government does not deal with such problems, not to mention the fact that social programs have been weakened ever since it took office. Homeless people find it hard to understand how a Government can hand out close to $1 billion to the Commercial Bank of Canada and the National Northland Bank to save them from bankruptcy, yet the same Government cannot seem to find any money for the homeless.

Now a few words about social and co-operative housing. The number of social and co-operative housing units has also gone down. The Minister and I can argue about the figures, but the number did go down because needs are greater.

The Conservative Government has preferred to reduce its involvement by choosing to set up a rent supplement plan, leaving the way free to private enterprise. In cities like Toronto, even private enterprise cannot supply affordable housing, for several reasons. In fact, under the new definition of essential needs, the poorest Canadians do not receive government assistance—only the very poorest of the poor do.

The limit set for essential needs is unrealistic and should be revised by the Government. This is another sign that the Government would rather reduce its deficit than help the poorly housed.

• (1550)

[*English*]

Another area where the Government is failing hopelessly is the area of Indian housing. Indians have by far the worst housing conditions in Canada. Overcrowding is a major problem, and 7.5 per cent of all family households on reserve are made up of more than one family living in it, while the average for non-Indian households is only 1.4 per cent. The proportion of dwellings on reserve requiring major repair is 23 per cent, 37 per cent of dwellings have inadequate bathrooms and 37 per cent have no bathrooms at all. Fifty per cent of all dwellings on reserve have no central heating, one of the causes for so many respiratory ailments among Indians.

Also related to poor housing standards is the death rate for Indians from infections and parasite diseases, which is higher than in the non-Indian population. Lack of adequate housing also means that the number of Indian children in care or in custody of institutions, group or foster homes is high because bands lack adequate housing space to accommodate them. Although the need for Indian housing is very important, officials from Indian Affairs testified in committee that housing funds have remained static since 1984. It is the same story for any Canadian who lacks proper housing. The consequences are reflected in poor mental, psychological, physical and moral health.

We can also see the federal Government's lack of perspective and orientation in the City of Toronto. The Toronto housing market is a difficult one, with housing prices skyrocketing. But what does the federal Government do about it, Mr. Speaker? It contributes to the problem by holding parcels of land that could be used for social or affordable housing. I made a statement in this House the other day about that under Standing Order 21.

In a press release by Public Works it was announced that a sale of federal property had yielded over $170 million. That sale was to reduce the number of surplus federal properties and to help bring down the federal deficit. Some of these properties or lands could have been used for homeless people or some of the money could have gone to help house the homeless, but the Government chose not to intervene. The question is, why did the Government not initiate such arrangements? The answer is very clear for all those who care about social housing. This Government is probably the least progressive Government in Canada when it comes to housing policies.

When the Government came to power in 1984 and following the Nielsen reform, it instituted joint programs where the federal Government would finance housing projects and a province would administer them. That could have made administrative sense if the federal Government had not tried to abandon its leadership role in housing. As I have been demonstrating for close to 15 minutes the federal Government has done just that.

This Conservative Government is bent on reducing the deficit. It has done so by holding down the number of people who could get assistance for housing. It has streamlined CMHC's operations, transferred administration of housing programs to the provinces, and the plan has worked. But it has worked to the detriment of those Canadians who are most in need of assistance to house themselves, such as those in the core need group and who do not earn enough to be able to afford proper housing in today's market. In other words, the Government has chosen the deficit over human needs. We now have homeless and people who are not in core need but are in dire need. Our Indians are still housed in substandard housing, but after all, according to the Government, the deficit has been reduced. The Conservatives, by taking the bull by the horns and tackling the deficit, have left us with a human deficit in times of economic prosperity.

The Liberal Party is a practical one which would like to see the deficit under control but not at the expense of human beings as in the present case. What is clear is that housing is not a priority for the Government and there is no political will to do anything about it. For example, Bill C-111 has been left dragging on the Order Paper for three weeks now. We are ready for it but the Government is not.

I have a few words about affordability of housing. This is a big problem, especially for young couples. A study done by Mr. David Hulchanski, Professor of housing policy at the University of British Columbia, proved that if you make $25,000 a year you will probably never own a house. The average income for Canadians is approximately $22,000. House prices have been going up, as we all know, but salaries have not kept pace with housing costs. Some of the reasons for higher house prices are escalating land costs, higher predevelopment on "soft" costs, material and labour increases, shortage of specialized labour, extended municipal approval times, higher lot levies and increased service standards for new lots.

We do not expect this Government to do anything about it. CMHC has even financed a study by Clayton Research Associates Ltd. in which a number of things were examined. For instance, no down payment, as in Great Britain; reduced early mortgage payments; the speeding up of home building; the building of starter homes, and the possibility to deduct mortgage and property tax. But do not expect the Government to do anything. That is just a study, Mr. Speaker.

• (1600)

[*Translation*]

Regarding seniors, I am most concerned by the Conservative Government's inaction on the housing needs of the elderly. The Government makes a big to-do about the seniors' housing conference to be held in Halifax this fall.

It is too bad, but if one looks at the Government's record, all the studies and all the good will shown by the participants in finding solutions will be of no use with a Government so lacking in political will.

The elderly face many challenges. The "Granny Flat" program runs up against zoning problems and municipal bylaws. That is why we need coordination among the three levels of government, so that people can have the permission of cities like Toronto, Vancouver, Montreal and Winnipeg to build "Granny Houses" in their back yards to be able to look after their parents.

Some pressure is needed to convince municipalities that they have to change their bylaws. Solutions must also be found to finance housing for our elderly. Several possibilities are still under consideration, such as allowing seniors to draw monthly payments based on the equity that they have accumulated in their house.

Home service is another solution that should be negotiated with the provincial governments.

I have two questions: What prevents the Government from setting an integrated housing policy for seniors? And what prevents it from acting right away?

Mr. Speaker, I conclude. In the past, as housing spokesperson for the Liberal Party, I asked the Government to act on housing to help the least well-off, the homeless, the poorly housed, and also, as I said at the beginning of this speech, to help private enterprise in its efforts to provide homes for middle-income Canadians. But I am sorry to say that this seems to have fallen on deaf ears.

I am not normally a negative person, but the Progressive Conservative Government's performance on housing has led me to move the motion of censure in today's debate. I must conclude that the Conservative Government has failed in its duty, that it is useless to hope for any improvement and that we must wait until a Liberal Government is elected to pick up the pieces.

Mr. Deputy Speaker: Questions or comments. The Hon. Member for Bonaventure—Îles-de-la-Madeleine (Mr. Gray).

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I will start with a couple of comments after which I will ask my hon. colleague a question.

The problem with the Hon. Member's speech, which I listened to carefully—by the way, I must say that when I was elected in 1984, I started off by working on the Transport

Committee, and I have great respect for the Hon. Member from Saint-Michel—Ahuntsic who sits on the other side of the House.

Furthermore, Mr. Speaker, I should like to add that I would never stoop to playing politics . . . But as was mentioned by the Hon. Member, when we came into office in 1984, as a government we were faced with a two billion dollar deficit. Her party's record during 22 years, from 1962 to 1984, is something to be considered by the House.

[*English*]

As I mentioned, I do not want to attack my hon. colleague because she is a very nice person, but I am attacking her politics. To be $200 million in the hole is something. What do we do for old age pensioners? I can say that in my constituency, we have put a priority on low-rental housing, though there is not enough. However, the money does not drop from the ceiling. It has to come from the taxpayers. When we raise taxes, the taxpayers say that we are charging them too much for old people.

[*Translation*]

But, Mr. Speaker, the Progressive Conservative Party has always looked after the well-being of senior citizens. That is what I do in my riding. That is what we will go on doing. But it is no easy task, however, when there is a limited amount of money available; I shall give you an example. I'm sorry, Mr. Speaker, to have to make a personal remark but take the case of my wife who went out this afternoon with my credit card. However my card is "overcharged", which means she won't spend a penny. That is what we didn't want to see and that is what we said in 1984.

[*English*]

That is what we said in 1984, that we would put sound finances in Government. We have helped the old people. The old people at home have access to every Member of Parliament, regardless of political stripe, but especially to those of Conservative stripe.

I respect the Hon. Member and I hesitate to criticize her for her political, Liberal speech. We are going ahead with Indian housing, and more announcements will be made.

Finally, where did the $200-billion Liberal dollars go for the people the Hon. Member represents today?

[*Translation*]

Mrs. Killens: Mr. Speaker, my friend from Bonaventure—Îles-de-la-Madeleine (Mr. Gray) is right when he says we are old friends. I like to think I have quite a few friends in this House, and I think I do. However, people who know me well call me an iron hand in a velvet glove.

An Hon. Member: Yes, indeed!

Mrs. Killens: And that is because I am very firm when I believe in something. As far as my motives are concerned, I would have made the same speech if the Liberals had made these mistakes, and I will tell you why. To me, it is a matter of justice. If my speech seemed like a partisan speech, that is not what I was trying to do, because I'm not like that. I'm a very poor politician. I'm a better administrator than a politician. What I had to say today, I happened to say it in this form. I know about housing issues thanks to the help I get from my office staff, because I am sure all Members realize we have to be knowledgeable on a number of subjects and have a lot of work to do. So I have learned a lot in the process.

I would now like to make a few comments about our Native people. Since Bill C-31 was passed, there has been a waiting list of 60,000, mostly applications from women and children who want to go back to the reserve. Since the situation is already very serious, they cannot be reintegrated and are always second on the list. We have to start with the people who are already on the reserve, who are not getting the services they should, and who have a very high mortality rate. That is where we must start, and once again, I wonder why Bill C-31 was passed without providing the tools to implement the legislation. That is why I condemn the present Government, and I can assure you I would have done the same if it had been my own Government.

Mr. Gauthier: Mr. Speaker, I want to congratulate the Hon. Member for Saint-Michel—Ahuntsic on her excellent speech, her thorough research and appropriate comments. If the Hon. Member on the other side wants the floor, he should go back to his seat and ask his questions in the accepted manner. If he would care to listen, I will tell him why we in the Official Opposition, why we in the Liberal Party believe that this Government should be replaced, and I will use the point made by the Hon. Member for Bonaventure—Îles-de-la-Madeline (Mr. Gray), which was:

[*English*]

Money does not drop from the ceiling. I agree with the Hon. Member. However, why does the Government have to tax Canadians as it has since it has been in power? Do tell why there has been an increase in personal income taxes and why the income tax tables have been deindexed. Why talk about deindexing old age pensions? Why increase the tax burden on Canadians?

I have here an official document which indicates that since the Conservatives came to power, the excise tax on gasoline increased by five cents a litre. Since the Conservatives came to power, taxes paid by individuals increased by 68 per cent or $29.3 billion. Taxes paid by corporations increased by 28 per cent or $2 billion, and I am talking about the last Budget, yet 60,000 profitable corporations still do not pay taxes.

These Tories over there are criticizing my colleague for her point which is that the Government has indeed forgotten about affordable housing. Indeed, you people don't give a damn about housing.

When the Hon. Member gets a chance, he can answer me. Now I am asking my colleague if she does not agree with me. I

am looking for assistance from my eastern colleagues. Do they know what sweat equity means? It means that people earned a bit of money, did some repairs to their houses, and would indeed stay in their own homes. That was a program which the federal Liberal Government at the time put together in Cape Breton in 1976-77 called the Residential Rehabilitation Assistance Program. We gave money to Canadians to restore their dwellings to a healthy state and to maintain them for at least 15 years.

• (1610)

Does the Member know that if the Government had continued that program people would still be in their houses? Does she know that Canadians today are leaving their homes and going to senior citizens' homes because they cannot afford to stay in their houses? Does she know that the RRAP program has not increased by one single cent since the Tory Government took over?

Not one penny has been added to the RRAP program. It took money from the RRAP program and put it in the social housing program. It did not put a new co-op program or a new RRAP program in place. It has done nothing for housing in Canada for the last three and a half years. Is the Member aware of that?

Mr. Gray (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I rise on a point of order. With due respect to the comments of the Member for Ottawa—Vanier (Mr. Gauthier), I said in my opening remarks that I agree with the Member for Saint-Michel—Ahuntsic (Mrs. Killens) who said that we have to do something. The Conservative Party has been sensitive in my constituency and it will continue to be sensitive to the people. We have to find money which the Liberals spent—

Mr. Gauthier: That is not a point of order, that's argument.

[*Translation*]

Mrs. Killens: Mr. Speaker, this is a very interesting day. I would like to tell my colleague from Ottawa—Vanier (Mr. Gauthier) that he is completely right, it is the RRAP program. I agree with him. I know that I do not have much time to answer this question, but when he listed the $23.9 billion in extra taxes, I must tell you that were our colleague from Laval-des-Rapides (Mr. Garneau) here, he could give you the information. We gave you some. It will be in *Hansard* for you to review it and you will see that the Government should have brought down its deficit quite a bit more if it had been properly administered, because with all the $23.9 billion in extra taxes, we should have a considerably smaller deficit than we do now.

[*English*]

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, I very much enjoyed listening to my hon. friend who is the housing critic for the Liberal Party. However, I do take issue with some of the facts upon which she based her motion and a good deal of her representation.

The first part of her motion indicates that there are 100,000 homeless people, including women and children, and that the number is growing. Does my friend have any statistics available to support such a figure? My information is that on January 28, 1987, the Canadian Council on Social Development did a survey across Canada and determined that the number of homeless on that particular night, one of the coldest nights of the year, was 8,000. The figure may be 10,000 or it may be 7,000. It is not precise. We must, however, put the debate in context, and I do take grave issue with the statistic cited by my friend in her motion that we are dealing with 100,000 people.

The motion before us contains a number of particulars, but the thrust of it is that the Government has failed to exercise leadership in espousing housing policies for Canadians which have been beneficial rather than detrimental.

The Canadian Home Builders Association has been in Ottawa for five days. Representatives have met with myself, the Canada Mortgage and Housing Corporation, the last speaker, and members of the NDP to discuss the state of the union with respect to housing. Coincidentally, I have just received a letter from Mr. Gary Santini, the President of the Canadian Homebuilders Association, dated May 18, 1988. The letter addresses the issues involved in this debate. I will read the letter in part and am quite prepared to table it. After discussing the various meetings with all concerned, he said:

> We came away with a renewed sense of the Government's dedication to the needs of the housing sector, both private and non-profit.
>
> I do not exaggerate when I say that considerable progress has been made under your leadership in the development of a comprehensive approach to housing policy in Canada. As an industry, we are acutely aware of the commitments you have made to our industry's development, particularly in the areas of training and education, technical research, regulatory reform and market analysis. Your overall policies and directions are well balanced and frankly, we are delighted to see the way you have been able to target resources to housing the truly needy.
>
> Overall, it's a job well done; keep it going; and we look forward to working even more closely with you in the future.

That is the latest analysis of what the Government has been able to accomplish and is intending to put on the menu with respect to housing policies for Canada in the next few months.

The issue is about leadership. My proponent suggests, with a great deal of rhetoric, and in good faith, that there is a need for more and better housing to deal with a number of problems in Canada. We agree with this. That is why the Government has made it an axiom of its policies that housing is one of the most fundamental rights and needs in Canada. That is why I am proud to cite certain information and statistics which indicate that we have indeed been very successful in bringing about dramatic improvements in housing for all Canadians in all parts of Canada.

To put the debate in its proper context, I must call the attention of this House to the fact that when we got into office

we decided that we would not unilaterally impose housing policies on Canadians and on the provinces. The hallmark of the Liberal Government was to impose, unilaterally and without consultation, housing policies. I suggest that the results were somewhat wanting. That is why we undertook the most extensive and intensive consultative process throughout Canada when we came to office. Some 8,000 people and groups were consulted representing financial institutions, mortgage companies, social housing groups, co-operative housing associations, contractors, and all people who are directly or indirectly interested and involved with housing.

We incorporated into legislation the fundamental message which we received, that is, that all the housing funds of the Government should be directed toward those most in need. One can say that we have abdicated leadership because we have consulted. I take another view, as I think Canadians do. Canadians want a government which wishes to secure their participation and receive their advice on what is appropriate for all parts of Canada. We have put in place national policies which responds to the advice we sought. This is reflected in a tremendous improvement in the number of housing starts in Canada since 1984.

For example, in 1987 there were 246,000 housing starts in this country, the largest number of housing starts in the last decade. There has been an increase in housing starts in every year since the Government took office in 1984. We have had an average of 204,000 housing starts per year since 1984 compared with 141,000 in the three years prior to 1984. Sixty-two per cent of Canadians own their own home. Indeed, it may be fair to say that Canada is a housing leader and that if it is not the best housed nation in the world it is certainly among the best. People come from all parts of the world to seek advice from Canada Mortgage and Housing Corporation on our programs and our policies. They see that this Government is getting a better bang for its buck in housing policy.

• (1620)

I might note, with respect to the rental market, that the national vacancy rate rose from 1.6 per cent in 1986 to 2.5 per cent in October, 1987. That indicates that with the tremendous number of housing starts and with government programs we have relieved some of the pressure in some places in Canada where there has been that adverse experience.

Let me turn to the co-operative programs with our provinces. It was suggested that there has been an abdication of responsibility and leadership in this area. We have formed agreements with every province in Canada, with the exception of Prince Edward Island, with a view to delivering more funds to those most in need. I say to the housing critic for the Liberal Party that we are the first Government to direct all of its funds in this area to those most in need. How does that constitute an abdication of leadership and responsibility?

She spoke at great length about the homeless and our failure to respond. I can say that 550,000 social housing units have been constructed in Canada to respond to that particular constituency. I can say that during the past 20 years more than 400,000 houses have been assisted by way of rehabilitation and renovation.

I suggest to my hon. friend that in 1988 this Government increased its Budget by $100 million, to $1.7 billion. Again, all of those funds are directed to those most in need.

As a result of entering into agreements with the provinces, we have been able to lever some $300 million more of provincial money to complement the federal program. The amount contributed by the provinces in addition to our $1.7 billion means that more than $2 billion of funds are going to house and help those most in need in Canada. Substantially more people are being helped through these programs than ever before.

Contrary to the housing programs of the previous Government, 30 per cent more Canadians who are in need are getting help by reason of the federal-provincial agreements and because of our policies.

My friend commented on the International Year of the Homeless. This Government made available funding in the amount of $1.7 million for the establishment of programs which might serve as instructive for other programs for the homeless. We invited people from all over the world to Ottawa to explain how the global problem of homelessness might be dealt with, because the problem is not peculiar to Canada. Indeed, our problem in this regard may be less than that faced by any other nation in the world.

The message we received and the brunt of the report that will be made available is that homelessness is indeed a multidimensional problem which includes such causes as socio-economic, lack of proper economic and entrepreneurial skills with many of our young Canadians, violence, drugs and mental problems. All of these contribute toward homelessness and must be addressed by all levels of Government, not just one in isolation.

My friend spoke of the problem facing our native people. We agree with her that this has been a long-standing problem for many years. I suggest that Governments of all Parties have tried to accommodate this very difficult situation which is unacceptable to our Government, to all Parties and all Canadians.

There is much to do. Let me point out that 50 per cent of all the rural funds were directed to native people on a priority basis. There are 1,000 additional units each year to meet the needs of urban natives.

In co-operation with the Department of Indian Affairs and Northern Development, we have ongoing programs on reserves. Last year, 1,240 new units were put in place with an additional $9 million in RRAP funds.

My colleague commented enthusiastically on the changes we proposed to the National Housing Act for mortgage insurance.

I welcome her support. Indeed, we have been endeavouring to have a quick debate so that legislation could move through quickly. I might note that if she can persuade her colleagues to stop filibustering on so many pieces of legislation that are before the House, we could get on with the real business of the nation and deal with amendments concerning fundamental issues like this.

Mortgage insurance will give more Canadians an opportunity to own a home. The changes we propose will assist people with very low downpayments to buy a house for the first time. The amendment we propose will allow Canadian homeowners to secure second mortgages at interest rates comparable to the first.

We all recall with some terror when first mortgages may have been 12 per cent or 14 per cent and second mortgages were 18 per cent to 24 per cent. It was obviously impossible for any young Canadian couple to purchase a home at those exorbitant rates. We are undertaking to ensure that a second mortgage is comparable to the first and the rate of interest charged by the mortgage or financial institution will be very much the same. Inevitably, one can conclude that more people will be able to buy houses at an affordable rate.

We are concerned with affordability. We recognize that there are some one million people in Canada who cannot secure a home appropriate to their needs. However, in the last two years this Government has been able to assist 107,000 new units of social housing through its RRAP or non-profit program. Approximately 50 per cent of the 107,000 people in the last two years have been able to obtain new accommodation through the non-profit program and the rest have been helped through the RRAP program. We have made tremendous strides, although there is more to do. What we are talking about now is leadership. We are talking about whether we have used the dollars available to us in an expeditious and appropriate way, getting the best value for our money.

• (1630)

One other facet of the changes we propose to the National Housing Act is to provide insurance for chattel mortgages. We are talking about insuring mortgages for mobile or manufactured homes. This is an area of housing policy which has perhaps been allowed to lapse for too long a period of time. We know that in other countries mobile homes and manufactured homes have provided substantial, comfortable and affordable accommodation for a great number of people who would not otherwise be able to call one place their home. We are going to ensure the purchase of new trailers. Previously people who wanted to buy a mobile home could not get financing from the standard financial institutions. They had to pay consumer rates of interest because loans for mobile homes were treated as consumer loans and too often the rates of interest were exorbitant and unaffordable. Our amendments will deal appropriately with that.

There are many facets of our successful housing program. Perhaps to give evidence of the merit of the proposed mortgage housing amendments, I would indicate a number of headlines. The headline in the *Toronto Star* on March 25, 1987, reads: "Mortgage Rule Change Helps Renters to Buy Homes". A headline in the *Ottawa Citizen* on March 25, 1987 reads: "Changes to Mortgage Insurance Fund Will Aid Home Ownership". The headline in the *Toronto Star* of May 14, 1988 reads: "Mortgage Backed Securities a Popular Investment Choice". That has nothing to do with our new amendments to the National Housing Act. It is a new scheme which has made available some $600 million of new investment from the private sector. This will allow more funds in the mortgage market. It will provide more competition, leading to lower interest rates and longer term mortgages. Indeed, for the very first time last year we saw a return to 10 year mortgages. For too long a period of time we have only been able to have access to five year mortgages. It will provide stability, availability and more affordability for Canadians.

The headline in the *Ottawa Citizen* on March 25 reads: "Changes to Mortgage Insurance Fund Will Aid Home Ownership". The headline in the *Montreal Gazette* on April 15 read: "Housing Starts Rebound". The headline in the *Toronto Sun* on March 25, 1987, read: "Mortgage Rules Lauded". So, when my friend says this Government has abdicated leadership and is responsible for deterioration in the housing situation of Canadians, I can only say to her that I am prepared to rely on the objective evidence. I am prepared to rely on statistics and on the commentaries I have cited today. Unfortunately, I have consumed all of my time, but I would welcome any questions.

[*Translation*]

Mrs. Killens: Mr. Speaker, my first question is one that I already asked in the House some months ago about our not having a national law establishing responsibility for housing in Canada, such as exists in Australia and in England, for example.

I would like to know whether the Minister has already studied the two laws of both these countries, because I always come back to the apparent lack of coordination throughout the country for solving housing problems. I may have emphasized homelessness, but this problem has so many social consequences that I am very concerned about it. There are other problems as well that could be solved throughout the country if people talked to each other. For example, I have an article from *Le Soleil* of Quebec and another from *La Presse* of Montreal, in which Mayor Doré of Montreal deplores this lack of communication; the article says that the Doré administration is somewhat concerned. This refers to the $2.5 million from the federal and provincial governments.

According to the article, the mayor is worried because the senior governments decided without consulting the city or the community groups working with the homeless. That is, Mayor Doré of Montreal said he was not consulted. It is true that

money is available from the federal and provincial governments, but in the other article, in *La Presse*, entitled "$11 million for housing restoration in Montreal", Mr. Gardiner, the city councillor responsible for housing in Montreal, said that if Montreal had not decided to put in the same amount of money, the Canada-Quebec restoration program would not have been as successful.

So you see, cooperation leads to municipalities putting in some money. In this way, we get the most leverage from federal and provincial funds.

So my question for the Minister is: Why is there not better coordination and cooperation among all levels of government? I include school commissions in that because they often have empty buildings and it seems that people do not talk to each other. Am I mistaken, Mr. Minister?

[*English*]

Mr. McInnes: Mr. Speaker, I thank the Hon. Member for the question which is appropriate and relevant. May I respond by saying quickly, and I do not want to be repetitive, that we have come to our housing policies through massive cross Canada consultations. The agreements we have, which involve the provinces, provide for a long range planning and short range programs to respond to immediate needs. Only last week, the Deputy Ministers of all of the provinces met with officials of Canada Mortgage and Housing Corporation to see if there were any particular priorities. I am advised that the provinces indicated they are very pleased with the housing programs and the amount of co-operation which has resulted from this massive consultation and ongoing discussion and dialogue.

One of the most fundamental problems in Canada which impedes housing starts and appropriate responses to the homeless is regulatory reform. Two years ago I commissioned a study by the Federation of Municipalities, the Canadian Homebuilders Association and CAHRO officials to undertake a response to this increasing problem. In Toronto, which has been cited as a centre of increasing difficulty by many people in the House over the last two weeks, the biggest singular problem for securing appropriate and affordable housing is lack of regulatory reform.

It takes more than three years to get approval on a piece of land for a particular social housing project from beginning to end. That is obviously within the jurisdiction of the municipality. It is within the jurisdiction of municipalities across Canada and it is something that must be co-ordinated and addressed. We know the requirements of a municipality in one part of Ontario is very much different from another town and city just five miles away and, of course, they differ from province to province.

We need uniformity and we are going to address that in a meeting with the Federation of Municipalities in Halifax this June. The motion the Hon. Member proposed is appropriate. I accept it. In response I say that we are following exactly that kind of format.

• (1640)

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, the motion that is being debated this afternoon addresses housing shortfalls in various areas. I would like to move from the larger cities of our country to northern communities, in particular northern Ontario communities where there are also very great difficulties. I think of one such community in particular. It is Aroland near Nakina in the area of Geraldton where a *de facto* band has been hoping for a couple of years to be able to begin reserve establishment.

The determination of the Government not to provide funding to these bands which were given *de facto* recognition by the previous Minister, the now resigned Hon. Member for Rosedale, has exacerbated the housing situation in that community. This is one of the communities, to bring it more particularly to the point for the Minister to consider, where Frontiers Foundation has been at work in assisting in the rehabilitation of properties. The former Secretary of State had approaches from this foundation to obtain support for its administrative activity so that it could carry on the work of ensuring that rehabilitation went ahead in a context of being able to establish a reserve and to build the new houses that were wanted.

My question for the Minister arises from a refusal of the Government in these two areas. The first area is with respect to the refusal to fund new reserves. Second, there is the refusal to provide assistance to this voluntary, non-governmental organization that was doing something to meet the housing needs of aboriginal people which the Government was neglecting to meet.

Has the Minister paid any attention at all to the problems such as the ones being experienced at Aroland and other areas? I do not expect the Minister necessarily to pay a visit to Aroland to see the difficulties of persons who perch in their crude houses on the top of a sand dune on the northern CNR line through northern Ontario. Surely in case after case these are situations which cry out for action by the Government. Words in the House of Commons will not do it.

What has the Minister of Public Works (Mr. McInnes) in dealing with housing challenges in these small communities done to make any kind of difference at all?

Mr. McInnes: Mr. Speaker, the Hon. Member brings to our attention a geographical area of Canada which indeed has housing problems. There have been problems there for many years and there will be for a long period of time.

I was in the Northwest Territories about six weeks ago to visit smaller communities which are experiencing the difficulties that the Hon. Member has cited with a view to determining appropriate solutions in consultation and in co-operation

with local Government. Indeed, we took some initiatives in that particular regard.

The Hon. Member cited one agency, Frontiers Foundation. The situation of that particular group was brought to my attention some months ago, perhaps more than a year ago. It had some difficulties, in particular administrative difficulties. We had been supportive for a very long period of time but it had accepted certain obligations to deliver the programs with which they were entrusted and, unfortunately, were not able to respond. We will give money to groups which are able to deliver rural and native programs. They are identified as those which are prepared to accept direction and responsibility. They will receive funding on that type of basis.

In response to the wind-up of the Hon. Member's question, we will be undertaking at the end of this year a review of our rural and native housing programs for the last five years to determine in consultation with territorial and northern Governments, and in consultation with native and housing groups, whether the type of programs that we have in place are working effectively, or whether there should be amendments or new proposals which might be put in place for those who are the subject of this discussion.

Mr. Scott (Victoria—Haliburton): Mr. Speaker, I am one who comes from rural Ontario, north of the great metropolitan area of Toronto. I often feel that we as rural Ontarian people living in the central part of Ontario are having difficulty getting a fair share of funding for low income and seniors' housing. I know that the federal Government gives the Province of Ontario 60 per cent plus, probably sometimes, of the money to fund these projects. However, at the same time I question that share of those funds that rural Ontario people are getting. I have had this concern for some time. I thought that possibly we could see some change down the road.

This matter has been raised through service clubs in that their needs were not met by the Ministers in the jurisdiction of the Province of Ontario which in my consideration carry about 100 per cent of the decision-making in respect to localities for housing.

We probably have to take a look, Mr. Minister, at the way the designation of housing is granted in consideration for people who have lived all their lives in rural Ontario where housing is less expensive than in the metropolitan and over-crowded areas. These rural people have no desire to move there. I am very concerned that their needs have not been given due consideration. I beg of the Minister to take this matter to his provincial colleagues to ask for more input in respect to the decisions made by different service clubs and non-profit organizations which want to share in rural Ontario and keep their people in the good life of Ontario.

I know that there is a long, drawn out process in respect to people in my area, central Ontario, in getting approvals. Too many of them have been overlooked in favour of the larger metropolitan areas. It is true that I know that there are a great many people in great need, but why can we not encourage the people in the smaller communities to have affordable housing for their senior citizens, and not put more pressure on Toronto. They are used to a slower pace of life. Yet they are forced to move out to large communities, not always Metropolitan Toronto. I certainly urge the Minister to take a hard look at this matter. I know that I am not the only one who has run into it. It is not an isolated case.

I think that we should grant some rights to these people who enjoy the slower pace of life in the rural communities, large and small. That has been their chosen home over the years.

I am giving the Minister notice right now that it would be a fair choice in the decisions made for these people who want to live in the quieter parts of Ontario to have the same opportunities as the ones in the larger areas.

Mr. McInnes: Mr. Speaker, as is the Hon. Member's custom, he adds considerable merit to the proposal which he brings to this particular debate. I wish to try to give him some assurance that there is a federal-provincial committee of officials who try to determine the priorities in any particular province where funds are going to be expended in any particular year.

The needs and direction may change from year to year. When people say: "You are cutting out a particular program, a RRAP program, a non-profit program, and we are not going to get as many units this year as last year", that is not quite fair. What we are saying is: "Perhaps you will not get as many units as last year because the priorities have changed. There are a number of other people in your province who have a greater need".

There is some flexibility. I want to assure the Hon. Member that the situation is being monitored, that the rural parts of Canada are very important to CMHC. I take the Hon. Member's advice. I am prepared to take a new look at the matter.

Mr. Neil Young (Beaches): Mr. Speaker, I want to say to the Minister of Public Works (Mr. McInnes) that whether he wants to recognize it or not, there is a crisis in Canada over the availability of affordable housing. While I believe it is true across the country, I think the problem is not only apparent but very transparent when one looks at a place like Metropolitan Toronto. The Minister told us that he was proud of the fact that there had been an increase in housing starts across Canada in recent months. I am not going to dispute that, because that is the case. But I would ask the question: Who are those houses being built for? The average price of a resale house in Metropolitan Toronto shot up approximately $11,000 in the last month to a record high of approximately $224,000 for the cost of an average home in Metro Toronto.

• (1650)

I want to ask the Minister whether he travels in circles of people who have the type of salaries to buy that type of

housing. Prior to this debate I went into the library and dug out the home section of a Toronto daily issued last weekend. I wish to give you some idea of the type of prices that we are talking about in Metro Toronto, Mr. Speaker.

For a luxury town home at affordable prices, they only want the simple amount of $167,900. That is for a townhouse. If one has the income, one can have a house on a ravine lot in Scarborough for $277,990. If one does not like being too close to the City of Toronto, one can move out to Bramalea and buy a nice house there for a range of prices between $239,900 and $299,900. I am not talking about luxury homes, Mr. Speaker. If one does not like Bramalea, perhaps one can move to Brampton and buy a house for $189,900. If that is not suitable, one can move into Bayview and buy a house for $438,000. If these communities are not suitable, one can move around and go to a place called Leslie Valley. There one can buy a bargain house for $199,990.

One can also go to Dixon Road on Highway 2 or Dundas Street, and find a house there for $199,990. If one really wants a deal, one can move to Pickering and buy a house for $154,990. These are not luxury homes by any means. When the Minister states that because of the increase in housing starts across the country there is no housing crisis, he is deluding himself, but he is certainly not deluding Canadians who have to live with the situation.

I have talked about houses in Metropolitan Toronto costing around $200,000. In my own neck of the woods, and I am certainly not in an affluent neighbourhood of Toronto, houses cost anywhere around $300,000. These are resale homes. The average wage in Metropolitan Toronto is approximately $484 per week or $25,464 a year.

It defies logic and common sense to say that housing that is being constructed today is affordable to the average income earner in a place like the City of Toronto. In fact, for most couples who want to buy a house in Toronto, both people have to work. They better not have any kids because they will not be able to carry the house let alone put a down payment on the house. It is totally unrealistic for the Minister to use the type of argument which he used to dismiss the intent of this motion.

I do not want us to return to the days around August 29, 1947, when the City of Toronto ran advertisements in newspapers across Canada which stated:

WARNING

ACUTE HOUSING SHORTAGE IN TORONTO, ONTARIO

Notification is hereby given to non-residents of this City that there is no available housing accommodation here. This Corporation will assume no responsibility or provide any assistance in locating living quarters for any person contemplating moving to Toronto.

For your own comfort and convenience

DO NOT COME TO TORONTO, ONTARIO

FOR HOUSING ACCOMMODATION

That was signed by the Mayor at that time, Robert Saunders, and the City Clerk at that time, J. W. Somers. That advertisement was run in newspapers on August 29, 1947.

The situation in Toronto is very similar today. My constituency office handles more calls from people asking for assistance to find affordable accommodation, whether it is a rooming house, an apartment, co-op housing units, or social housing run by the City of Metropolitan Toronto or the Ontario Government. I cannot help those people. There are no vacancies in Toronto. The vacancy rate in the City of Toronto is zero.

Approximately one month ago I received a letter from a woman who was a resident of Beaches for many years. Two years ago she moved to Cape Breton to look after her elderly mother. In that letter she stated that she was now ready to return to Toronto and wondered whether I could make any suggestions where she could apply for reasonable cost housing. I had to write back to that woman and seriously advise her that before she contemplated moving back to Toronto she attempt to find some housing, because there is absolutely none here.

In the City of Toronto a one bedroom apartment starts off at approximately $1,200 a month. A basement apartment in a house, which is usually not even two rooms, costs approximately $800 per month. One cannot find anything less. To make the argument that the Minister does that there is no crisis in housing defies belief, because there certainly is.

When I first was married I had every reasonable expectation that at some point I would be able to buy a house, and indeed I eventually did. Like most people, it was a struggle to begin with, but we managed. I do not know of too many young couples in Toronto who are starting off who can buy a home. In fact, it is becoming quite common when a young couple in Metropolitan Toronto get married that they move in with their parents and live in the parents' house rather than trying to find an apartment on their own, if they can afford the apartment to begin with. They certainly cannot afford a house when one looks at housing prices in the City of Toronto.

The Minister argued several minutes ago that an organization in Canada had conducted a study one winter night a year or so ago on the number of homeless in Canada that they could locate and found in total about 8,000 people who could be considered homeless in this country. I believe the Minister stated that the study was conducted on January 28, 1987. I have study after study where if one added up the numbers of homeless people who have been identified, not only in Toronto, but in Montreal, Vancouver, Winnipeg, the numbers way surpass 8,000 individuals who could be considered homeless in Canada.

• (1700)

The Toronto Star recently ran an excellent article, and I suggest that the Minister get his hands on it. It may educate him. The article said, and it is absolutely right, that no one knows exactly how many homeless there are in Canada. That kind of study has never been conducted. What has been done is a number of studies in a number of major urban centres. Here

is what *The Toronto Star* had to say about a study done in Toronto:

> Each day all of Metro's 2,500 hostel beds are occupied and social service officials estimate that up to 20,0000 people rely on them annually.
>
> About 20 hostels in Metro are run by charity groups with government funding and there are special shelters for men, families and battered women. The waiting list for government housing assistance has thousands of names.

I can attest to that. All you have to do is pick up the telephone and call City Homes, run by the City of Toronto, the Metro Housing Authority, or the Ontario Housing Authority and ask them how many people they have on waiting lists. It would knock your eye out. In fact, I call the number of people seeking affordable housing and unable to find it a national disgrace, especially when you consider that Canada is a signatory to the U.N. Declaration which recognizes that housing, like health care, education and the other things we take for granted, are in fact a necessity of life.

I could say a lot more about this. Unfortunately the Minister is not here but I could tell him, and he knows this full well, that there is absolutely no shortage of innovative ideas and concrete suggestions about what can be done to rectify the homeless problem we have. If implemented, these proposals could provide decent, affordable housing.

The Co-op Housing Federation, for example, have been complaining for a number of years that they entered into good faith negotiations with the Minister's officials, the Ministry committed itself to providing funding for 5,000 additional co-op housing units a year, but it has never come through with that funding. It is well short. The Federation put forward a concrete set of proposals to provide alternative housing for people to move into co-op housing. That is an excellent form of housing if you cannot afford to buy. Even if you do not want to buy, it is an excellent form of housing in the sense of community it brings to people who live there.

I will just read quickly through the proposals the Federation made to the Government. They said the budget for co-op housing should be increased to raise production to 10,000 units per year. If the Government were to do that this year it probably would not cost a cent in extra money for co-op housing because it has not come through with the allocation for co-op housing it promised for the last couple of years. All the Government would be doing is carrying out the promise it made over the last couple of years.

On the question of affordability, the number of subsidies for low and modest income people in co-op housing should be increased so that co-ops can achieve an income mix reflecting the communities in which they are developed. Subsidies for low income people should be available for 40 per cent of all new units, and subsidies for modest income people, slightly above core need, should be available for 20 per cent of all units.

They also argue that a one time contribution of $20 million should be made to a CHF administered national land trust to be used to secure land for co-op housing development. They also make the point, and I urge the Minister to give this a lot of consideration, that administration of co-operative housing units should be transferred from CMHC to the Co-operative Housing Foundation.

With respect to the rehabilitation of existing affordable housing, they suggest housing co-ops be allowed access to federal rehabilitation programs which would be added to the basic co-op housing program. These would allow new co-ops to renovate more existing units at lower cost and provide them at lower charges. Any rent increases due to renovations should be phased in gradually so that existing tenants are not forced to leave. In the conversations I have had with the Federation they advised me that it would not cost the Government a red cent if it just shuffled some of that responsibility around and let the Federation carry on its own administration.

I just cannot understand how the Minister can come up with the arguments he has to minimize the housing crisis when you consider his own Department, CMHC, the main agency responsible for administering housing policy at the federal level, identified the three categories of families or individuals who have a core social housing need. This is the CMHC criteria:

Individuals or families paying 30 per cent or more of their gross income for rent and for whom the basic cost of a decent housing unit of suitable size in the market area represents 30 per cent or more of their income; households paying less than 30 per cent of their income on rent but living in housing that is too small or of poor quality and for whom the basic cost of a decent housing unit of suitable size in their market area represents 30 per cent or more of their income; households with a need for special purpose accommodation, such as the disabled, the elderly, female victims of violence, juvenile delinquents or individuals with alcohol or drug problems and requiring special services.

You could take all that criteria and apply it to a place like Metropolitan Toronto and it fits. The Department's own criteria says there is a housing crisis in Metropolitan Toronto, for all the reasons I mentioned previously.

I see I have about two minutes left and I want to use them to say that while housing is a very serious matter for most Canadians and their families, it is a special problem for single parent families which are usually headed by a woman. They are the ones who suffer most in this housing crisis. It is that area which needs immediate attention. From what I can see of the Minister's policies, that problem is not being addressed.

Very quickly I would make the argument again that you can argue all you want about housing starts increasing across Canada in the last couple of years but it does not mean anything if you happen to live in Metropolitan Toronto, earning the average wage I spoke of, about $25,000 a year. Those kinds of figures are meaningless to these people. What is really required is for the federal Government to step in and make Crown lands such as the Downsview Airport, available for affordable housing construction. There are all kinds of

groups willing to lend assistance and technical know how to do that. An innovative, imaginative group of people are out there. All it will take is the political will on the part of the Government to provide leadership and allow them to go ahead and do the job required.

Mr. Deputy Speaker: Questions or comments.

Mr. Stackhouse: Mr. Speaker, I welcome this debate which the Opposition motion is affording Members of the House even though it makes the characteristic error of attributing the housing crisis in Metropolitan Toronto to the federal Government. Common sense itself should show, as I regret the last speaker did not indicate, that there is a greater spread of government responsibility over all three levels of Government. Much of the fault lies in the private sector itself. It is absolutely essential that the Government and the House of Commons in general address the problem of housing in our major urban centres because it is necessary to the social well-being of our country.

• (1710)

I have just a moment or two in the time allowed for comments by Members, nevertheless I would like to suggest that we have the potential for a very positive housing policy if we address ourselves to such proposals as the ones I have time only to itemize. I hope to elaborate upon them when I have the chance for a fuller debate in Private Members' Hour some time within the next few weeks on this same subject. I would like my neighbour and friend to join in that debate.

For example, we need a greater incentive for apartment construction. The only way we can drive rents down in an urban centre like Metro Toronto is by getting a greater supply of apartments. Second, we need the province to review the number of approvals and the cost of approvals needed for a development which drive the price of development up and which is then added to the cost of housing. Third, we need to provide some opportunity for people living in social housing as tenants to obtain ownership of their accommodation. That opportunity has been given in other countries and has been successful. We need to look at it here.

We need some way of addressing the problem of house value speculation by private citizens and companies. Governments have tackled it in the past with some success. We need in this highly inflationary, this explosively inflationary, period of housing prices to make that a priority. We need also to look at the way in which Governments can use land under government control, but not when Canada Mortgage and Housing and the authorities of the Province of Ontario act as if they are private developers themselves, interested primarily in the bottom line. The process of distributing government land to persons who build houses for purchase and who will acquire it for themselves should be done in a way that does not drive up prices in a speculative manner.

I would like some attention to be given, perhaps speakers later in this debate will do so, to a method used successfully by the federal and provincial Governments a few years ago, namely, to lease land on which houses were constructed so that a low-income person who wanted to own his own house could buy the house and lease the land for a period of time. Later he or she would have an opportunity, when finances were better, to acquire the land. There are ways by which Governments at all three levels can act on behalf of a person who has limited resources now and who is being crowded out of the housing market and unfortunately out of the rental market as well.

Mr. Young: Mr. Speaker, I took it that the Hon. Member was commenting rather than asking a question. I welcome his comments. I tried to be extremely careful to be non-partisan in the course of my speech.

I really believe that the solutions to the housing crisis do not belong to one level of Government. I would make the argument that while Governments can play a major role and provide the means to resolve the housing crisis, I do not think that Governments can do it on their own. When they have tried in the past, very often things have been a mess. Housing construction has taken place at the local level for all the wrong reasons, very often for political reasons and not to serve a need.

A lot of individuals and groups have been involved in providing alternative housing sources over the years. We should be asking them for innovative ideas because they have them. Ideas are best supplied by people who understand the community and who want to provide solutions. I have no objection to one of the suggestions made that perhaps land could be leased by an individual for some period of time until that individual finds himself or herself hopefully in a circumstance whereby he or she could purchase that land. That proposal should be looked at seriously.

This is one of those issues that comes before the House of Commons periodically, not often enough unfortunately, that is non-partisan in nature. This problem affects people across Canada regardless of who represents them politically. It is in that vein that if I offered any criticism in this debate at all, it was against CMHC for not carrying through with its obligations which were made through consultation and negotiation with one of the major groups having expertise in providing alternative housing in Canada. CMHC has not followed through with that commitment and as a result, rather than becoming a part of the solution, CMHC has become a part of the problem and I think that is extremely sad indeed.

[*Translation*]

Mr. Malépart: Mr. Speaker, I am pleased to see that a Conservative Member, and NDP Member and some Liberal Members all agree on the importance of a national housing policy, and I think I share the views of the Hon. Member who has just spoken. I really believe that the Government has really missed the boat during the International Year for the Homeless.

Home rehabilitation programs in Montreal in working class districts such as mine are inadequate, and I should like to

know if the situation is the same in the Hon. Member's own riding. I know that in Montreal, with the new housing co-operative policy, the people in the tenement sections whose incomes are around $12,000, $15,000 and $20,000 are penalized.

It is because CMHC is telling these people that their incomes are too high, and they are not entitled to grants and that it has to operate according to the market income. Well, automatically, these people are excluded. Which means that the co-operative program, as delivered on the basis of the share provided by the Federal government is for people who are either very poor or somewhat better off and who can go ahead.

Well, I should like to know if in his own riding, in other areas—I know that in Toronto and Montreal, they have the same problem—but I should like to know if in his region, the people are in the same position as the working men and women of average means who are penalized because they cannot be eligible to grants under this program.

[*English*]

Mr. Young: Absolutely, Mr. Speaker. One of the problems identified by administrators and committees in co-op housing units is the rather rigid rules under which CMHC requires units to operate. It is specified they can only have so many low-income people in a project. In order to provide adequate funding on an ongoing basis for a project, they have to bring in more higher-income people to subsidize it. It is untenable and too rigid. This was part of the program when funding for co-op housing was introduced a few years ago.

I think the whole administrative attitude toward co-op housing needs to be revised radically. That is why I support one of the proposals from the Co-op Housing Federation, namely, that it be allowed to administrate its projects. They are democratic organizations, supported very strongly by people who have lived in co-op housing. They like that kind of housing. It provides them with a real community unit within the larger community. I think it is time that officials at CMHC sat down with the leaders of the co-op housing movement and listened to the suggestions that have been made to them to improve an already good system, though it is good only in the sense that the people in the co-op housing movement have made it a good system.

• (1720)

Mr. Deputy Speaker: We will resume debate. With the consent of the House, the Chair would propose that we proceed in the following way: As there are 25 minutes left in debate, if the House agrees, the time will be shared equally between the Hon. Member for Lincoln (Mrs. Martin) and the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall).

Some Hon. Members: Agreed.

Mrs. Shirley Martin (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, I wish to thank my colleague opposite for giving me an opportunity to provide an update on the Government's activities in social housing. For almost three years now, the Government has endeavoured to use more efficiently the programs and moneys available to address the serious problems affecting close to one million Canadian households.

Hon. Members may recall that in November of 1985, my colleague, the Hon. Minister of Indian Affairs and Northern Development (Mr. McKnight), announced a global strategy that the Government would adopt in order to systematically address the housing problems of the most impoverished members of society. This strategy consists of several phases.

First, we wanted the different levels of Government to honour their efforts toward a common objective. Second, we wanted to concentrate the expenses for social housing on those whose needs were the greatest, those who are not able to find decent housing without having to spend more than 30 per cent of their incomes. Third, we wanted to introduce improved programs to ensure that housing needs of the households served are fully satisfied.

I would like to insist on the importance of the word "strategy", since in fact we are taking the first steps toward a national policy. The results of this policy can already be measured, and that is what I would like to talk about in the time available to me this afternoon.

My opposition colleague accuses the Government of being inconsistent. If we were to believe what we hear, the policy adopted by the Government shows that there is no national policy.

Would you consider it inconsistent, Mr. Speaker, for the Government to target its efforts toward the poor? Is there any inconsistency in the fact that for the first time in the history of social housing in Canada, a Government has taken measures to control the eligibility for programs so that the neediest Canadians in the worst housing conditions can at last find decent housing? Would you consider the fact that all levels of Government were invited to join hands in fighting the problems afflicting those in need as not having a vision for a national policy?

It is the needy who should answer these questions. It is the homeless who benefit from the new initiatives of the Government. Very little was available to them before.

My colleague from the Opposition blames the Government for its lack of leadership. Is it possible that she does not know the difference between leadership and loud publicity? The federal Government works hard and often in a discreet way in housing. Maybe she would prefer it if my colleague, the Hon. Minister of Public Works (Mr. McInnes), responsible for Canada Mortgage and Housing, were to announce with much publicity how the Government has managed to integrate thousands of needy families into new communities. She might also want the Minister to mention the success of the Renovation Assistance Program in the cities, towns and villages across Canada.

The results are there to attest to the Government's leadership. Since 1986 when the new federal-provincial agreements and the new social programs were implemented, the Government has practically doubled the rate at which traditional forms of social housing provide assistance to Canadians to meet their core housing needs. This means that almost twice as many needy households are now being provided with new units, twice as many households assisted for the same total expenditure. If this cannot be qualified as effectiveness, I really do not know how else to describe this unprecedented success.

We are talking here about single-parent families, elderly people living in very poor housing conditions, families who have to spend large sums of money on housing out of proportion to their incomes in order to provide their children with suitable housing conditions. These are the people our programs have addressed.

The Government, which some try to blame for not providing leadership, has succeeded to such an extent that the previous Government would be envious of it. It is not on this Government that the blame must be put but rather on previous Governments for having waited so long to offer assistance to those most in need.

The Government is accused of having delegated its powers, of having abandoned its responsibilities, of having lost control of the national housing file. This is simply not true. The Government has not abandoned its responsibilities. On the contrary, it has acted in a responsible fashion and has entered into a dialogue with the provinces, a dialogue which is producing positive results.

For over two years now, the federal and provincial Governments have worked together to solve housing problems jointly. Rather than limiting its influence to federal expenditures, the Government now also has the opportunity to impact provincial expenditures. Not only has the Government been successful in influencing how the provinces spend their funds, it has also succeeded in convincing the provinces to substantially increase the amounts of funding to assist the homeless.

We know that there is still work to be done. Many voices are crying out for assistance from all levels of Government. The challenge is not small and the energy invested by the Government attests to its concern to act to provide assistance as rapidly as possible to the greatest number possible, but dedicating those funds and those actions to those who are most in need.

I see that my time is running short. The Government is receiving feedback from the people of Canada in order to make sure that the policies meet the needs of the people. The Government's leadership may be shown in many ways, but the most eloquent way is certainly that this leadership is based on national consensus. This is precisely what the Government has been successful in doing for almost three years now.

Every year the Government spends a considerable amount of money to alleviate the housing problems of Canadians. Each year over 50,000 additional families benefit from various forms of assistance offered to people in need. These amounts do not take into account the more than $1.5 billion already earmarked each year to reduce rents to an affordable level for families. Facts speak for themselves. They show a commitment to social justice and development for all Canadians. The housing policy of the Government has been well designed and is now yielding benefits.

My hon. colleague opposite who introduced the motion today said in closing her remarks: "Wait until the day after the next election for the Liberal Government to pick up the pieces of the previous Government's housing policy". The day after the next election, this Government will be here on this side of the House, and it will continue its housing policy. On that day, we will find fewer people in need because of the actions of this Government today.

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I am happy to participate in this debate because it concerns a very fundamental aspect of the Canadian economy, the need for housing. I wish to compliment my colleague for introducing this motion today. It gives us a clear opportunity to debate some of the substantive aspects of the housing policy or the lack of housing policy in Canada.

One aspect of the issue which has caught my interest and the interest of my constituents as well as the interest of many Canadians is the lack of support the Government has provided to the Residential Rehabilitation Assistance Program. The previous speaker said that there are a number of Canadians who have innovative ideas with regard to housing policy.

• (1730)

The Residential Rehabilitation Assistance Program, for the benefit of Members opposite, was a program introduced by the Government of Canada in 1973 under a Liberal Government. One would have to concede that it was followed up by the Clark Government for a short period of time. We would have hoped that it would not only have been followed up on beyond 1984, but indeed expanded upon between 1984 and 1988. The exact opposite has occurred.

The Residential Rehabilitation Assistance Program was started by the federal Government to encourage the upgrading of substandard dwellings, especially those occupied by low to moderate income earners—I wish to emphasize low to moderate income earners—in order to improve and maintain the existing housing stock. Eligible home owners and landlords were entitled to receive partly forgivable loans for admissible renovation costs.

Look at the market for this particular program. Does it assist home owners in the urban centres of this country who make in excess of $100,000 or $150,000? Is it a program which assists Canadians who make in excess of $50,000 or

$40,000? No, it was a program directed to low-income earners, individuals on pensions and various fixed incomes.

The example I will provide for the House today is a rather telling story of what the Minister responsible for Canada Mortgage and Housing Corporation has done in his own native Province of Nova Scotia. The officials of his Department will tell you that there has never been a program of the federal Government under Canada Mortgage and Housing which has been more successful for those in need than the Residential Rehabilitation Assistance Program, for both urban and rural communities across Atlantic Canada. However, nowhere has that program been more successful than in Nova Scotia.

The Government ought to be ashamed of its record on the Residential Rehabilitation Assistance Program. As a Nova Scotian and one of the political Ministers from Nova Scotia, the Minister responsible should be ashamed. He should be even more ashamed that he has substantially cut the budgets under the Residential Rehabilitation Assistance Program.

For example, I do not know why a Member of Parliament representing Halifax would have it in for the people of New Glasgow, but the budget for that particular municipality has been cut back since 1987 from $207,000. The forecast budget for 1988 is $126,000. This program does not throw money away. It is needed by many Canadians. In fact, this program provides provisional financial assistance to those in need, extends the life of existing housing stocks, promotes the acceptable level of maintenance of such stocks, and improves substandard housing to an agreed upon level of health and safety standards.

Those are the over-all objectives of the program. Yet, the political Minister from Nova Scotia is telling municipalities which need this money to improve their housing stocks that he is sorry but the Government is not going to provide that financial assistance to low income earners or people on fixed incomes.

It does not stop at New Glasgow. I do not know why the Minister from Halifax would have it in for the people of Pictou but the reduction there is from $113,000 in 1987 to $67,000 in 1988. The Town of Truro is a great community with an enthusiastic population. Its budget in 1987 was only $207,000, but in 1988 the Minister from Halifax reduced that to $126,000.

There are many similarities between the Town of Springhill and the area which I represent. In 1987 it was allotted $198,000 and the initial budget forecast for 1988 indicates $123,000. Granted, the Town of Amherst does not have the numerous restaurants or the convention centre which Halifax has, but it does have its share of low income Canadians and Canadians on fixed incomes who are in need of upgrading their housing. Their budget has been reduced from $293,000 in 1987 to $185,000.

This is a wonderful political Minister from Nova Scotia. He is doing a phenomenal job for low income Canadians and people on fixed incomes in the Province of Nova Scotia. He should do the honourable thing and ask for a change of portfolio. This is a shameful performance.

What about the area which I represent and Cape Breton Island as a whole? I repeat, for the benefit of Members who are present as well as those who are watching on television, that this particular program is needed on Cape Breton Island. In 1984 the previous Liberal Government provided the municipal units on Cape Breton Island approximately $6,763,460, almost $7 million. Now, under a Conservative Government in Nova Scotia, a Conservative Government in Ottawa, the political Minister from Nova Scotia has told the people in Cape Breton that for 1988 they will be allocated only $1.7 million.

There is a tremendous need, Mr. Speaker. There is a backlog of applications from low income Canadians and Canadians on fixed incomes in that area of the country who need this assistance in order to improve their housing stock. The Conservative Government and the political Minister from Nova Scotia have cut, cut, cut to an all-time high.

What has the Member for Cape Breton Highlands—Canso (Mr. O'Neil) said to low-income Canadians and people on fixed incomes who want assistance under this particular program? He has said nothing. He has demonstrated that both he and the political Minister do not have the will or foresight to secure the necessary funds from the Minister of Finance (Mr. Wilson) in order to provide those Canadians with financial assistance to make the repairs which are absolutely necessary. My colleague, the Member for Egmont (Mr. Henderson) has said that his constituents will deal with him in the next election.

The City of Sydney was allocated $563,000 in 1987. That has been decreased by 16 per cent to $350,000 in 1988. That is utterly shameful.

Richmond County, which is represented partly by the Member for Cape Breton Highlands—Canso and partly by myself, has had its budget slashed by 17 per cent from 1987 to 1988. In Cape Breton County in excess of 1,000 applicants are seeking money under this program and they have been slashed by 17 per cent as well, down from $763,000 in 1987 to $447,000 in 1988.

• (1740)

The list goes on and on in terms of the cut-back on a program that has been exceptionally successful. It was successful because it focused on people on pension and low income Canadians. These are people unlike the Minister, who makes in excess of $100,000, but make from $10,000 to $13,000 a year. They are not your Texaco president or Royal Bank president.

These are average Canadians trying to get along in their daily life, and it would be so much easier with a little assistance from the Government of Canada. Yet they are being told

that they cannot have this assistance because the Conservative Government of Canada and the Minister responsible say they are not a priority. The Government's priorities lie with the banks and the big multinational drug companies.

I know that you are a man of reason, Mr. Speaker, one who would want to place the taxpayer's money in the hands of those who need it most. Why does the Government refuse to acknowledge your wisdom? Why does it refuse to provide the necessary funds to Canadians with fixed pensions or low income and need some form of financial assistance, whether they be in the town of Dominion or Glace Bay?

I hope that municipal leaders will speak out. In 1987, RRAP funds amounted to $401,000. There was a reduction of $146,000 in 1988, down to $255,000. That is absolutely criminal. I am confident that the municipal authorities in that area will speak out loudly and clearly to impress upon the Government the many problems they are experiencing with their program.

My colleague raises a fundamental question. What about those other programs that were successful, such as the Canada Home Insulation Program and the Canada Oil Substitution Program? There are no programs. There is a program for those who have all sorts of money. The Municipality and County of Halifax has been cut adrift by the sleepy Conservative Members of Parliament who have said absolutely nothing with regard to this program.

I can understand why the Minister is not here. He does not want to hear the truth. He does not want to hear the realities that are taking place in Nova Scotia. That is why he is not here and participating in this debate.

Mr. Deputy Speaker: Order. Would the Member skip the reference to the Minister.

Mr. Dingwall: Mr. Speaker, I think it is very relevant and germane to our debate. But in conclusion, Mr. Speaker, it ought to be remembered by one and all that the Residential Rehabilitation Assistance Program was a very effective program for low income earners in Canada and those on fixed pensions. It was a very successful program. The Conservative Government and the Minister responsible have purposely, intentionally and deliberately told those Canadians that they are not a priority and have slashed funds substantially, as we saw in Cape Breton.

I hope all Members will support my colleague who introduced this motion in condemning the Government for its very regressive and insensitive programs relating to the housing stock in this country. I can only say to those Members who support these drastic cut-backs to the Residential Rehabilitation Assistance Program that they will be remembered in the next federal election by those Canadians who are being denied that opportunity.

Mr. Deputy Speaker: It being 5.45 p.m., it is my duty to interrupt the proceedings and to put forthwith every question necessary to dispose of the supply proceedings now before the House under the provisions of Standing Order 82(9).

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed to the motion will please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the motion (Mrs. Killens), which was negatived on the following division:

• (1750)

(*Division No. 362*)

YEAS

Members

Althouse	Harris	Orlikow
Axworthy	Heap	Ouellet
Benjamin	Henderson	Parry
de Corneille	Hopkins	Penner
de Jong	Hovdebo	Prud'homme
Dingwall	Isabelle	Riis
Epp (Thunder Bay—Nipigon)	Jewett	Robichaud
	Kaplan	Rossi
Finestone	Killens	Skelly
Foster	Lapierre	Waddell
Gagliano	MacLellan	Young—40
Gauthier	Malépart	
Grondin	Manly	
Guilbault (Saint-Jacques)	McCurdy	
	Murphy	
	Nystrom	

NAYS

Members

Andre	Cardiff	Daubney
Attewell	Champagne (Champlain)	Della Noce
Belsher		Desjardins
Bernier	Clark (Brandon—Souris)	Domm
Bertrand		Dorin
Binns	Clifford	Duguay
Blackburn (Jonquière)	Comeau	Edwards
	Cook	Ellis
Blais	Cooper	Fennell
Blouin	Crofton	Forrestall
Bourgault	Crosbie (St. John's West)	Fraleigh
Bradley		Fretz
Browes	Crosby (Halifax West)	Friesen
Caldwell		Gagnon

Gervais
Gormley
Graham
Gray
(Bonaventure—Îles-de-la-Madeleine)
Grisé
Guilbault
(Drummond)
Halliday
Hamelin
Hamilton
Hawkes
Hnatyshyn
Hockin
Jacques
James
Jelinek
Jourdenais
Kelleher
Kempling
King
Landry
Lawrence
Layton
Lewis
Lopez
MacDougall
(Timiskaming)
MacKay
Malone
Mantha
Marin
Martin
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McInnes
McKinnon
McKnight
McMillan
Minaker
Mitges
Moore
Nicholson
(Niagara Falls)
Nowlan
O'Neil
Peterson
Plourde
Porter
Price
St. Germain
Schellenberger
(Wetaskiwin)
Scott
(Victoria—Haliburton)
Scott
(Hamilton—Wentworth)
Scowen
Shields
Siddon
Sparrow
Stackhouse
Stewart
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tupper
Turner
(Ottawa—Carleton)
Vankoughnet
Vincent
Warner
Weiner
Wenman
White
Wilson
(Swift Current
—Maple Creek)
Witer—111

• (1810)

Mr. Deputy Speaker: I declare the motion lost.

Mr. Riis: Mr. Speaker, I rise on a point of order. There have been some discussions between the Parties and tomorrow the debate on Meech Lake will begin. The official spokesperson for the Government and the Official Opposition will have unlimited time. I wonder if I could seek unanimous consent to allow the Hon. Member for the New Democratic Party to have at least 45 minutes for her speech.

The Deputy Speaker: Is there unanimous consent?

Some Hon. Members: Agreed.

The Deputy Speaker: It being 6.15 p.m., this House stands adjourned until tomorrow morning at eleven o'clock.

The House adjourned at 6.15 p.m.

HOUSE OF COMMONS

Thursday, May 19, 1988

The House met at 11 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

LAW REFORM COMMISSION

TABLING OF THIRTY-FIRST REPORT

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to table in both official languages Report No. 31 of the Law Reform Commission of Canada entitled *Recodifying Criminal Law*, a revised and enlarged edition of Report No. 30 which I tabled in this House on December 3, 1986.

* * *

CANADIAN MULTICULTURALISM ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Hon. Steven E. Paproski (Edmonton North): Mr. Speaker, I have the honour to present the report of the legislative committee on Bill C-93. I would like to thank the Clerk, Mr. Don Landry, and the staff who worked so diligently on this Bill, as well as the Minister for appearing at the beginning and the end of the deliberations.

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

* * *

BUSINESS OF THE HOUSE

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I rise on point of order. What are the Government's intentions today when we reach Orders of the Day? The House understood that, because of a special order, today would be devoted to Government Order No. 23, the Constitution amendment dealing with the Meech Lake Accord.

We also see on the Order Paper consideration of a Ways and Means motion concerning free trade. I do not know if the Government has decided to postpone the debate on Meech Lake and go to this other business, but we would like to know why this is on the document before us. We have people who are prepared to speak on the Meech Lake debate today. We would like to know if they can expect to be speaking today.

Mr. Lewis: Mr. Speaker, we expect Routine Proceedings to proceed smoothly. We would then call, as indicated on the Order Paper, the Ways and Means proceeding. It is not debatable and not amendable. It should go reasonably quickly and give the Hon. Minister of Justice (Mr. Hnatyshyn) an opportunity to reopen the Meech Lake debate, followed by the spokespersons for the two opposition Parties.

Mr. Langdon: Mr. Speaker, I rise with respect to the same concern expressed by the Member for Saint-Jacques (Mr. Guilbault). It is crucial that the House have some sense of direction in which it is going. To put this suddenly on the Order Paper at this stage gives very little time for consideration of a motion which was brought forward by the Government just yesterday.

• (1110)

It is a motion that cannot be debated, which in itself is most objectionable, I think. It seems to me, therefore, that to take this step, which in effect reverses what the Government has put before us previously, is really most unusual and I hope, Mr. Speaker, that you will rule it out of order.

Mr. Speaker: I have listened carefully to the Hon. Member for Essex—Windsor (Mr. Langdon). I can understand the point he is making. However, the rules are quite clear. The Chair is in no position to rule the matter out of order. I just would not have the authority to do so. In view of the fact that the Hon. Member for Essex—Windsor has spoken on this matter, I should ask if there is any further comment.

Mr. Lewis: No need for it.

* * *

AN ACT TO PROVIDE FOR THE CONTINUANCE OF AIR CANADA UNDER THE CANADA BUSINESS CORPORATIONS ACT AND FOR THE ISSUANCE AND SALE OF SHARES THEREOF TO THE PUBLIC

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council) moved for leave to introduce a Bill to provide for the continuance of Air Canada under the

Canada Business Corporations Act and for the issuance and sale of shares thereof to the public.

Mr. Speaker: Is it the pleasure of the House to allow the Hon. Minister to introduce the Bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

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

(*Division No. 363*)

YEAS

Members

Andre	Fraleigh	McInnes
Belsher	Fretz	McKinnon
Bernier	Friesen	McKnight
Bertrand	Gagnon	Minaker
Blackburn (Jonquière)	Gervais	Mitges
Blais	Gormley	Moore
Blenkarn	Greenaway	Nowlan
Blouin	Grisé	O'Neil
Bradley	Guilbault (Drummond)	Paproski
Brightwell	Hamilton	Plourde
Browes	Hawkes	Porter
Caldwell	Hees	Price
Cardiff	Hicks	Ricard
Chartrand	Hnatyshyn	St. Germain
Clark (Brandon—Souris)	Hockin	Schellenberger (Wetaskiwin)
Clifford	James	Scott (Victoria—Haliburton)
Coates	Jardine	Scott (Hamilton—Wentworth)
Comeau	Kelleher	Scowen
Cooper	Kempling	Siddon
Corbett	King	Sparrow
Cossitt	Lawrence	Tardif (Charlesbourg)
Crofton	Layton	Taylor
Crosbie (St. John's West)	Leblanc	Thacker
Crosby (Halifax West)	Lewis	Towers
Daubney	Lopez	Tremblay (Québec-Est)
de Cotret	MacDonald (Kingston and the Islands)	Tupper
Della Noce	Malone	Turner (Ottawa—Carleton)
Dick	Mantha	Valcourt
Domm	Marin	Vankoughnet
Dorin	Martin	Vincent
Edwards	Mazankowski	Warner
Fennell	McCrossan	Weiner
	McDermid	Wenman
		White
		Wilson (Swift Current —Maple Creek)
		Wise
		Witer—102

NAYS

Members

Allmand	Guilbault (Saint-Jacques)	Nystrom
Althouse	Heap	Orlikow
Axworthy	Henderson	Ouellet
Benjamin	Hopkins	Penner
Berger	Jewett	Pépin
Caccia	Kaplan	Prud'homme
Copps	Killens	Riis
de Jong	MacLellan	Rodriguez
Finestone	Malépart	Rompkey
Frith	Manly	Rossi
Gauthier	McDonald (Broadview—Greenwood)	Skelly
Gray (Windsor West)	Murphy	Young—37
Grondin		

• (1150)

Mr. Deputy Speaker: I declare the motion carried.

Mr. Mazankowski moved that the Bill be read the first time and printed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour will please say yea.

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

I declare the motion carried on division.

Bill read the first time and ordered to be printed.

* * *

[*Translation*]

PETITIONS

OPPOSITION TO DEINDEXATION OF PENSIONS

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I am pleased to present a petition from Transport Canada employees at Dorval Airport who now avail themselves of their ancient and undoubted right to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy.

The petitioners humbly state that: Whereas indexed pensions for all Canadians are essential for retired people to protect the value of their pensions from the harmful effects of inflation;

Whereas other employers and other governments recognize the need for indexation and therefore negotiate the protection of pension benefits from inflation or pass laws for this purpose;

Whereas Bill C-33 will abolish legislated protection for full inflation protection of future pension benefits of all federal Public Service employees, although these employees have paid and will continue to pay 7.5 per cent of their salary towards their pensions, including full inflation protection;

For these reasons, the petitioners humbly ask Parliament to maintain in law full indexation of pension benefits for the federal Public Service, the Canadian Armed Forces and the Royal Canadian Mounted Police.

As in duty bound, your petitioners will ever pray.

[*English*]

ABORTION—SUPREME COURT OF CANADA DECISION

Mr. Gerald Comeau (South West Nova): Mr. Speaker, I have the honour to present a petition from the members of Reverend Roger K. Moore's congregation in my constituency regarding the Supreme Court's decision to allow abortion on demand. They humbly pray and call upon Parliament and provincial legislators to consider the tragic effects of this decision and to take immediate action to protect, defend and respect the rights of unborn children.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the following questions will be answered today: Nos. 314 and 332.

[*Text*]

CMHC—FUNDING ASSISTANCE TO TORONTO

Question No. 314—**Mr. Young:**

1. In (*a*) 1988 to date (*b*) 1987, have funds been made available under the Canada Mortgage and Housing Corporation for housing in Toronto and, if so, in what amount?

2. Are any housing units being funded under the Canada Mortgage and Housing Corporation in Ontario and, if so (*a*) how many (*b*) what amount of funding is allocated to each unit?

Hon. Stewart McInnis (Minister of Public Works): I am informed by Canada Mortgage and Housing Corporation as follows:

1. (a) and (b) Yes. The planned activity for 1988 in the Toronto CMA is to create 1,431 new assisted housing units to be cost-shared 60/40 between the federal Government and the Province of Ontario and to provide $7.372 million for renovation. The number of units may vary depending on costs. In addition, it is planned that 589 units will be made available under the federal Co-operative Housing Program.

The corresponding commitments for 1987 for the Toronto CMA were 1,984 new assisted housing units, $8.017 million for renovation and 167 units under te federal Co-operative Housing Program.

2. Yes. (a) The planned activity for 1988 in Ontario is to provide assistance to create 6,147 new assisted housing units, cost-shared 60/40 between the federal Government and the Province (75/25 in the case of the Rural and Native Housing Program), and $25.34 million for renovation. In addition, it is planned that 1,765 units will be provided under the federal Co-operative Housing Program.

The corresponding commitments for Ontario for 1987 were 6,398 new assisted housing units, $26.967 million for renovation and 1,367 units under the federal Co-operative Housing Program.

(b) The federal share of lifetime costs for all socail housing commitments in Ontario in each of 1987 and 1988 is approximately $1.2 billion. The federal Co-operative Housing Program budget for Ontario for 1987 and 1988 is approximately $2.3 million each year.

1986-87 SUPERANNUATION ACCOUNTS

Question No. 332—**Mr. Crofton:**

1. With respect to the 1986-87 Superannuation Accounts for the (*a*) Canadian Forces (*b*) Public Service, what amount was paid (*i*) into it by members (*ii*) into it by the government (*iii*) into it as interest (*iv*) out of it to retired personnel or their beneficiaries?

2. What were the balances in the two accounts at year end?

Hon. Pat Carney (President of the Treasury Board): 1. (a) Canadian Forces Superannuation Account: 1986-1987

(i)	Member Contributions	$ 130,867,098
(ii)	Government Contributions	$ 232,803,915
(iii)	Interest	$ 1,545,909,113
(iv)	Annuities	$ 425,915,688

(b) Public Service Superannuation Account: 1986-1987

(i)	Member Contributions	$ 552,330,411
(ii)	Employer Contributions:	
	Government	$ 397,926,126
	Crown Corporations	$ 119,618,297
	Total	$ 517,544,423
(iii)	Interest	$ 2,445,350,033
(iv)	Annuities	$ 826,003,699

2. (a) Canadian Forces Superannuation Account: 1986-1987

(i) Account Balance March 31, 1987 $16,110,864,205

(b) Public Service Superannuation Account: 1986-1987

(i) Account Balance March 31, 1987 $24,769,356,677

[*English*]

Mr. Deputy Speaker: The questions as enumerated by the Parliamentary Secretary have been answered.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if Questions Nos. 286 and 294 could be made Orders for Returns, the returns would be tabled immediately.

Mr. Deputy Speaker: Is it the pleasure of the House that Questions Nos. 286 and 294 be deemed to have been made Orders for Returns?

Some Hon. Members: Agreed.

[*Text*]

FUNDS ALLOCATED TO RIDING OF HAMILTON MOUNTAIN

Question No. 286—**Mrs. Dewar:**

For (*a*) the period between September 4 and December 31, 1984 (*b*) 1985 (*c*) 1986 (*d*) 1987 (*e*) 1988 to present, have any government departments or agencies allocated funds in the riding of Hamilton Mountain and, if so (*i*) which departments or agencies (*ii*) in what amounts (*iii*) under which categories and programs?

Return tabled.

DSS—CONTRACTS AWARDED IN CONSTITUENCY OF CALGARY SOUTH

Question No. 294—**Mrs. Sparrow:**

Between (*a*) January 1, 1982 and December 31, 1984, (*b*) January 1, 1985 and December 31, 1987, inclusive, were contracts awarded in the constituency of Calgary South by the Department of Supply and Services and, if so, in what numbers and, in each case, in what amount?

Return tabled.

[*English*]

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

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

Some Hon. Members: Agreed.

POINT OF ORDER

NECESSITY OF WAYS AND MEANS MOTION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, yesterday at this point, I rose on a point of order after the Minister for International Trade (Mr. Crosbie) gave notice of a Ways and Means motion relating to the free trade agreement between Canada and the United States. It is my understanding that the Government wishes to seek the concurrence of the House now in that Ways and Means motion before we go on to the important Meech Lake debate later this morning.

I am of course, Mr. Speaker, making an assumption that you will be making a ruling on my point of order in advance of the question being put to the House, and I wish to take a moment to make some additional comments to clarify the point of order I raised yesterday.

As you will recall, the thrust of my objection to the Ways and Means motion rested on two fundamental points: first, that because the Ways and Means motion contained no provision to increase charges to the public, it was therefore totally unnecessary as a preliminary step to the introduction of the free trade legislation. I cited a number of authorities, including Beauchesne and Erskine May, to corroborate my point. Second, I argued that by its very nature, a Ways and Means motion limits the scope for amendments to the Bill that it precedes, and Beauchesne is absolutely clear on this point.

In your preliminary response that you made yesterday to my intervention, you indicated that, without seeing the Bill, it was difficult to determine whether it would impose an additional charge on the taxpayer. You stated, as reported in Hansard at page 15587:

> The second matter of course is that without seeing the Bill I am not completely sure that I would be able to accept some of the propositions which the Hon. Member has cited, which may of themselves be good authority. However, I cannot tell until I see the Bill whether in fact the Bill conforms with the five paragraphs that are now in front of the House and the notice of Ways and Means motion. I draw to the attention of the Hon. Member for Kamloops—Shuswap the fact that paragraph i) of the notice of Ways and Means motion states:
>
> > i) to impose customs duties in accordance with the Tariff Schedules of Canada referred to in Annex 401.2 of the Agreement;
>
> I cannot tell from that whether that will increase customs duties or decrease them. It seems to me it puts us in some difficulty.

I recognize your difficulty, Mr. Speaker. However, consider the implications on Members of the House from all sides who participate in the legislative process of giving the Government a *carte blanche* opportunity to introduce Ways and Means motions. Consider, for example, the following case that could arise out of the ability of a Government to introduce Ways and Means to any Bill where charges on the taxpayer are altered, either to increase charges or to decrease them.

Let us consider the possibility of a Ways and Means motion being sufficiently vague and obscure as to leave some doubt in the minds of Members of the House about whether they are voting on whether or not to concur in a motion that would

result in increased taxes or in decreased taxes on the general public, their constituents. How can Members make a decision on a question which is not clear? Surely that is fundamental to this place. Members of Parliament must know what they are voting on before they can decide how they will vote. On a fundamental issue such as taxation, the importance of this question is heightened even further.

• (1200)

If the motion is unclear, how should I vote? How can I explain my vote to those who elected me? Am I to tell them that I may have inadvertently voted in favour of a motion to concur in a Bill that would increase their taxes because I did not understand the motion? How can we prevent this situation from occurring if we are not clear on whether or not the Ways and Means motion will result in increased or decreased charges to our constituents?

In an attempt to help resolve this question in my own mind with respect to the motion in question, I consulted with the Hon. Member for Essex—Windsor (Mr. Langdon), and other staff members, about the wording of the motion. It has become clear that those five paragraphs, which you indicated earlier were unclear, become somewhat less confusing after referring to the free trade agreement. However, there still remains some doubt as to whether or not these paragraphs are relieving measures or will result in additional charges to the taxpayer. Therefore, I, as a Member of the House, am left with questions in my mind about the question I am being asked to decide upon. I think you would agree that this is a very confusing situation at the very least.

In recent years the Government has initiated Ways and Means motions, specifically those that arise out of budget legislation, which are detailed and specific. It is quite clear to the House just what we are being asked to vote upon. However, this five-paragraph motion tabled yesterday gives Members no such guidance whatsoever. It is totally incomplete.

I still maintain that if this motion is based upon the contents of the free trade agreement, it can contain no measures that increase the charge on taxpayers and thus is totally unnecessary as a preliminary step to the introduction of the free trade legislation. As such, and as I stated earlier, it limits the ability of Members of the House to amend the legislation that will eventually follow.

However, if you are of the opinion that these arguments are not convincing, then I submit, as I argued this morning, that the Ways and Means motion proposed by the Minister should be ruled out of order because it is, as you have stated yourself, unclear and therefore I as a Member of this House cannot be expected to decide on a question that is unclear.

I hope you will reflect on my arguments and perhaps return at a later time to make a ruling. I thank you for your patience in hearing my arguments at this moment.

Point of Order—Mr. Riis

Mr. Speaker: I have listened very carefully to the Hon. Member for Kamloops—Shuswap (Mr. Riis) both yesterday and today. I indicated yesterday that whatever may be the final outcome, it seems to me that it was premature for the Chair to make a ruling. I have had time to reflect on the matter brought to my attention yesterday, and I have listened very carefully to the Hon. Member's complete argument again today. However, I remain of the same view. It is inappropriate for the Chair to try to make a ruling until the Chair sees what is actually in the proposed Bill. This does not mean that at that time it might not be appropriate to make a ruling.

I would add as a caveat that even if a ruling were made in accordance with the suggestion of the Hon. Member, it might not change anything very much. It might indicate that the Government had gone through an unnecessary process but it might not have any real substantive effect upon proceedings in the House.

I would ask the Hon. Member, who has raised a matter of importance, and certainly one of ingenuity, to accept the Chair's decision at this point that it would be premature to make an order. That does not mean I may not have further observations to make on the matter.

Hon. Herb Gray (Windsor West): Mr. Speaker, my comments are not intended to reflect in any way on what you just said, but I wish to raise with Your Honour the question of whether the Ways and Means motion is sufficiently complete in itself and sufficiently understandable that Members can make a decision upon it through their vote. There are problems with the motion in so far as it is not clear exactly what it is intended to do and say.

It is not enough for the Government to say it will introduce a Bill as a result of this motion being passed, if it is, and then everything will become clear. Surely it must be necessary for the Government, if it wishes to have a Ways and Means motion properly before the House, to have the content of the motion drafted so that it is clear to anyone voting upon it exactly what it intends to accomplish with respect to changes in the fiscal measures in question.

I respectfully submit that this is not the case and therefore the motion is defective and cannot be put before the House in its present form because Members are not in a position, from looking at the motion alone and not at a whole range of extraneous matters, to know just what they are voting upon.

Mr. Riis: Mr. Speaker, on the point raised by the House Leader of the Official Opposition, I want to refer to Beauchesne's Fifth Edition which says, in Citation 237, that a point of order against procedure must be raised promptly, which has been done, and before the question has passed to a stage at which the objection would be out of place. The point we are trying to make is that at some point in the future, if your ruling were that we ought to proceed, it might be out of place or beyond the point where such an intervention would be appropriate.

Erskine May has perhaps indicated a way around this dilemma. At page 447 it says that doubtful cases may arise upon which the rules of the House are indistinct or obsolete or do not apply directly to the point at issue. I submit that such is the case at this point. It goes on to say that the Speaker will then usually give a ruling to cover the new circumstances, although he has on occasion referred the matter to the judgment of the House. Perhaps that would be the appropriate way to proceed now and simply refer this decision to the House itself.

Mr. Speaker: I have listened very carefully to the Hon. Member for Windsor West (Mr. Gray) and the further remarks of the Hon. Member for Kamloops—Shuswap (Mr. Riis). While the points made by the Hon. Member for Windsor West were delivered with force, it seems to me they amount to essentially the same point raised by the Hon. Member for Kamloops—Shuswap, and I remain of the view that it is premature for the Chair to rule.

The latter point that the Hon. Member for Kamloops—Shuswap makes I think can be met by the Chair making it very clear that I certainly do not think I am precluded from commenting on this at a later time. I think I have made it clear that if it is appropriate, I certainly will do so. I will not take the position, nor will I be persuaded to take the position, that I do not have a clear right as Speaker to consider the matter when I see the Bill.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

THE CANADA-UNITED STATES FREE TRADE AGREEMENT

Hon. John C. Crosbie (Minister for International Trade) moved that a Ways and Means motion to implement the free trade agreement between Canada and the United States, laid upon the Table on Wednesday, May 18, be concurred in.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

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

• (1210)

(*Division No. 364*)

YEAS

Members

Andre
Belsher
Bernier
Bertrand
Blackburn (Jonquière)
Blais
Blenkarn
Bradley
Brightwell
Brisco
Browes
Caldwell
Clark (Brandon—Souris)
Clifford
Coates
Comeau
Cook
Cooper
Corbett
Cossitt
Crofton
Daubney
Della Noce
Domm
Dorin
Edwards
Fennell
Friesen
Gagnon
Gervais
Gormley
Grisé
Guilbault (Drummond)
Hamilton
Hawkes
Hnatyshyn
James
Jardine
Lawrence
Layton
Leblanc
Lewis
Lopez
MacDonald (Kingston and the Islands)
Malone
Mantha
Marin
Mazankowski
McCain
McCrossan
McCuish
McDermid
McKinnon
McKnight
Minaker
Nowlan
O'Neil
Peterson
Plourde
Porter
Ricard
St. Germain
Schellenberger (Wetaskiwin)
Scott (Victoria—Haliburton)
Scott (Hamilton—Wentworth)
Scowen
Shields
Siddon
Sparrow
Tardif (Charlesbourg)
Taylor
Thacker
Towers
Tremblay (Québec-Est)
Tupper
Turner (Ottawa—Carleton)
Vankoughnet
Vincent
Warner
Weiner
White
Wilson (Swift Current —Maple Creek)
Wise
Witer—84

NAYS

Members

Allmand
Althouse
Axworthy
Benjamin
Berger
Blaikie
Caccia
Cassidy
Copps
de Corneille
Dingwall
Finestone
Foster
Gagliano
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Jewett
Kaplan
Killens
Langdon
Lapierre
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nystrom
Orlikow
Ouellet
Penner
Rompkey
Rossi
Skelly
Young—39

• (1240)

Mr. Deputy Speaker: I declare the motion carried.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION ACT, 1867

CONSTITUTION AMENDMENT, 1987

The House proceeded to the consideration of the motion of the **Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada):**

WHEREAS the *Constitution Act, 1982* came into force on April 17, 1982, following an agreement between Canada and all the provinces except Quebec;

AND WHEREAS the Government of Quebec has established a set of five proposals for constitutional change and has stated that amendments to give effect to those proposals would enable Quebec to resume a full role in the constitutional councils of Canada;

AND WHEREAS the amendment proposed in the schedule hereto sets out the basis on which Quebec's five constitutional proposals may be met;

AND WHEREAS the amendment proposed in the schedule hereto also recognizes the principle of the equality of all the provinces, provides new arrangements to foster greater harmony and cooperation between the Government of Canada and the governments of the provinces and requires that conferences be convened to consider important constitutional, economic and other issues;

AND WHEREAS certain portions of the amendment proposed in the schedule hereto relate to matters referred to in section 41 of the *Constitution Act, 1982*;

AND WHEREAS section 41 of the *Constitution Act, 1982* provides that an amendment to the Constitution of Canada may be made by proclamation issued by the Governor General under the Great Seal of Canada where so authorized by resolutions of the Senate and the House of Commons and of the legislative assembly of each province;

NOW THEREFORE the House of Commons resolves that an amendment to the Constitution of Canada be authorized to be made by proclamation issued by Her Excellency the Governor General under the Great Seal of Canada in accordance with the schedule hereto.

SCHEDULE

CONSTITUTION AMENDMENT, 1987

CONSTITUTION ACT, 1867

1. The *Constitution Act, 1867* is amended by adding thereto, immediately after section 1 thereof, the following section:

"2. (1) The Constitution of Canada shall be interpreted in a manner consistent with

(a) the recognition that the existence of French-speaking Canadians, centred in Quebec but also present elsewhere in Canada, and English-speaking Canadians, concentrated outside Quebec but also present in Quebec, constitutes a fundamental characteristic of Canada; and

(b) the recognition that Quebec constitutes within Canada a distinct society.

(2) The role of the Parliament of Canada and the provincial legislatures to preserve the fundamental characteristic of Canada referred to in paragraph (1)(a) is affirmed.

(3) The role of the legislature and Government of Quebec to preserve and promote the distinct identity of Quebec referred to in paragraph (1)(b) is affirmed.

(4) Nothing in this section derogates from the powers, rights or privileges of Parliament or the Government of Canada, or of the legislatures or governments of the provinces, including any powers, rights or privileges relating to language."

Constitution Amendment, 1987

2. The said Act is further amended by adding thereto, immediately after section 24 thereof, the following section:

"25. (1) Where a vacancy occurs in the Senate, the government of the province to which the vacancy relates may, in relation to that vacancy, submit to the Queen's Privy Council for Canada the names of persons who may be summoned to the Senate.

(2) Until an amendment to the Constitution of Canada is made in relation to the Senate pursuant to section 41 of the *Constitution Act, 1982*, the person summoned to fill a vacancy in the Senate shall be chosen from among persons whose names have been submitted under subsection (1) by the government of the province to which the vacancy relates and must be acceptable to the Queen's Privy Council for Canada."

3. The said Act is further amended by adding thereto, immediately after section 95 thereof, the following heading and sections:

"*AGREEMENTS ON IMMIGRATION AND ALIENS*

95A. The Government of Canada shall, at the request of the government of any province, negotiate with the government of that province for the purpose of concluding an agreement relating to immigration or the temporary admission of aliens into that province that is appropriate to the needs and circumstances of that province.

95B. (1) Any agreement concluded between Canada and a province in relation to immigration or the temporary admission of aliens into that province has the force of law from the time it is declared to do so in accordance with subsection 95C(1) and shall from that time have effect notwithstanding class 25 of section 91 or section 95.

(2) An agreement that has the force of law under subsection (1) shall have effect only so long and so far as it is not repugnant to any provision of an Act of the Parliament of Canada that sets national standards and objectives relating to immigration or aliens, including any provision that establishes general classes of immigrants or relates to levels of immigration for Canada or that prescribes classes of individuals who are inadmissible into Canada.

(3) The *Canadian Charter of Rights and Freedoms* applies in respect of any agreement that has the force of law under subsection (1) and in respect of anything done by the Parliament or Government of Canada, or the legislature or government of a province, pursuant to any such agreement.

95C. (1) A declaration that an agreement referred to in subsection 95B(1) has the force of law may be made by proclamation issued by the Governor General under the Great Seal of Canada only where so authorized by resolutions of the Senate and House of Commons and of the legislative assembly of the province that is a party to the agreement.

(2) An amendment to an agreement referred to in subsection 95B(1) may be made by proclamation issued by the Governor General under the Great Seal of Canada only where so authorized

(a) by resolutions of the Senate and House of Commons and of the legislative assembly of the province that is a party to the agreement; or

(b) in such other manner as is set out in the agreement.

95D. Sections 46 to 48 of the *Constitution Act, 1982* apply, with such modifications as the circumstances require, in respect of any declaration made pursuant to subsection 95C(1), any amendment to an agreement made pursuant to subsection 95C(2) or any amendment made pursuant to section 95E.

95E. An amendment to sections 95A to 95D or this section may be made in accordance with the procedure set out in subsection 38(1) of the *Constitution Act, 1982*, but only if the amendment is authorized by resolutions of the legislative assemblies of all the provinces that are, at the time of the amendment, parties to an agreement that has the force of law under subsection 95B(1)."

4. The said Act is further amended by adding thereto, immediately preceding section 96 thereof, the following heading:

"*GENERAL*"

5. The said Act is further amended by adding thereto, immediately preceding section 101 thereof, the following heading:

"*COURTS ESTABLISHED BY THE PARLIAMENT OF CANADA*"

6. The said Act is further amended by adding thereto, immediately after section 101 thereof, the following heading and sections:

"*SUPREME COURT OF CANADA*

101A. (1) The court existing under the name of the Supreme Court of Canada is hereby continued as the general court of appeal for Canada, and as an additional court for the better administration of the laws of Canada, and shall continue to be a superior court of record.

(2) The Supreme Court of Canada shall consist of a chief justice to be called the Chief Justice of Canada and eight other judges, who shall be appointed by the Governor General in Council by letters patent under the Great Seal.

101B. (1) Any person may be appointed a judge of the Supreme Court of Canada who, after having been admitted to the bar of any province or territory, has, for a total of at least ten years, been a judge of any court in Canada or a member of the bar of any province or territory.

(2) At least three judges of the Supreme Court of Canada shall be appointed from among persons who, after having been admitted to the bar of Quebec, have, for a total of at least ten years, been judges of any court of Quebec or of any court established by the Parliament of Canada, or members of the bar of Quebec.

101C. (1) Where a vacancy occurs in the Supreme Court of Canada, the government of each province may, in relation to that vacancy, submit to the Minister of Justice of Canada the names of any of the persons who have been admitted to the bar of that province and are qualified under section 101B for appointment to that court.

(2) Where an appointment is made to the Supreme Court of Canada, the Governor General in Council shall, except where the Chief Justice is appointed from among members of the Court, appoint a person whose name has been submitted under subsection (1) and who is acceptable to the Queen's Privy Council for Canada.

(3) Where an appointment is made in accordance with subsection (2) of any of the three judges necessary to meet the requirement set out in subsection 101B(2), the Governor General in Council shall appoint a person whose name has been submitted by the Government of Quebec.

(4) Where an appointment is made in accordance with subsection (2) otherwise than as required under subsection (3), the Governor General in Council shall appoint a person whose name has been submitted by the government of a province other than Quebec.

101D. Sections 99 and 100 apply in respect of the judges of the Supreme Court of Canada.

101E. (1) Sections 101A to 101D shall not be construed as abrogating or derogating from the powers of the Parliament of Canada to make laws under section 101 except to the extent that such laws are inconsistent with those sections.

(2) For greater certainty, section 101A shall not be construed as abrogating or derogating from the powers of the Parliament of Canada to make laws relating to the reference of questions of law or fact, or any other matters, to the Supreme Court of Canada."

7. The said Act is further amended by adding thereto, immediately after section 106 thereof, the following section:

"106A. (1) The Government of Canada shall provide reasonable compensation to the government of a province that chooses not to participate in a national shared-cost program that is established by the Government of Canada after the coming into force of this section in an area of exclusive provincial jurisdiction, if the province carries on a program or initiative that is compatible with the national objectives.

(2) Nothing in this section extends the legislative powers of the Parliament of Canada or of the legislatures of the provinces."

8. The said Act is further amended by adding thereto the following heading and sections:

"XII—CONFERENCES ON THE ECONOMY AND OTHER MATTERS

148. A conference composed of the Prime Minister of Canada and the first ministers of the provinces shall be convened by the Prime Minister of Canada at least once each year to discuss the state of the Canadian economy and such other matters as may be appropriate.

XIII—REFERENCES

149. A reference to this Act shall be deemed to include a reference to any amendments thereto."

CONSTITUTION ACT, 1982

9. Sections 40 to 42 of the *Constitution Act, 1982* are repealed and the following substituted therefor:

"40. Where an amendment is made under subsection 38(1) that transfers legislative powers from provincial legislatures to Parliament, Canada shall provide reasonable compensation to any province to which the amendment does not apply.

41. An amendment to the Constitution of Canada in relation to the following matters may be made by proclamation issued by the Governor General under the Great Seal of Canada only where authorized by resolutions of the Senate and House of Commons and of the legislative assembly of each province:

(a) the office of the Queen, the Governor General and the Lieutenant Governor of a province;

(b) the powers of the Senate and the method of selecting Senators;

(c) the number of members by which a province is entitled to be represented in the Senate and the residence qualifications of Senators;

(d) the right of a province to a number of members in the House of Commons not less than the number of Senators by which the province was entitled to be represented on April 17, 1982;

(e) the principle of proportionate representation of the provinces in the House of Commons prescribed by the Constitution of Canada;

(f) subject to section 43, the use of the English or the French language;

(g) the Supreme Court of Canada;

(h) the extension of existing provinces into the territories;

(*i*) notwithstanding any other law or practice, the establishment of new provinces; and

(j) an amendment to this Part."

10. Section 44 of the said Act is repealed and the following substituted therefor:

"44. Subject to section 41, Parliament may exclusively make laws amending the Constitution of Canada in relation to the executive government of Canada or the Senate and House of Commons."

11. Subsection 46(1) of the said Act is repealed and the following substituted therefor:

"46. (1) The procedures for amendment under sections 38, 41 and 43 may be initiated either by the Senate or the House of Commons or by the legislative assembly of a province."

12. Subsection 47(1) of the said Act is repealed and the following substituted therefor:

"47. (1) An amendment to the Constitution of Canada made by proclamation under section 38, 41 or 43 may be made without a resolution of the Senate authorizing the issue of the proclamation if, within one hundred and eighty days after the adoption by the House of Commons of a resolution authorizing its issue, the Senate has not adopted such a resolution and if, at any time after the expiration of that period, the House of Commons again adopts the resolution."

13. Part VI of the said Act is repealed and the following substituted therefor:

"PART VI

CONSTITUTIONAL CONFERENCES

50. (1) A constitutional conference composed of the Prime Minister of Canada and the first ministers of the provinces shall be convened by the Prime Minister of Canada at least once each year, commencing in 1988.

(2) The conferences convened under subsection (1) shall have included on their agenda the following matters:

(a) Senate reform, including the role and functions of the Senate, its powers, the method of selecting Senators and representation in the Senate;

(b) roles and responsibilities in relation to fisheries; and

(c) such other matters as are agreed upon."

14. Subsection 52(2) of the said Act is amended by striking out the word "and" at the end of paragraph (b) thereof, by adding the word "and" at the end of paragraph (c) thereof and by adding thereto the following paragraph:

"(d) any other amendment to the Constitution of Canada."

15. Section 61 of the said Act is repealed and the following substituted therefor:

"61. A reference to the *Constitution Act 1982*, or a reference to the *Constitution Acts 1867 to 1982*, shall be deemed to include a reference to any amendments thereto."

GENERAL

16. Nothing in section 2 of the *Constitution Act, 1867* affects section 25 or 27 of the *Canadian Charter of Rights and Freedoms*, section 35 of the *Constitution Act, 1982* or class 24 of section 91 of the *Constitution Act, 1867*.

CITATION

17. This amendment may be cited as the *Constitution Amendment, 1987*.

And the amendment of Mr. Turner (Vancouver Quadra):

That the motion be amended

(a) in paragraph 1 of the Schedule by deleting subsection 2.(1) and substituting the following therefor:

"2. (1) The Constitution of Canada shall be interpreted in a manner consistent with

(a) the recognition that the existence of French-speaking Canadians, centred in Quebec but also present elsewhere in Canada, and English-speaking Canadians, concentrated outside Quebec but also present in Quebec, constitutes a fundamental characteristic of Canada; and

(b) the recognition that Quebec constitutes within Canada a distinct society.

(c) the recognition that aboriginal peoples constitute a distinctive and fundamental characteristic of Canada;

(d) the recognition of the multicultural nature of Canadian society, and in particular respect for the many origins, creeds and cultures as well as the differing regional identities that helped shape Canadian society; and

(e) the recognition of the advantages of developing the Canadian economic union."

(b) in paragraph 1 of the Schedule by deleting subsection 2.(2) and substituting the following therefor:

"(2)(a) The role of the Parliament of Canada to preserve and promote, and the role of the provincial legislatures to preserve and, subject to subparagraph (2)(b) to promote, the fundamental characteristic of Canada referred to in paragraph (1)(a) is affirmed.

(b) The role of a province in relation to promotion applies from the time it is adopted by a resolution of the legislative assembly of that province."

(c) in paragraph 2 of the Schedule by deleting section 25 and substituting the following therefor:

"25. Where a vacancy occurs in the Senate, and until an amendment to the Constitution of Canada is made in relation to the Senate pursuant to section 42 of the *Constitution Act*, 1982, the government of Canada shall, within six months after the vacancy occurs, call an election in the province or territory to which the vacancy relates for the purpose of filling that vacancy, and, notwithstanding the provision of section 29 of the *Constitution Act*, 1867, for a term of nine years."

(d) in paragraph 6 of the Schedule by deleting subsections 101C.(1) and (2) and substituting the following therefor:

"101C.() Where a vacancy occurs in the Supreme Court of Canada, the government of each province and the elected government of each territory may, in relation to that vacancy, submit to the Minister of Justice of Canada the names of any of the persons who have been admitted to the bar of the province or territory and are qualified under section 101B. for appointment to that court.

(2) Subject to subsection (5), where an appointment is made to the Supreme Court of Canada, the Governor General in Council shall, except where the Chief Justice is appointed from among members of the Court, appoint a person whose name has been submitted under subsection (1) and who is acceptable to the Queen's Privy Council for Canada."

(e) in paragraph 6 of the Schedule by adding immediately after subsection 101C.(4) the following:

"(5) Where an appointment is made in accordance with subsection (2) and, if within a period of three months, no name which has been submitted under subsection (1) is acceptable to the Queen's Privy Council for Canada, the Chief Justice may make an interim one-year appointment from among justices of the Federal Court of Canada or provincial Superior Courts."

(f) in paragraph 7 of the Schedule by deleting subsection 106A.(1) and substituting the following therefor:

"106A.(1) The Government of Canada shall provide reasonable compensation to the government of a province that chooses not to participate in a national shared-cost program that is established by the Parliament of Canada after the coming into force of this section, in an area of exclusive provincial jurisdiction, if the province carries on a compatible program which meets minimum national standards."

(g) by deleting paragraph 9, 10, 11 and 12 of the Schedule and substituting the following therefor:

"9. Sections 40 to 42 of the *Constitution Act*, 1982 are repealed and the following substituted therefor:

40. Where an amendment is made under subsection 38(1) that transfers legislative powers from provincial legislatures to Parliament, Canada shall provide reasonable compensation to any province to which the amendment does not apply.

41. An amendment to the Constitution of Canada in relation to the following matters may be made by proclamation issued by the Governor General under the Great Seal of Canada only where authorized by resolutions of the Senate and House of Commons and of the legislative assembly of each province:

(a) the office of the Queen, the Governor General and the Lieutenant Governor of a province;

(b) the right of a province of a number of members in the House of Commons not less than the number of Senators by which the province was entitled to be represented on April 17, 1982;

(c) the principle of proportionate representation of the provinces in the House of Commons prescribed by the Constitution of Canada;

(d) subject to section 43, the use of the English or the French language;

(e) the Supreme Court of Canada; and

(f) an amendment to this Part.

42.(1) An amendment to the Constitution of Canada in relation to the following matters may be made only in accordance with subsection 38(1):

(a) the powers of the Senate and the method of selecting Senators; and

(b) the number of members by which a province or territory is entitled to be represented in the Senate and the residence qualifications of Senators.

(2) Subsections 38(2) to (4) do not apply in respect of amendments in relation to matters referred to in subsection (1).

42A. Notwithstanding subsection 42(1) of the Constitution Act, 1982, the establishment of new provinces and the extension of existing provinces into territories shall be a matter exclusively for the Governor General in Council and the elected government of the territory affected."

(h) in paragraph 13 of the Schedule by deleting subsection 50.(2) and substituting the following therefor;

"(2) The conferences convened under subsection (1) shall have included on their agenda the following matters;

(a) the aboriginal and treaty rights of the aboriginal peoples of Canada, including self-government;

(b) Senate reform, including the role and functions of the Senate, its powers, the method of selecting Senators, representation in the Senate.

(c) roles and responsibilities in relation to fisheries at the first meeting only;

(d) such other matters as are agreed upon."

(i) by deleting paragraph 16 of the Schedule and substituting the following therefor:

"16. Nothing in the *Constitution Amendment*, 1987 derogates from any of the rights and freedoms guaranteed by the Canadian Charter of Rights and Freedoms or affects Part II of the *Constitution Act, 1982*".

And the amendment of Mr. Broadbent:

That the motion be amended

(a) by adding in paragraph 2 subsection 25(1) the words "and the elected government of each territory" immediately after the word "province";

(b) by adding in paragraph 2 subsection 25(2) the words "or the elected government of a territory" immediately after the word "province";

(c) by adding in paragraph 6 subsection 101C.(1) the words "or the elected government of a territory" immediately after the word "province";

(d) by adding in paragraph 6 subsection 101C.(4) the words "or the elected government of a territory" immediately after the word "province";

(e) by deleting in paragraph 9, section 41 paragraph (i);

(f) by adding to paragraph 13 subsection 50(2) the following new paragraph:

"(c) aboriginal rights, in particular self-government;"

(g) by adding to paragraph 13 section 50 the following new subsection:

"(3) The Prime Minister shall invite to the Conferences designated in section 50 subsection (2)(c) representatives of the aboriginal peoples of Canada and the governments of the Northwest Territories and Yukon Territory and those groups and governments shall participate fully in all matters that affect aboriginal rights."

(h) by deleting paragraph 16 and substituting the following therefor:

"16. Nothing in section 2 of the *Constitution Act, 1867* affects section 25, 27 or 28 of the *Canadian Charter of Rights and Freedoms*, section 35 of the Constitution Act, 1982 or class 24 of section 91 of the Constitution.—

And the amendment of Mr. Caccia:

That the motion be amended in paragraph 1 of the Schedule

(a) by deleting Section 2.(1) and substituting the following therefor:

"2.(1) The Constitution of Canada shall be interpreted in a manner consistent with the recognition that Canada consists of aboriginal and multicultural societies, with English and French as the official languages of Canada, French-speaking Canadians being centred in Quebec but also present elsewhere in Canada and English-speaking Canadians concentrated outside Quebec but also present in Quebec",

(b) by deleting Section 2.(3).

And the amendments of Mr. Johnston (Saint-Henri—Westmount):

That the motion be amended by deleting paragraph 1 of the Schedule and substituting the following therefor:

"1. The *Constitution Act, 1867* is amended by adding to the preamble thereto, the following

"AND WHEREAS Canadians recognize their commitment to maintain and reinforce across Canada the bilingual nature of the Canadian federation;

AND WHEREAS Canadians recognize their commitment to the distinctive character of Quebec as the principal but not the exclusive source of the French language and culture in Canada;

AND WHEREAS Canadians recognize their commitment to the multicultural nature of Canadian society, and in particular their respect for the many origins, creeds and cultures, as well as the differing regional identities that help shape Canadian society;

AND WHEREAS Canadians recognize their commitment to the contribution of Canada's aboriginal peoples;

AND WHEREAS Canadians recognize their commitment to the advantages of developing the Canadian economic union;""—

And:

That the motion be amended in paragraph 3 of the Schedule by deleting subsection 95C (2) and substituting the following therefor:

"95C.(2) An amendment to or the termination of an agreement referred to in subsection 95B(1) may be made by proclamation issued by the Governor General under the Great Seal of Canada only where so authorized by resolutions of the Senate and House of Commons."—

And:

That the motion be amended in paragraph 6 of the Schedule by deleting section 101C and substituting the following therefor:

"101C.(1) Where a vacancy arises in the Supreme Court of Canada and the Attorney General of Canada is considering a person for appointment to fill the vacancy, he shall inform the attorney general of the appropriate province.

(2) When an appointment is one falling within section 101B or the Attorney General of Canada has determined that the appointment shall be made from among persons who have been admitted to the Bar of a specific province, he shall make all reasonable efforts to reach agreement with the attorney general of the appropriate province, before a person is appointed to the Court.

(3) No person shall be appointed to the Supreme Court of Canada unless the Attorney General of Canada and the attorney general of the appropriate province agree to the appointment, or such person has been recommended for appointment to the Court by a nominating council described in

subsection (5), or has been selected by the Attorney General of Canada under subsection (5).

(4) Where after the lapse of ninety days from the day a vacancy arises in the Supreme Court of Canada, the Attorney General of Canada and the attorney general of a province have not reached agreement on a person to be appointed to fill the vacancy, the Attorney General of Canada may inform the attorney general of the appropriate province in writing that he proposes to convene a nominating council to recommend an appointment.

(5) Within thirty days of the day when the Attorney General of Canada has written the attorney general of the province that he proposes to convene a nominating council, the attorney general of the province may inform the Attorney General of Canada in writing that he selects either of the following types of nominating councils:

(a) a nominating concil consisting of the following members: the Attorney General of Canada or his nominee and the attorneys general of the provinces or their nominees;

(b) a nominating council consisting of the following members: the Attorney General of Canada or his nominee, the attorney general of the appropriate province or his nominee and a Chairman to be selected by the two attorneys general, and if within six months from the expiration of the thirty days they cannot agree on a Chairman, then the chief justice of the appropriate province or if he is unable to act, the next senior judge of this court, shall name a Chairman;

and if the attorney general of the province fails to make a selection within the thirty days above referred to, the Attorney General of Canada may select the person to be appointed.

(6) When a nominating council has been created, the Attorney General of Canada shall submit the names of not less than three qualified persons to it about whom he has sought the agreement of the attorney general of the appropriate province to the appointment, and the nominating council shall recommend therefrom a person for appointment to the Supreme Court of Canada; a majority of the members of a council constitutes a quorum, and a recommendation of a majority of the members at a meeting constitutes a recommendation of the council.

(7) For the purpose of this section "appropriate province" means, in the case of a person being considered for appointment to the Supreme Court of Canada in compliance with section 101B, the Province of Quebec, and in the case of any other person being so considered, the province to the Bar of which such person was admitted, and if a person was admitted to the Bar of more than one province, the province with the Bar of which the person has, in the opinion of the Attorney General of Canada, the closest connection.

(8) This section does not apply to the appointment of the Chief Justice of Canada when such appointment is made from among the judges of the Supreme Court of Canada."—

And:

That the motion be amended by deleting paragraph 7 of the Schedule.—

And:

That the motion be amended in paragraph 8 of the Schedule by deleting section 148 and by renumbering the following sections accordingly.—

And:

That the motion be amended by deleting paragraphs 9, 10, 11 and 12 of the Schedule and substituting the following therefor:

"9. Sections 38 to 47 of the *Constitution Act, 1982* are repealed and the following substituted therefor:

"38. Amendments to the Constitution of Canada may from time to time be made by proclamation issued by the Governor General under the Great Seal of Canada when so authorized by resolutions of the Senate and House of Commons and of the legislative assemblies of at least a majority of the provinces that includes

(a) every province that at any time before the issue of such proclamation had, according to any previous general census, a population of at least twenty-five percent of the population of Canada;

(b) at least two of the Atlantic Provinces;

(c) at least two of the Western Provinces that have, according to the then latest general census, combined populations of at least fifty per cent of the population of all the Western Provinces.

39. Amendments to the Constitution of Canada in relation to any provision that applies to one or more, but not all, of the provinces may from time to time be made by proclamation issued by the Governor General under the Great Seal of Canada when so authorized by resolutions of the Senate and House of Commons and of the legislative assembly of each province to which an amendment applies.

40. An amendment may be made by proclamation under section 38 without a resolution of the Senate authorizing the issue of the proclamation if within ninety days of the passage of a resolution by the House of Commons authorizing its issue the Senate has not passed such a resolution and at any time after the expiration of the ninety days the House of Commons again passes the resolution, but any period when Parliament is prorogued or dissolved shall not be counted in computing the ninety days.

41. The following rules apply to the procedures for amendment described in sections 38 and 39:

(a) either of these procedures may be initiated by the Senate or the House of Commons or the legislative assembly of a province;

(b) a resolution made for the purposes of this Part may be revoked at any time before the issue of a proclamation authorized by it.

42. The Parliament of Canada may exclusively make laws from time to time amending the Constitution of Canada, in relation to the executive Government of Canada and the Senate and House of Commons.

43. Subject to section 44, a legislature may exclusively make laws in relation to the amendment from time to time of the Constitution of the province.

44. Notwithstanding sections 42 and 43, the following matters may be amended only in accordance with the procedure in section 38:

(a) the office of the Queen, the Governor General and the Lieutenant Governor of a province;

(b) the powers of the Senate and the method of selecting Senators;

(c) the number of members by which a province is entitled to be represented in the Senate and the residence qualifications of Senators;

(d) the right of a province to a number of members in the House of Commons not less than the number of Senators by which the province was entitled to be represented on April 17, 1982;

(e) the principle of proportionate representation of the provinces in the House of Commons prescribed by the Constitution of Canada;

(f) subject to section 43, the use of the English or the French language;

(g) the Supreme Court of Canada;

(h) the extension of existing provinces into the territories;

(i) notwithstanding any other law or practice, the establishment of new provinces; and

(j) an amendment to this Part.

45. The procedure prescribed in section 38 may not be used to make an amendment when there is another provision for making such amendment in the Constitution of Canada, but that procedure may nonetheless be used to amend any provision for amending the Constitution, including this section, or in making a general consolidation and revision of the Constitution.

46. In this Part, "Atlantic Provinces" means the Provinces of Nova Scotia, New Brunswick, Prince Edward Island and Newfoundland, and "Western Provinces" means the Provinces of Manitoba, British Columbia, Saskatchewan and Alberta.""

And:

That the motion be amended by deleting paragraph 13 of the Schedule and substituting the following therefor:

"13. Part VI of the *Constitution Act, 1982* is repealed and the following substituted therefor:

S. O. 21

PART VI

FEDERAL-PROVINCIAL CONFERENCES

50.(1) A constitutional conference composed of the Prime Minister of Canada and the first ministers of the provinces shall be convened not more than once each calendar year by the Prime Minister of Canada or by resolutions of the legislative assemblies of at least two-thirds of the provinces that have, in the aggregate according to the latest cencus, at least fifty percent of the population of all the provinces.

(2) The conferences convened under subsection (1) shall have included on their agenda the following matters:

(a) an elected Senate with equal representation for the provinces and territories, including the role and functions of the Senate, its powers, the method of electing Senators and their term of office;

(b) the method of appointing Supreme Court of Canada justices including the use of provincial advisory committees;

(c) the establishment of national shared-cost programs by the Government of Canada in areas of exclusive provincial jurisdiction;

(d) the repeal of section 23(3)(a) of the *Constitution Act, 1982*;

(e) the repeal of section 33 of the *Constitution Act, 1982*;

(f) the aboriginal and treaty rights of aboriginal peoples of Canada, including self-government;

(g) the application of sections 16 to 20 of the *Constitution Act, 1982* to all of the provinces and territories;

(h) such other matters as the Prime Minister of Canada or any Premier may wish to add to the agenda for one meeting only."

And:

That the motion be amended by deleting paragraph 16 of the Schedule.

And the amendments of Mr. Roman:

That the motion be amended in paragraph 1 of the Schedule by deleting paragraph 2(1)(b) and substituting the following therefor:

"(b) the recognition that within Canada, Quebec constitutes one distinct society within a confederation of distinct societies."

And:

That the motion be amended in paragraph 6 of the Schedule by deleting subsection 101C.(1) and substituting the following therefor:

"101C.(1) Where a vacancy occurs in the Supreme Court of Canada, the government of each province shall, in relation to that vacancy, submit to the Minister of Justice of Canada the names of any of the persons who have been admitted to the bar of that province and are qualified under section 101B for appointment to that court."

And:

That the motion be amended in paragraph 6 of the Schedule by adding immediately after subsection 101C.(4) the following:

"(5) Where a vacancy occurs in the Supreme Court of Canada and the governments of the provinces have not submitted names under subsection (1), the Governor General in Council shall appoint a person who is acceptable to the Queen's Privy Council for Canada."

Mr. Hnatyshyn: Mr. Speaker, I am very honoured to commence this very important debate with respect to the constitutional amendment.

There have been discussions between the Parties, and in view of the fact that there is very little time before the usual adjournment at one o'clock, I think there would be a disposition for me to call it one o'clock and to continue with my remarks at three o'clock.

Some Hon. Members: Agreed.

• (1250)

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. There have been discussions and I am ready to suggest that we call it one o'clock and begin the debate after the Question Period, with the understanding that all three Parties' spokespersons will be able to complete their speeches today, even if it means taking up some of the time ordinarily reserved for Private Members' Hour.

Mr. Nystrom: Mr. Speaker, I am certainly willing to accommodate my friend from Saskatchewan, with the proviso that we could have some flexibility toward Private Members' Hour for my friend, the Hon. Member for New Westminster—Coquitlam (Ms. Jewett) to complete her speech. We may not need that, but if we do, we would like an understanding that she can speak into Private Members' Hour. Then we can accommodate the Minister of Justice (Mr. Hnatyshyn).

Mr. Deputy Speaker: Does the House agree with the requests made?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this day.

At 12.53 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

FORESTRY

DESTRUCTION OF TROPICAL FORESTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the World Resource Institute reports that many developing countries have lost billions of dollars through timber subsidies and giveaways that accelerate destruction of tropical forests. Developing countries are collecting royalties and taxes just a fraction of what the timber is worth. The result of such policies is the extensive, wasteful, rapid destruction of resources.

The United Nations estimates that about 27 million acres of forests are being lost in developing countries each year. In addition, the World Resources Institute points out that the under-valuing and over-harvesting of timber are our problem as well. The estimate is in the hundreds of millions of dollars a year lost in the United States.

In Canada we suffer from the same problems. We have low royalties and extensive, wasteful, rapid destruction of our

forests. I ask the Minister of State for Forestry (Mr. Merrithew) to examine this problem urgently. Our forests should be managed in a sustainable manner.

* * *

TOURISM

INDUSTRY'S IMPORTANCE TO ECONOMY

Mr. Gerald Comeau (South West Nova): Mr. Speaker, this is National Tourism Awareness Week. It is a time to praise the work of those people who work in the tourism industry. Tourism is our nation's fifth largest industry. It may well become Canada's second largest industrialized sector by the year 2000.

By the end of last year tourism was Canada's third largest earner of foreign exchange. It is labour intensive, offering work to 600,000 Canadians. More jobs are created indirectly by tourism expenditures. Tourism is important, too, for regional development, stimulating economic growth in the less industrialized regions of Canada.

The level of tourism today is double what it was 10 years ago. Statistics Canada reports that during the first 11 months of 1987, international travel to Canada surpassed all records. The reasons for this are quite obvious. Canada has become a world-class destination, second to none for international travellers.

* * *

IMMIGRATION

REFUGEE STATUS ADVISORY COMMITTEE—REVERSAL OF DECISION

Mr. Dan Heap (Spadina): Mr. Speaker, the Minister of Employment and Immigration (Mrs. McDougall), at the behest of the Secretary of State for External Affairs (Mr. Clark), is frustrating the clear intent of the Immigration Act and bringing the law into disrespect among the public and the legal community.

The Minister rejected the lawfully made recommendation of highly qualified members of the Refugee Status Advisory Committee, and, in effect, fired them for doing their job according to law. She then accepted the opinion of bureaucrats who lack qualification, authority or experience in determining refugee status.

She has in fact attempted to apply part of Bill C-55 while it has not been passed by Parliament—that is, she is using a vague and unproven security accusation to deny Mr. Santokh Singh his lawful right to an unbiased hearing.

Accordingly, she has provoked a boycott of the Refugee Status Advisory Committee by the National Chairman and other leading members of the immigration section of the Canadian Bar Association.

I call on the Minister to reverse her unjust and scoff-law decision, or else resign.

* * *

ADMINISTRATION OF JUSTICE

CONVICTED RAPIST'S ELIGIBILITY FOR PAROLE

Mr. Gordon Taylor (Bow River): Mr. Speaker, a story on the front page of yesterday's Montreal *Gazette* indicates why crime remains rampant in Canada and will be soothing to the bleeding hearts who think more of the criminals than they do of the victims. A sadistic 32-year-old habitual criminal who raped women at gunpoint was convicted on 22 offences which included forceful confinement, weapon use, theft, sexual assault, and crimes of physical violence. Some of the women may never be the same again.

"These crimes pollute the community," the judge said, and sentenced the criminal, who has already served 19 years behind bars, to a total of 123 years in prison. Do you know what, Mr. Speaker? Under our present system this criminal will be eligible for parole in seven years. Why should a person with a record like this ever again be released into society?

* * *

• (1405)

[*Translation*]

AEROSPACE

QUEBEC'S SHARE OF ECONOMIC BENEFITS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, when the Conservative Government said it would participate in the space station that is part of the U.S. government's space program, the Minister of Industry and Trade announced that the economic spin-offs and jobs would be shared equally between Quebec and Ontario, in other words, 35 per cent each.

Furthermore, for months and even for the last two years, the Conservative Government has given the impression and led the people of Montreal to believe that the space agency would be located in Montreal. This morning we read that the National Research Centre has already awarded contracts, including the most important ones, for space research. Unfortunately, contrary to the promise that was made, Quebec has received only 26 per cent. Mr. Speaker, this is one more instance where the Conservative Government has failed to keep its promises to Quebecers.

S. O. 21

THE OPTIMISTS

ETABLISHMENT OF NEW CLUB IN DUBERGER

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, it is with great pleasure and pride that I take this opportunity to draw the attention of the House today to an event that is very important to the people of Duberger, and I am referring to the creation of a new Optimist Club.

Mr. Speaker, this service club, which is mainly involved in youth programs and has a reputation for generous and effective community involvement, is a valuable addition to any community and enjoys the regard and respect of those they have helped through their activities.

The optimist philosophy transcends race, colour, creed and class. With an optimistic outlook, a person, group or even a nation can accomplish the impossible. Without optimism, the battle is lost before the first shot is fired. On April 30, the Optimists of Duberger officially took their first step towards a formidable goal.

I want to congratulate Mr. Claude Forest, the first president of the Optimist Club of Duberger, and all those who made this project possible. I wish them every success in their work with our youth!

* * *

[*English*]

AGRICULTURE

DROUGHT IN WESTERN CANADA—PREMIERS' MEETING

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, the resolve of the people of western Canada is being tested again. A devastating drought continues to turn fertile, productive farmland into parched, barren fields.

Scenes reminiscent of the early 1930s have filled our television screens, alerting all Canadians to the sorry plight of many farmers forced to abandon a way of life because of a cruel quirk of fate.

In stark contrast, the premiers of the four western provinces are now meeting in regal splendour to discuss this latest crisis. They are holding their talks on a private $3 million luxury liner. They will be ferried to and from their pleasure boat by a fleet of gleaming white stretch limousines, each one customized with personalized licence plates.

Their extravagance is galling. It reflects the shameful insensitivity of western Canadian Premiers to the difficulties facing western Canadian citizens.

[*Translation*]

FOLKLORE

INVITATION TO DRUMMONDVILLE WORLD FOLKLORE FESTIVAL

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I want to take this opportunity to invite all Members and all Canadians to the riding of Drummond, where the Seventh World Folklore Festival will be held from July 8 to 18.

[*English*]

Each year, in early July, the Drummondville World Folklore Festival welcomes entertainers from more than 15 countries, with 40 exceptionally talented folklore groups and more than 1,500 musicians, singers, and dancers offering over 300 shows. Last year more than 700,000 spectators attended the festival's various events.

[*Translation*]

The World Folklore Festival welcomes you to its many activities, to a magic rendez-vous where masks will be the theme of the festivities.

Enjoy this world of folklore where day and night, dancing, music, shows, concerts, special programs and parades will be a feast for the eyes, ears and heart.

Don't miss the World Folklore Festival in Drummondville!

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—POSITION OF NATIONAL ASSOCIATION OF CONSUMERS OF QUÉBEC

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, according to the National Association of Consumers of Quebec, the free trade agreement is a lemon. Marie Vezina, the spokesperson for this group, told *La Presse* that they had used statistics and trade numbers from the Department of Finance as a basis for their research. They came to the conclusion that the Mulroney trade deal is bad for Canada, especially with respect to electricity, hydro, tariffs and telephone services.

Marie Vezina is encouraging all members of that organization to oppose the agreement during the upcoming election.

I want to stress that this group represents consumers. It is fortunate that we have such groups in Canada because it is quite clear that the Government does not represent consumers. It has turned the Ministry of Consumer and Corporate Affairs into the Ministry of Corporate Affairs. Again and again we see consumers being financially sapped by the Government.

The Government's record with respect to consumers is shameful. It has sold out to multinational interests in the pharmaceutical industry at the expense of consumers. It has

increased personal income taxes by $23 billion since 1984. Now we have it confirmed that the Mulroney trade deal is a lemon for Canadian consumers. I have come to the conclusion that not only is the trade agreement a lemon for consumers, but so is the Mulroney Government.

* * *

BANKS AND BANKING

A GRANDMOTHER'S GIFT—BANK'S LESSON FOR ONE-YEAR OLD

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, yesterday it came to my attention that one of Canada's largest banks set a world record for levying a deterrent charge on its youngest customer.

Jake Mastandrea had to be taught a lesson on his first birthday. His grandmother wrote him a cheque for $25 as his birthday present. Although the cheque indicated $25 she inadvertently left off the five in recording the amount. The cheque was returned and Jake was assessed a penalty of $5 for depositing his grandmother's birthday gift. Incidentally, his grandmother, who deals with National Trust, was not assessed a penalty because they do not charge for simple customer errors.

When I was a little boy my mother used to recite one of Little Orphan Annie's poems ending with the warning "The goblins will get you if you don't watch out". Perhaps today's mothers should be warning their children that "The banker-man will get you if you don't watch out".

Some Hon. Members: Oh, oh!

* * *

CANADA POST CORPORATION

CALL FOR ELIMINATION OF SUPERMAILBOXES

Mr. Neil Young (Beaches): Mr. Speaker, there are about 232,000 households currently served by supermailboxes. About 175,000 are serviced by contractors at an annual cost of $35, and the balance serviced by post office letter carriers at a cost of $97. Full delivery by letter carriers costs $120 per household. Going door-to-door for all existing supermailboxes would therefore cost about $16 million a year.

Canada Post projects another 500,000 supermailboxes will be added over the next three years. About half will be the result of lower cost supermailboxes in new subdivisions. Extending door-to-door delivery to them all would cost an extra $86 per address, or about $22 million. Add that to the $16 million, and the total additional cost is $38 million.

• (1410)

A one cent increase in the price of mailing a letter generates $25 million, so it would cost less than two cents to axe the supermailbox program.

I say that two cents is a small price to pay for equality and fairness. Let us hope the Minister pays a bigger price in the next election for not understanding that.

* * *

[*Translation*]

POLITICAL PARTIES

LIBERAL PARTY

Mr. Gilles Bernier (Beauce): Mr. Speaker, in the last few days, Canadians have begun to see the true face of the federal Liberals. The federal Liberals are in a panic; they absolutely must collect money to replenish their coffers left $6.5 million in debt by lawyer Michel Robert. One wonders where this money has gone.

Yesterday, the Hon. Member for Papineau (Mr. Ouellet), the official spokesman for Trudeau and Lalonde, was parachuted in by the Senate bigwigs to direct the Party's affairs. He is one of those taking part in the putsch to oust the leader. The lawyer Michel Robert, who lost $6 million from the Liberals' treasury, is still there.

The Hon. Member for Outremont (Mrs. Pépin) is feeling queasy. The 22 signers of the letter against their leader, Mr. Turner, are still active. They have the support of the Hon. Member for Papineau, according to this morning's *Globe and Mail*.

Also, on the matter of free trade, which is very important for Quebec, the federal Liberals are working against this province. Canadians will not let a tragically divided party that is several million dollars "in the hole" govern the country. The federal Liberals prove to us that they are masters of disloyalty, deceit and treachery, not to mention hypocrisy.

* * *

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—STEEL INDUSTRY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, we have finally seen the truth of the so-called Mulroney-Reagan trade deal. This week the Americans want the Canadian steel industry to sign another voluntary restraint agreement, limiting the amount of Canadian steel that can be imported into the United States.

I thought all our problems were supposed to disappear with the signing of this agreement. *The Financial Post* said the big industry winner was supposed to be the steel industry. Yet we are still being hammered by the Americans with protectionist measures, with tariff barriers, with non tariff barriers.

It just goes to prove that even in relation to the steel industry this trade deal is a sham. It was negotiated by a Prime Minister (Mr. Mulroney) who was operating on his knees, in a position of weakness, because he knew that the only way he was going to divert attention from his own maladministration was to focus on another issue. Let us tear this deal up.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—DEBATE IN CLASSROOMS

Mr. Terry Clifford (London—Middlesex): Mr. Speaker, the youth of Canada are studying and debating free trade in the classrooms of Canada. They know the heritage and tradition that began with the coureurs de bois that has become, through successive generations, the cornerstone of our livelihood so that today it is 23 per cent of our gross domestic product, involving three million Canadians at work, one million in Ontario alone.

They know that this agreement will enable our Government to build, with present-day coureurs de bois armed with new technology and new outlook, a more extensive world trade mandate for Canada. They know that they can be an active partner in building a brave new Canada.

All Members of the House should come together to applaud the initiative of our youth. They have learned about this deal and are more than ready to move ahead with it. They want us to see that our future is free trade.

* * *

HAZARDOUS SUBSTANCES

DIOXIN—PRESENCE IN SHELLFISH

Ms. Lynn McDonald (Broadview—Greenwood): Mr. Speaker, dioxins and furans are deadly toxic substances found in pulp and paper effluents and in shellfish and molluscs in then vicinity.

The reaction of the Minister of the Environment (Mr. MacMillan), the Minister of National Health and Welfare (Mr. Epp) and the Minister of Fisheries and Oceans (Mr. Siddon) to studies about this problem shows a shocking complacency. They say that not all of the samples showed high levels of dioxin or furans. They say there are some excuses that can be found in the cases where there are high levels. "A small amount of dioxin is fine for one's health, but just do not have second helpings". "Dioxins in the organ parts of an animal are a problem, so avoid that part of the body". "Chicken livers are contaminated, well, eat the wings". This is bad policy in principle, apart from the fact that some people do eat the organ parts of shellfish and consider them a delicacy.

• (1415)

Another statement made in the report was that excess dioxins were found in areas close to mollusc fishing in any event, so let us not worry about it. These are deadly substances. It is a serious problem. It is a crisis. This kind of complacency is shockingly irresponsible. I call upon the Government to take the problem seriously and clean up this highly contaminated substance.

* * *

ABORTION

POSITION OF OPPOSITION PARTIES ON FREE VOTE PROPOSAL

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, the opposition Parties are against a free vote on the abortion issue. Why are they afraid of a free vote? Are they afraid to stand up and tell their constituents where they stand? What we in the pro-life movement know is that a free vote is in our interests.

A free vote is consistent with the principles of parliamentary reform which recognizes the desirability of more independence for Members of Parliament.

It is shameful that the New Democratic Party and Liberal Party want to stifle free expression on this important issue.

ORAL QUESTION PERIOD

[*English*]

OFFICIAL LANGUAGES

BILL C-72—PROPOSED AMENDMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have some very serious questions for the Deputy Prime Minister. Yesterday the Prime Minister advised the House of Commons that he was unaware of any possible amendments that would gut Bill C-72, the Bill to amend the Official Languages Act. However, we have obtained the Government's own confidential document advising in depth proposed amendments by the Deputy Prime Minister to Bill C-72, amendments which would gut the Bill, which would be inconsistent with the Charter of Rights and Freedoms, and which would undermine the promotion of bilingualism in this country.

In light of the Prime Minister's statement that he was unaware of any proposed amendments, would the Deputy

Prime Minister confirm that he proposed to his cabinet colleagues amendments to Sections 3, 7, 10, 15, 31, 37, 38, 75, 78, 82 and 83 of Bill C-72? And how could he have done that if the Prime Minister was unaware of those amendments?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think this is an indication of the lack of credibility with respect to documents reportedly in the possession of the Right Hon. Leader of the Opposition. Inasmuch as the Bill is in the name of the Minister of Justice, if there are going to be any proposals made to Cabinet they would not be made by the Deputy Prime Minister, they would be made by myself.

All I can tell the right hon. gentleman is simply that this Bill has passed second reading and has received the approval in principle of this House. The Prime Minister has been as clear as anyone can be with respect to this very important legislative enactment to the effect that the principles of this Bill are going to proceed. There will be no variation from the principles of the Bill. If we in fact can clarify the legislation, strengthen it, and make more clear to Canadians the real intent and purposes of it, we obviously are quite happy to do so. So I hope the right hon. gentleman will not stoop to reading documents of questionable origin, but rather try to support the Prime Minister and this Government in the most progressive language legislation ever brought before this country.

Mr. Turner (Vancouver Quadra): We would be willing to distribute that document this afternoon.

• (1420)

[*Translation*]

ALLEGED AMENDMENTS—PROTECTION OF LINGUISTIC MINORITY RIGHTS—POSITION OF DEPUTY PRIME MINISTER

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister said he had seen no amendments. He even gave the House of Commons the assurance that if there were any amendments, they would improve the Bill and the legislation would not be substantially changed. That is what the Prime Minister said.

However, according to the Government's document, the amendments proposed by the Deputy Prime Minister would constitute a major change in policy requiring Cabinet approval, and would destroy the fundamentals of the Bill.

Did the Deputy Prime Minister inform his colleague, the Secretary of State, who is campaigning in Lac-Saint-Jean and telling voters to vote Conservative in order to protect the rights of French-language minorities... Did he inform his colleague that the Deputy Prime Minister was trying to destroy those rights, to destroy bilingualism in our country, according to this document?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thought we were talking about serious matters, but now we see the Leader of the Opposition asking questions about a matter as important as bilingualism, to try and save Gimaïel in the by-election in Lac-Saint-Jean. It is a sad commentary that a matter as important as bilingualism should be used to save somebody like Pierre Gimaïel in a by-election.

I said before that Bill C-72 was an important Bill and that it would receive the approval of the Government and the House, and that if there were any amendments that, as the Minister said, would help to clarify or improve the Bill, the parliamentary process was available to do so, and in any event, Bill C-72 which promotes official languages in Canada, both English and French, will be approved by this Government and by the House of Commons. And I am very disappointed to see the Leader of the Opposition try to politicize a question that is so important to this country.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Secretary of State himself is politicizing this issue in the riding of Lac-Saint-Jean, while defending the Official Languages Act, and with him his colleague, the Minister of Transport, with the "Masse and Benny team". In any case, the issue is already politicized. The Deputy Prime Minister's document demonstrates the complete hypocrisy of this Government during this by-election.

LINGUISTIC MINORITY RIGHTS AND SPIRIT OF MEECH LAKE ACCORD

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, according to this document, the Deputy Prime Minister of Canada is trying to gut the Official Languages Bill which, according to the Prime Minister, is one of his Government's priorities.

Canadians have a right to expect the Deputy Prime Minister to protect official language groups in this country, but he has tried to drop the reference, and this is in the document, to "official language communities" in Section 38 of the Bill, and according to the Government's document, the suggestions of the Deputy Prime Minister, and I quote, "undermine the link with linguistic duality as expressed in the Meech Lake Constitutional Accord".

What right does the Deputy Prime Minister have to destroy the rights of official language minorities and the spirit of Meech Lake, according to this document?

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, rarely have we seen such a pathetic sight as the Leader of the Opposition of the country attempting to divide Canadians with respect to the linguistic rights that Canadians have.

Mr. Allmand: That is what your dinosaurs are doing.

Mr. Hnatyshyn: I simply say that if the right hon. gentleman does not understand. If those documents had any credibility at all and the Deputy Prime Minister had responsibility for this Bill, then that would be one thing. I will be

before the committee next Wednesday. I will be presenting the position of the Government with respect to this Bill.

I can tell the right hon. gentleman that any suggestion that he has with respect to the fact that this Bill is to be weakened or to be diminished in any way is totally without foundation. He should be ashamed of himself to even make that suggestion.

[*Translation*]

ALLEGED AMENDMENTS OF DEPUTY PRIME MINISTER

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I would like to ask the Prime Minister a question.

Yesterday, in answer to a question from my colleague, the Hon. Member for Saint-Jacques, who wanted to know whether the Government had any amendments to propose, the Prime Minister replied, as reported on page 15579 of *Hansard*:

Mr. Speaker, I don't have the amendments here and I haven't seen them.

How can the Prime Minister explain to the Canadian people that the Deputy Prime Minister, his trusted man, had asked for and has been circulating for two and a half months a series of amendments that totally contradict the spirit of Bill C-72? How can he explain that to the House of Commons? Can he at least apologize and say that he knew what was happening around him?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have to say to members of the Liberal Party that I am astonished that they would raise a linguistic matter and try to impugn the integrity of one of the finest people ever to serve here, the Deputy Prime Minister.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Bilingualism is a vital and sensitive part of our national well-being. It should be devised and implemented in such a way as to bring harmony and not division to the country. I regret very much the manner in which it was raised today by the Leader of the Opposition who tried to tie it into a by-election in the Province of Quebec. The unfounded accusations made by the otherwise distinguished Member for Vanier against the Deputy Prime Minister are unworthy of him and of his considerable reputation in the House of Commons.

• (1425)

Mr. Gauthier: Mr. Speaker, talking about credibility, talking about politicizing something, when you have had 30 or 40 dinosaurs in your Party that have been politicizing this document—

Some Hon. Members: Order!

[*Translation*]

Mr. Speaker: The Hon. Member for Ottawa—Vanier knows very well the right way to ask a question. The Hon. Member has the floor.

[*English*]

GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I will rest my case on this document which I want to read to the Prime Minister. This is the document ordered by the Deputy Prime Minister.

In relation to Section 38 of the Bill it states: "This change would drop the reference to official language *communities* and as such, is inconsistent with a critical policy thrust of this Bill—to reach out and to reflect Canadian society as a whole. It undermines the link with linguistic duality as expressed in the Meech Lake Constitutional Accord, which recognizes the presence of English-speaking Canadians and French-speaking Canadians throughout the country . . . "

How can the Prime Minister blame us for asking legitimate questions about his intent, or his Party's intent, or his Government's intent in terms of official languages? Can he come across and tell us the truth?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not blame my hon. friend at all for asking any question that he wants. This is not only his right, but of course his obligation to do so in the House of Commons.

Where I find I have some disagreement with him is when a question is raised by a Conservative Member in respect of a Bill, that Conservative Member becomes a Neanderthal or a dinosaur. But when 25 per cent of the Liberal caucus right in front of me vote against the Meech Lake Accord, the Member says nothing.

I think that that is much more divisive and much more dangerous for national unity than a Member of Parliament raising a question, as he is supposed to, in terms of trying to improve a piece of legislation.

Mr. Berger: You have got it all wrong, Brian.

Mr. Mulroney: One of the Members who was opposed to the Meech Lake Accord says I have it all wrong. I want to tell him that the Progressive Conservative Party and Government that brought forward the Meech Lake Accord have it right, your Leader has it right, and you have it wrong.

Some Hon. Members: Hear, hear!

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—U.S. SENATE COMMITTEE RECOMMENDATION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister for International Trade. In front of me I have the Finance Committee recommendations from the U.S. Senate on the U.S.-Canada Free Trade Agreement, passed yesterday. I wish to quote from those recommendations which were accepted by the Finance Committee. Their obligations "provide that in the event of a conflict between a U.S. statute and a provision of the free trade agreement, U.S. law shall prevail".

I wish to ask the Minister where, within the agreement which was signed between our two countries, was there any suggestion of that type of commitment? Given the fact that there was no such suggestion, why have the Minister and the Government gone hell bent for leather to try to put this deal into effect so fast?

• (1430)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman complains that this deal has been put in place too fast. The deal has been negotiated for two years. The free trade agreement itself was made public in December. This, I believe, is six months later. What is wrong with the hon. gentleman? Why does he have such anticipatory sinking feelings in his stomach? He has been sinking for the last six months.

Instead of rejoicing that the U.S. Senate Finance Committee has approved the Bill without a dissenting voice, the hon. gentleman gets up today and looks even sicker than he usually looks.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Langdon: Mr. Speaker, in fact it is this Government which has been sinking for the last four years.

STATUS OF UNITED STATES LAW

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I want to ask the Minister specifically, since he refused to deal with the substance which I put before him, does he, therefore, support this provision which the Finance Committee in the U.S. Senate has passed which says that when there is a conflict between a U.S. statute and a provision of the free trade agreement, U.S. law shall prevail. Does he support that specific clause?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman should try to understand the procedure in the United States of America. It is a little too complicated apparently for him to grasp. The procedure is this. Congress has to complete what it calls its mark-up. The Senate has a mark-up and the House of Representatives has a mark-up, and then they will have a conference together to see what recommendations they propose to the President in connection with the Bill.

We do not have the final form of the Bill yet. If there is some legislative drafting rules in the United States that require the Americans to have X interpretation or Y, we are not going to get excited about that. We are not going to go into fear and trembling like the New Democratic Party does.

Once the FTA is implemented and both Parties pass legislation adopting it, then any American law that is inconsistent with the FTA will have to be amended by the Americans or they will have to suffer penalties, just as we will if we do not amend our law. Just relax the anticipatory alarm. The hon. gentleman is truly forbidding.

Some Hon. Members: Oh, oh!

MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, what the Minister has suggested is exactly contrary to what has been put into effect by the United States Senate Finance Committee itself.

Mr. McDermid: It is not in effect. Learn the system.

Mr. Langdon: It is exactly contradictory. In view of that contradiction, in view of this very specific point—and the Minister knows that the administration has been working closely with the Finance Committee on these provisions—let me ask the Minister whether he is prepared to continue pushing ahead this trade agreement when there is a specific commitment in the United States that, when U.S. law and the trade agreement disagree, United States law will prevail. Do you accept that or not?

Mr. Speaker: These are important matters and there is a certain amount of tension associated with them, but I would ask Hon. Members to address each other through the Chair.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, through the Chair is certainly the safest way.

Some Hon. Members: Oh, oh!

Mr. Crosbie: With respect to the Hon. Member's question, I do not accept what he is saying. It is complete and utter malarkey. I am certainly not going to accept what he says at all, Mr. Speaker.

The United States, for example, is contemplating having in its legislation a provision that will say that all inconsistent provisions of state legislation are overridden by federal legislation. Does the hon. gentleman suggest to us that we should have exactly the same kind of provision in our Bill with reference to the provinces if the Americans have it in their Bill? They have their system of legislative drafting and interpretation; we have ours.

Anything in American law after January 1 next year inconsistent with the FTA, out of line with the FTA, the Americans will have to amend or pay dearly for it. That is why we want the agreement.

* * *

[*Translation*]

AEROSPACE

CANADIAN PARTICIPATION IN AMERICAN SPACE STATION—ECONOMIC SPINOFFS FOR QUEBEC—GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, in the absence of the Minister for Regional Industrial Expansion and Minister of State for Science and Technology, my question is directed to the Prime Minister.

On several occasions, his Government has formally promised that Quebec would get 35 per cent of the economic spin-offs derived from our participation in the American Space Station. According to the figures obtained from the Department of Regional Industrial Expansion and Science and Technology, Quebec will get only 25 per cent of these spin-offs. My question to the Prime Minister is this:

Could he tell us why the Government does not live up to its commitment to provide Quebec with 35 per cent of the economic spin-offs?

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism and Minister of State (Indian Affairs and Northern Development)): Again, the Hon. Member would be well advised to get the facts straight. The avowed purpose of the Canadian Government, which has been expressed on many occasions, is to make sure that Quebec will get 35 per cent of all economic spin-offs resulting from the Canadian participation in the space program, including RADARSAT, MSAT and the Space Station. That is the position of the Canadian Government.

Today, probably on the basis of an inaccurate newspaper article the Hon. Member makes such a statement in the House thereby misinforming Quebecers on the real situation. I am sure that as soon as the Hon. Member gets his facts straight, he will want to apologize to Quebecers for misinforming them.

REQUEST FOR GUARANTEES QUÉBEC RECEIVES FAIR SHARE OF ECONOMIC BENEFITS

Mr. David Berger (Laurier): Unless I am mistaken, Mr. Speaker, these figures were provided by his own Department. We want assurances that Quebec will receive its fair share of the economic spin-offs derived from our participation in the American Space Station which, for the time being, is the only program going ahead, not the other two which the Minister has just mentioned.

Could the Minister state unequivocally that Quebec will receive 35 per cent of the spin-offs from our participation in the American Space Station? Quebecers want nothing more nor less than that.

Hon. Bernard Valcourt (Minister of State (Small Businesses and Tourism) and Minister of State (Indian Affairs and Northern Development)): Mr. Speaker, I have not heard a single Member of the Liberal Party criticize the Government for allocating 76 per cent of all the expenditures involved in the MSAT program, which is part of the space program to Quebec. Under the RADARSAT program, 46 per cent of the $49 million allocated were spent in Quebec.

As far as the third element of the space program is concerned, in view of the fact that the first contract already awarded indicates that 17 per cent of the spin-offs went to Quebec, compared to 77 per cent in the case of the other two contracts, Liberal Party Members start spreading all sorts of alarming rumours in the House and throughout Quebec. The Government had clearly indicated that its objective was 35 per cent, and it sill is.

* * *

[*English*]

PUBLIC SERVICE

UNION OFFICIAL'S OPPOSITION TO CANADA-UNITED STATES FREE TRADE AGREEMENT

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is also for the Minister for International Trade in the absence of the Minister of National Revenue. I am sure the Minister is aware of a story in London, Ontario, where a local union president, Customs and Excise, Mr. Mike Clough, has been threatened with job loss because he has been speaking out against the Government's free trade deal.

I want to know from the Minister for International Trade just what the Government's policy is in this regard. Why can't a local union official, who has a right to speak out on public issues facing this country, have the right to speak out on this particular major issue facing Canada? What is the Minister? Is he the new Ayatollah of this country?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, we are used to seeing frenzied, over-theatrical performances by hon. gentlemen opposite and this is one of them.

Had I been given notice I could have looked into this matter. The hon. gentleman suggests that some union member who is opposed to the free trade agreement is somehow being punished.

We would have to look into all of the circumstances. I would not punish him myself. I would feel sorry for him.

Some Hon. Members: Oh, oh!

Mr. Nystrom: Mr. Speaker, no wonder there is a headline in the Ottawa *Citizen* today saying "Crosbie in over his head handling free trade deal".

INTERROGATION OF UNION OFFICIAL

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, this local union official was interrogated this morning by Mr. Dennis Barnes, an official of Customs and Excise. Is the Minister aware of this interrogation? Did he, the Minister of National Revenue or the President of the Treasury Board order this interrogation of this local union official who was speaking out on behalf of union members in his own local union? What is the Minister's policy in terms of a gag order when ordinary Canadians speak up on this very important issue?

• (1440)

Hon. Pat Carney (President of the Treasury Board): Mr. Speaker, I can assure the Hon. Member that there is no gag order in a case like this. There are certain guidelines that have been developed by the courts on the rights of public servants to speak against government policy.

It is the duty of public servants to carry out and administer public policy. There are certain limitations that must be followed.

* * *

COPYRIGHT

STATUS OF BILL C-60

Mr. Jim Edwards (Edmonton South): Mr. Speaker, Canadians, particularly the creators of intellectual property, are anxious to know what the fate of the Copyright Bill will be. It is bizarre and perverse to imagine that the Chamber controlled by Canada's fourth political party will have another go at this piece of legislation.

Could the Minister please explain the fate of Bill C-60 which has been passed by this House twice, most recently on Tuesday, with all-Party support?

Hon. Flora MacDonald (Minister of Communications): Mr. Speaker, I think it is sadly ironic that, on the eve of the opening of the new National Gallery of Canada, which will be a great show-place for visual artists, some Liberal Members in the other place are trying to hold up the passage of the Copyright Bill by deleting an exhibition right for visual artists.

It is a shame, because this Bill was passed twice by the House of Commons. I would ask Liberal Members opposite, who gave their support to the Bill, to do what they can with Liberal Senators in the other place to get them to quit stalling.

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EFFECT ON CANADIAN LOBSTER FISHERY

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Minister for International Trade. When the U.S. Senate gave the go ahead to the U.S.-Canada trade deal it made several recommendations, and one of these would have a very devastating effect on the lobster fishery in Atlantic Canada. The amendment would:

> —prohibit entry into U.S. customs territory of any whole lobster (or parts of such a lobster): *smaller than the minimum size under the American Lobster Fishery Management Plan (50 CFR 649)—

That regulation on carapace size brings it to 3 and 7/32 inches, and the Minister knows what kind of impact that would have, because the Minister also knows that in parts of Atlantic Canada the carapace measurement is 2.5 inches and in other parts it is 3 and a quarter inches. About $178 million worth of lobster is exported to the United States and 30 per cent of it would be affected by this amendment.

What action will the Minister take to protect the lobster fishermen in Atlantic Canada from this very unfair decision by the U.S. Senate Committee and indeed, the U.S.-Canada free trade deal?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I am glad to see that the hon. gentleman is concerned about Atlantic fishermen. I would like to know where his concern was when he and his Party voted against the Atlantic Canada Opportunities Agency and $1 billion worth of spending for Atlantic Canada in the next five years. He voted against that and now he is worried about the carapace.

Mr. Speaker: The Hon. Minister will deal with the question.

Mr. Crosbie: Mr. Speaker, the Senate Finance Committee's decision, as the hon. gentleman himself said, is a recommendation to the administration. The administration opposes the proposal. We expect it to continue to oppose the proposal.

I pose to the hon. gentleman this question. Supposing that his Leader was successful and tore up the free trade agreement, what kind of protection would we have next year when they raised the size of the carapace to four feet, or whatever they might attempt to do?

CANADIAN POTATO EXPORTS

Mr. George Henderson (Egmont): Mr. Speaker, this Minister is very long on words and very short on action, I am afraid. The Finance Committee also recommended that there be a limit on imports of Canadian potatoes. Of course, I do not have to say that this would be terribly damaging to the potato industry of Atlantic Canada and certainly of my Province of Prince Edward Island. I quote again from their reasons for proposing this amendment:

> Although negotiations for such an agreement may appear to be inconsistent with the broad purpose of a free trade agreement, this is an appropriate

agriculture policy for a U.S. industry that does not benefit from price supports, pending the resolution of the subsidy issue with Canada.

They will certainly gouge us again on this one. Once again, this Minister can huff and he can puff but he is not doing any damage to the White House.

Once and for all, will the Minister now stand up for the farmers of Atlantic Canada and for the fishermen of Atlantic Canada? Will he stand up at all to the Americans?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman is one of my favourite Liberals. However, his questions today do not have very much bite.

The hon. gentleman just said himself that the Hon. Senators in the United States have admitted that it is contrary to the FTA. Being contrary to the FTA, it will not happen, but if there is no FTA, then, by golly, they can do what they like to the spuds. Remember that next year if your Hon. Leader squeezes in by some miracle or some misfortune, or if the Leader of the New Democratic Party gets in. There will be no protection for Canadian spuds then, brother.

CANADIAN WATER RESOURCES

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Prime Minister who stated in response to a question in February of 1985 as to whether he would be willing to sell our water, "Why not?" Given the statement in the federal water policy paper that the federal Government will take all possible measures within the limits of its constitutional authority to prohibit the export of Canadian water by inter-basin diversions, can the Prime Minister assure the House that the free trade agreement excludes such exports of water?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the most important thing for the hon. gentleman to remember is this. There is nothing in the free trade agreement which obliges Canada to sell water or any other natural resource or product to the United States. We are not obliged to sell one thimble-full of H2O to the United States of America.

Might I point out to the hon. gentleman that the people he should fear are those in the official opposition whose Leader said this in 1968 in his *Politics of Purpose*:

> And if someday we can agree to the sharing of this continent's water by offering some of our water for export, we might want at that time to insist that if water is to be considered as a continental resource, markets should also be considered on the same basis. We might wish to export water not for money (as we sold power under the Columbia River Treaty), but in return for access to your markets.

Some Hon. Members: Oh, oh!

Mr. Crosbie: There is the betrayer of water, the Leader of the Official Opposition. He said that he did not want to sound tough. He wasn't.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, that is why they are not the Official Opposition of the country as far as the people of Canada are concerned.

[*Translation*]

EXPORTATION OF WATER—PRIME MINISTER'S POSITION

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the free trade agreement with the United States will mark the beginning of a wholesale sell-out of one of Canada's precious natural resources: our water. Article 22.01 on tariffs unmistakably includes our water, which is thus part and parcel of the agreement.

Mr. Speaker, my supplementary is also directed to the Prime Minister. Could the Prime Minister give the Members of this House the assurance that the Government will prohibit exports of our water?

[*English*]

Hon. John C. Crosbie, Minister for International Trade: Mr. Speaker, I am glad that we have at last flushed out who is the real opposition in this House.

Some Hon. Members: Hear, hear!

Mr. Crosbie: I refer my hon. friend to the federal water policy released by the Minister of the Environment on November 5, 1987, just a few months ago. The Hon. Member should go back and refresh his memory. I will send him a copy if he likes.

The policy states that Canada will permit no large-scale export of water by diversion, and that the federal Government will develop a mutually acceptable referral system with the provinces in order to ensure that provincial licensing of small-scale exports takes into account federal responsibilities such as trade and environmental protection.

• (1450)

The FTA has nothing to do with water. Canada does not have to sell any water to the U.S. or any other country. The hon. gentleman can relax about water but keep his eye on the Leader of the Official Opposition who, in talking tough, wants to give away all the H2O in this country.

* * *

[*Translation*]

OFFICIAL LANGUAGES

ALLEGED SILENCE OF DEPUTY PRIME MINISTER

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, my question is directed to the Deputy Prime Minister, who is a man of honour and sincerity.

We have here a seventeen-page document that contains amendments prepared by his office, reactionary amendments

to the Official Languages Act, to do the Conservative dinosaurs a favour, and I would like to know why today, the Deputy Prime Minister remains silent when faced with questions about this document.

[*English*]

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am sorry that the Hon. Member did not finish his question on the same high level he started it. I think everyone in the House recognizes that indeed the Deputy Prime Minister does deserve the respect of this House, partly because he is in touch with Members of Parliament on both sides and consults with them.

Let me simply put the Hon. Member's fears to rest. Next Wednesday I am going to appear before the committee. I will at that time table on behalf of the Government proposals which I think will be seen by any dispassionate observer as a package of reasonable amendments which will clarify and strengthen the Bill, and draw on the representations made before that committee.

I think all Members of Parliament would agree that is the way Parliament should operate. We should be sensitive to representations made in committee and try to strengthen a Bill in every way we can.

[*Translation*]

INSISTENCE WITH RESPECT TO DEPUTY PRIME MINISTER

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, to us Francophones, reasonable means . . . This is really the limit! We are sick and tired of the way this Government thumbs its nose at Francophones across Canada. And I would have said exactly the same thing if the Deputy Prime Minister had risen in his seat to answer the question. I am giving him a chance to maintain his integrity and his respect for the House.

We have here seventeen pages of amendments prepared by his office. These amendments are Government amendments, not the work of a couple of Tory backbenchers. These are amendments that go against the interests of Francophones outside Quebec.

I would like to know why the Deputy Prime Minister will not answer these questions today. Why is he remaining silent?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I agree, and I think the Hon. Member from Montreal—Sainte-Marie raised the issue, that Francophones outside Quebec are very disappointed, and the reason is that 25 per cent of the Hon. Member's Liberal colleagues voted against the historic Meech Lake Accord. It was a sad day for Quebec and for Canada's Francophones, and the Hon. Member for Montreal—Sainte-Marie had the courage to state publicly his deep disappointment in the position taken by his Liberal colleagues who voted against this historic document that brings Quebec back into the Canadian constitutional fold, and that was my first point.

Second, as far as . . .

Mr. Speaker: I am sorry, but the Right Hon. Prime Minister realizes the question is about amendments to Bill C-72. Perhaps the Right Hon. Prime Minister would like to continue his reply.

Mr. Mulroney: Mr. Speaker, I believe—but the new assistant Leader of the Liberal Party, who has taken the Senator's place, won't listen. I 'll have to answer quickly because his job might not last that long. I'll answer right now before his Leader changes his mind again.

Regarding Bill C-72, Mr. Speaker, I am informed that amendments have been prepared by both Government and Opposition Members. I am even told that the Hon. Member for Ottawa—Vanier . . .

An Hon. Member: Yes indeed!

Mr. Mulroney: Yes indeed! So the Hon. Member for Ottawa—Vanier is presenting amendments in support of the Bill. We will see next Wednesday, but I think the Hon. Member can rest assured that in any case, Bill C-72 will pass. It will receive the approval of this House, as an instrument of national unity. Subsequently, we still have to consider the deep disappointment of Quebecers and Francophones in Canada in the position taken against the Meech Lake Accord by his Liberal colleagues.

INTEGRITY OF BILL C-72—POSITION OF PRIME MINISTER

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Prime Minister and deals with the role of the Deputy Prime Minister with respect to the amendments to Bill C-72, the Official Languages Act.

Can the Prime Minister say whether the provisions of the Bill have been maintained or is the Deputy Prime Minister allowed to become the leading dinosaur of the Conservative Party by introducing amendments to weaken Bill C-72?

[*English*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have answered that question a number of times. Even the distinguished Member for Montreal—Sainte-Marie referred to the sense of fairness of the Deputy Prime Minister. If the Member waits until Wednesday he will see, I believe, amendments presented by the Official Opposition—

Ms. Copps: I thought you did not know about any amendments.

Mr. Mulroney: The Member for Hamilton East says I didn't know about the amendments. No, the Hon. Member for Ottawa—Vanier just told me and so I am aware he is going to bring forward amendments. I am informed that others will be brought forward.

Mr. Speaker: The Chair has exercised considerable care in the questions on this matter. I would ask the Hon. Member for

Ottawa Centre to put his supplementary question directly and not stray too far into areas that may involve the committee.

This series of questions commenced on the basis of a memorandum and, as the Chair understood it, related to discussions which had taken place in the caucus of the government Party. I want Hon. Members to recognize that if it gets beyond that it puts the Chair in some difficulty.

Mr. Cassidy: Mr. Speaker, I appreciate your caution, but the problem we face is that the Deputy Prime Minister appears to have huddled behind the curtains with the Conservative dinosaurs in order to gut the Bill.

Some Hon. Members: Order!

Some Hon. Members: Sit down!

Mr. Speaker: I am sorry. The Chair asked the Hon. Member to consider his supplementary question carefully and put it as quickly and succinctly as possible. I ask him to do that.

POSITION OF CONSERVATIVE BACK-BENCHERS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, will the Prime Minister guarantee to the House that these actions by the Conservative back-benchers and—

Some Hon. Members: Order!

Mr. Cassidy: —the Deputy Prime Minister—you can hear the dinosaurs rumble—will not gut Bill C-72?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Conservative back-benchers are free and honourable Members of Parliament. They will fulfil their responsibilities to this House and the people of Canada, and they will respond at an appropriate time. They are free to act, and I think my hon. friend would want freedom of action and freedom of thought for himself and others.

I can tell him what I will not tolerate. I will not tolerate a situation such as involved him when he went to Quebec and said he was going to take away part of the Saint John, New Brunswick, shipbuilding contract, and take jobs—

Some Hon. Members: Oh, oh!

Mr. Mulroney: That was hypocrisy and we will never stand for it.

Some Hon. Members: Hear, hear!

CANADA MORTGAGE AND HOUSING CORPORATION

RRAP—FUNDING FOR PROGRAM IN NOVA SCOTIA

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, my question is directed to the Minister responsible for CMHC. Concern has been expressed recently that the 1988 RRAP budget for Nova Scotia will be less than it was in 1987. Can the Minister clarify the situation?

• (1500)

Hon. Stewart McInnes (Minister of Public Works): Mr. Speaker, it is true that yesterday some of the boys from the bay got a little agitated because they did not understand the budgetary process of CMHC even though they both have been in the House for a very long period of time.

The budget process involves two steps. The first instalment has been announced and the second will be announced in 30 days. That means there will be no budget cuts from the RRAP program for Cape Breton, for Ontario, for Canada. Indeed, the amount paid to delivery agents will be increased.

Some Hon. Members: Hear, hear!

Mr. Speaker: I should advise the House that that will close Question Period for today.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask the Deputy Government House Leader if he will give me and the House a statement of the business he intends to call for the coming week?

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I am pleased to advise the House that tomorrow we will deal with Bill C-117, the Excise Tax Act, at report and third reading stages. After that we will commence Bill C-126, the Bretton Woods Agreement, at second reading.

Tuesday, we will commence debate on Bill C-129, the Air Canada privatization Bill.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION ACT, 1867

CONSTITUTION AMENDMENT, 1987

The House resumed consideration of the motion of Mr. Hnatyshyn, and the amendments of Mr. Turner, Vancouver

Quadra, (p. 15617), Mr. Broadbent, (p. 15618), Mr. Caccia, (p. 15618), Mr. Johnston (p. 15618) and Mr. Roman (p. 15620).

Mr. Speaker: I recognize the Hon. Minister of Justice (Mr. Hnatyshyn).

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, the last time I rose in the House of Commons to speak in favour of the Meech Lake Accord, we had just received the report of the Special Joint Committee of the Senate and the House of Commons on the 1987 constitutional Accord. Members will recall the enormous efforts made by the joint committee last summer to hear and assess the views of interested Canadians.

During the course of their deliberations, the committee gave extremely close attention to divergent views regarding major elements of the Accord, and provided us with a thorough and compelling report. The committee recommended the adoption of the 1987 constitutional Accord, which this House adopted by resolution on October 26, 1987.

The other place has since considered the resolution, and the 180-day period during which a constitutional amendment is not possible without the authorization of the other place has expired.

Four provincial and legislative assemblies have now adopted the Accord and others are holding hearings. In short, the amending process set out in the Constitution Act, 1982, is being followed.

The last time that I spoke with respect to this motion I attempted to put the Accord into perspective. While it is certainly a tremendous achievement, restoring the Province of Quebec to its rightful place as an equal participant in the Canadian constitutional family, it is also the mark of an important beginning for our country from which we can move ahead, united, to address issues of mutual concern.

The Accord deals with the most urgent constitutional matters that face us today in the context of national reconciliation. Bearing this in mind, there are two points which I stated on that previous occasion and which merit emphasis again today. First, despite considerable rhetoric on various points, no egregious errors have been shown to exist in the Accord. Second, to re-open the Accord on any other basis would be contrary to the commitment of First Ministers and would inevitably destroy the chances for future constitutional reform.

Therefore, I would ask Members to consider the consequences of failure after having come this far. Consider the consequences of the rest of Canada saying no to Quebec a second time, after Quebec was left isolated and humiliated in 1981.

Since 1982, constitutional reform has been blocked. Four conferences on aboriginal rights ended in failure, partly because Québec declined to participate actively at First Ministers conferences.

As Professor Peter Meekison, former Deputy Minister of Federal and Intergovernmental affairs in Alberta and one of Canada's leading constitutional practitioners, testified before the joint committee:

> I think the consequences of Québec's not accepting this are incalculable . . . Given the importance that Alberta places on Senate reform, there will not be debate on Senate reform until Québec is in the Constitution.

He went on to say:

> Get this behind us, then everything else can be discussed.

I think it is important to review what was accomplished in the Meech Lake Accord. Meech Lake was never expected to be a cure for the myriad problems and challenges facing our nation. Rather, it was a vital first step in meeting our commitment to the people of Quebec and ensuring that they were an equal partner in the future growth of our nation.

There are clearly many other issues of concern which could have been addressed and which will need to be considered in future rounds. But the test of this resolution is whether it meets the basic objective which was set forward by the Prime Minister (Mr. Mulroney) and the 10 provincial Premiers, namely to obtain Quebec's willing adherence to the Canadian Constitution. I submit that it does.

Once adopted, future generations of Canadians and their leaders will never have to face the consequence of Quebec's continued estrangement from our constitutional development.

It has been alleged by some that the Charter is being weakened, the rights of linguistic minorities and the equality rights of women are somehow threatened. I can say unequivocally that this is false.

Professor Peter Hogg, one of Canada's foremost constitutional experts, writes that the Charter of Rights is clearly paramount over a distinct society clause. He writes:

> A law passed to preserve linguistic duality or to promote the distinct identity of Quebec would, like any other law, have to comply with the Charter.

The Charter will, in future, be interpreted in light of Quebec's distinctiveness as it now is in light of multicultural and aboriginal heritage considerations.

When we say that Quebec constitutes a distinct society within Canada, it is understood that all residents of Quebec are an integral part of that society. Thus, Quebec's aboriginal population is part of that distinct society within Canada. Those Quebecers from a multicultural community are part of it, Quebec's English speaking community is an integral part of Quebec's distinct society. All Quebecers belong to that distinct society, which enriches the diversity of Canada.

One has to wonder why this Accord, with its laudable goals, is before us again today. As Hon. Members are aware, the constitutional amendment process was initiated by the Quebec National Assembly on June 23, 1987. On October 26, 1987, by an overwhelming majority of 242 to 16 votes, and with the support of all three Party Leaders, this House approved the Meech Lake Accord as embodied in our resolution. Prior to

the adoption of the resolution, on September 23, 1987, the Legislative Assembly of my own home Province of Saskatchewan adopted the Accord by a vote of 43 to 3. Subsequently, on December 7, 1987, the Legislative Assembly of Alberta adopted the Accord by a unanimous vote.

• (1510)

The Accord was tabled in Ontario on November 5, 1987, and referred to a select committee on November 30. On February 26, 1988, the Accord was tabled in the Legislative Assembly of Nova Scotia. It was tabled in the Legislative Assembly of Newfoundland on March 25, 1988. It was tabled in the Legislative Assembly of Prince Edward Island on March 29, 1988, and adopted on May 13 of this year. From these events, it is evident that Canadians across the land have joined in the process of welcoming the national reconciliation embodied in the Accord.

Some of the appointed Members in the other place, after consideration of the resolution, have not seen fit to adopt it in the form authorized by the House of Commons. The actions of some Members of the Senate remind me, and probably many other Members of Parliament and many other Canadians, of just how out of touch some Members of that body have become with respect to the views and aspirations of Canadians. I regret very much that this movement in the other place was undertaken by the Liberal majority whose own Leader has stood here and spoken unequivocally in favour of this resolution. Those Liberal Senators have seen fit to go against the wishes of their Leader. They have undertaken a very careful plan to undermine this particular constitutional amendment.

Most witnesses in the other place received the courtesy of attention, but I do not think I have seen a more curious sight than the former Prime Minister of our country, the Right Hon. Pierre Trudeau, who was accorded between six and seven hours to stand before those whom he appointed to that place and lecture them with respect to this Accord. The irony of that is simply that each and every principle contained in this constitutional Accord was accepted at one time or other by the Right Hon. Pierre Trudeau when he was Prime Minister.

Mr. Kaplan: That is false.

Mr. Hnatyshyn: That is a fact. It has been documented. I ask what the point is in coming back before Senators he appointed and attempting to undermine a very important constitutional movement? I say with a sense of sadness, and without any partisanship, that the Liberal Party of Canada has had a proud tradition of being sensitive with respect to the aspirations of the Province of Quebec. I give full credit to the Right Hon. Leader of the Opposition (Mr. Turner) for the leadership he has given in supporting this constitutional amendment because it is important to the Province of Quebec and it is fundamental to this country. I do not make any apologies for supporting that position and putting it forward to the Liberal Senators.

Mr. Kaplan: You don't have to attack the former Prime Minister.

Mr. Hnatyshyn: I am sorry. He has come forward and attempted to undermine this very important initiatives. I am not attacking him personally. He is entitled, as any other person in this country, to his opinion. But I simply reiterate the fact that I found it incredibly ironic that former Prime Minister Trudeau would attack principles which he himself had embraced in his attempt to bring about constitutional amendments in this country. I state that as the reality of what we face today. I do not understand the purpose of this attack on his part.

Those in the other place who form a majority have singlehandedly attempted to rewrite history and amend an agreement which has received the approval of 10 provinces and, as I indicated, of three Party Leaders, and an overwhelming vote in favour of that by the House of Commons. These are people who are elected and accountable. They have to go back to the people of Canada and defend the positions they have taken here. We have a responsibility and sensitivity to this issue which I think should not be overlooked by the other place.

A joint committee of the Senate and House of Commons looked at this matter in some detail. The report is there. Four provincial legislative assemblies have already passed this particular constitutional amendment. I can only refer, I think, with approval, to the words of my colleague in the other place, the Minister of State for Federal-Provincial Relations (Senator Murray) the Leader of the Government in the Senate, who stated during the course of debate:

> The amendments proposed by the Opposition would require the Governments to reopen practically all the sections of an agreement that has unanimous support.
>
> I suggest that those who propose such amendments are not seeking to improve the Accord, as they claim. The amendments being proposed are killer amendments. They have only one purpose in mind—they are designed to kill the Accord.

I urge Hon. Members opposite not to propose amendments. Such proposals could only encourage their provincial cousins to seek to reopen the Accord for renegotiation. Rather than proposing amendments that would risk the unanimity achieved by First Ministers, this House and provincial legislatures should rejoice in the achievement of the Accord and hasten to demonstrate our collective responsibility for national unity, and the generosity of spirit which has marked our history, by adopting the resolution without further delay.

Fortunately, the Members appointed to the other place do not have the power to override the collective will of the democratically elected representatives of the people in their provincial and federal legislative assemblies. Canadians have an obligation to ensure that the popular national will on a matter of the most fundamental importance to our country is not stifled by unelected opposition Members in the other place. In fact, the Constitution expressly provides that an amendment may be made without a resolution of the Senate if the House of Commons again adopts the resolution after the expiration of

the 180 days from the time the House of Commons first adopted the resolution.

[*Translation*]

Mr. Speaker, when this House again passes the resolution, we will not only overturn the temporary veto of the other place, but we will also send a message of encouragement and support to all those who believe in the spirit and the letter of the Meech Lake Accord. We will honour the commitment of the Government of Canada to underscore officially Quebec's return to the Canadian family.

Mr. Speaker, Quebec has said yes to Canada. A vote for the Meech Lake Accord will be important evidence of our commitment to Quebec and to building harmonious relations for our country's future.

[*English*]

In 1982, in the aftermath of the Quebec referendum of 1980, with the concurrence of nine provinces, with the concurrence of this House, with the concurrence of the other place, with the concurrence of the Parliament of the United Kingdom and with the approval of the Supreme Court of Canada, we in this country adopted the Constitution Act, 1982. Unfortunately, at that time, the Province of Québec was isolated by this process. Its feeling of alienation has been a cause of great concern and grave concern ever since.

• (1520)

The Province of Quebec subsequently opted out of the application of the Charter of Rights and Freedoms to the greatest extent possible because it had not approved it. In addition, the absence of Quebec effectively prevented possible constitutional amendments of great importance pursuant to the new amending formula. Quebec refused to participate in any such amendments because it would be implemented pursuant to the Constitution Act, 1982, to which Quebec had not given its assent.

These have been some of the most visible past consequences of Quebec's isolation in 1982. The people of Canada, through their elected representatives, have dedicated themselves to solving the problem of Quebec's isolation as a matter of national priority. If we are to avoid the grave consequences of failure, we must not be side-tracked either by unmerited criticisms or by worthy issues whose time for consideration or reconsideration has yet to come.

Our first constitutional amendment today must be to complete the Quebec round of our constitutional reforms. Only then will we have secured the complete legitimacy of our full constitutional framework, and only then will we be able to build successfully on our past accomplishments. The present moment must belong to Quebec so that the future may belong to all Canadians.

[*Translation*]

We are all very aware that many important points must still be dealt with under constitutional reform. The Meech Lake Accord is a basis for moving forward on the protection of minority language rights, Senate reform, the rights of native people and all other issues. If it were only up to the Senate, we would be condemned to dwell in the past. Mr. Speaker, if we cannot consolidate our constitutional gains, we are in danger of spending decades on a costly, futile, divisive constitutional debate. Is this what the other House wants?

[*English*]

Worse still, as Premier Peterson said on April 28:

> If this opportunity is missed, my own political assessment is that you won't see that opportunity again.

He concluded that the judgment of history would be very harsh.

These sentiments were reflected in the comments of the Hon. J. W. Pickersgill, who held a number of important public offices under four Prime Ministers, when he told the joint committee in no uncertain terms:

> If Quebec is rebuffed, if this Accord becomes discord, and the opportunity is lost to get acquiescence of the constitutional authorities in Quebec, my guess is that it probably will not arise again for another generation, and never again on such reasonable terms.

What I want is for the patriotic sentiment and generous spirit that characterized this round of constitutional reform to become the rule and not the exception so that future progress may also be realized.

We cannot afford to lose this precedent of goodwill, reasonableness and common sense leading to constitutional reform pursuant to the most rigid of our constitutional amending formulae. We have before us an Accord that has been endorsed with pride and enthusiasm, an Accord that unifies and strengthens Canada. To reopen this Accord would be to lose it.

What possible justification can there be to postpone national reconciliation to a time when the chances of success may be far less and the most severe consequences of failure more immediate?

Has an egregious error been found? No, Mr. Speaker. Have First Ministers failed to consider all the issues placed before them? No, Mr. Speaker. Does unanimous agreement exist to reopen the Accord for renegotiation? No, Mr. Speaker.

It comes down to one question. Should Canada say no to Quebec? For that would surely be the effect of reopening the Accord without a legitimate reason for doing so. There is no reason for this. It is time for us as Canadians, as Members of Parliament, to say yes to Quebec.

[*Translation*]

Mr. Speaker, the 1987 constitutional amendment is not the end of the constitutional reform process. A thorough examination of constitutional questions will remain an important element of our search for the most appropriate solutions to the fundamental problems that we as a nation must face. I hope that when it comes to consider these matters, the other

Chamber will finally see the significance of our decision to pass this resolution again.

[*English*]

Mr. Speaker, 130 years ago a great man of another great nation quoted to his country the biblical warning that a house divided against itself cannot stand. The wisdom of such common sense should appeal to us.

Canada's history is somewhat unique in the way we have continually created harmony out of seemingly discordant national elements. This is the glory of our past and the strength of our future. The Constitution Amendment, 1987 continues this tradition. It envisions a nation moving ever closer to a more co-operative and tolerant way of life and of government. It is a vision in which we can take pride.

The Meech Lake Accord deserves our enthusiastic support. I invite Hon. Members to reaffirm our commitment to the resolution by adopting it once again.

There is a momentum, a desire on the part of Canadians to move forward to seek the ratification of this Accord which I commend to Hon. Members.

Mr. Berger: What about the Gallup poll?

Mr. Hnatyshyn: I do not want to trivialize this debate or the considerations with respect to this matter by entering into any type of regime in which Gallup polls or, indeed, whatever polls are taken from time to time are brought forward. I can only say that it is unusual in the history of our country to have a situation in which we have unanimity among the First Ministers of the provinces and of the federal Government, as well as of all the Leaders in the House of Commons. It is not giving me any satisfaction that we cannot get unanimity across the whole country. But that is impossible.

I think that the people who have the greatest stake in this on behalf of the people of Canada are those who have to face the electorate, those people who have to be re-elected to justify the positions that they take. They have made a decision. This is quite apart from Party and partisan politics. Members from every political Party represented in this House have in fact approved this Accord.

This is an opportunity for those who feel that they want to block this to consider the consequences of what they do. If they want by their actions to return to the situation in which we will again isolate the Province of Quebec, then I think that they will have to stand accountable for the positions they take. I do not have the privilege of coming from the Province of Quebec. However, I come from another part of our country, the Province of Saskatchewan.

Mr. Kaplan: That is a privilege.

Mr. Hnatyshyn: It is a western province which has very happily accepted this amendment in overwhelming numbers and with overwhelming support.

Mr. Caccia: Distinct society?

• (1530)

Mr. Hnatyshyn: It is something that binds us together. I do not regard this as being an accord which, in fact, does anything but strengthen this nation. For the benefit of Members, I explained that to me a distinct society in Quebec is a very understandable and important consideration which does not in any way diminish the Charter of Rights and the rights of minorities. The Province of Quebec today consists of a great variety of minorities and a very important number of aboriginal peoples. All of them together, with the French majority and the English minority, do constitute a unique society.

I simply say to Hon. Members, who are determined to oppose this, that I hope they will give consideration to the consequences of their actions. As the years go by after this is passed and they see how it has strengthened our country and brought a unity and co-operation together, they will be able to say, contrary to their present position today, that this was one of the finest moments in the history of the House of Commons of Canada.

Mr. Deputy Speaker: On a point of order, the Hon. Member for Saint-Henri—Westmount (Mr. Johnston).

Mr. Johnston: I would like to know whether the Minister will accept questions following these remarks.

Mr. Hnatyshyn: Absolutely.

Mr. Deputy Speaker: It is not permitted by the rules, unless the Hon. Member seeks the unanimous consent of the House to do so. It would not be up to the Minister, it would be up to the whole House.

Is there unanimous consent to allow the Hon. Member for Saint-Henri—Westmount (Mr. Johnston) to ask questions for a period which we would limit, as we usually do?

Some Hon. Members: Agreed.

Mr. Kaplan: No.

Mr. Deputy Speaker: On a point of order, the Hon. Member for York Centre (Mr. Kaplan).

Mr. Kaplan: Mr. Speaker, we are not talking about the normal ten-minute question and answer period. In order to decide on consent, I would like to know what type of time frame you visualize.

Mr. Deputy Speaker: The Hon. Member for New Westminster—Coquitlam (Ms. Jewett) on the same point of order.

Ms. Jewett: Ordinarily, Mr. Speaker, I would be delighted, as we all are, to have questions and comments. However, we did have an agreement today that the three of us, one from each Party, would be able to speak, even though it extends into Private Members' Hour. That was the agreement.

I know that the Hon. Member for York Centre (Mr. Kaplan) has quite an extensive speech. Therefore, I would ask that I be allowed to speak today, as it was agreed that I would.

Mr. Deputy Speaker: On the same point of order, the Hon. Member for Saint-Henri—Westmount.

Mr. Johnston: I appreciated the fact that the Minister of Justice (Mr. Hnatyshyn) took less time than I thought had been allotted. I would be quite happy to limit myself to one question, because he has raised a point which I believe requires some clarification. It should not take more than three minutes, Mr. Speaker, to have that exchange.

Mr. Prud'homme: A colleague of mine is saying let us be liberal. I will be liberal. Yesterday we agreed that there would be three consecutive speakers, and I do not see what has happened since yesterday to change what we decided. I think my position is as liberal as any one of my colleagues who thinks it may not be liberal.

Mr. Deputy Speaker: On the same point of order, the Hon. Member for Laurier (Mr. Berger).

[*Translation*]

Mr. David Berger (Laurier): Mr. Speaker, I wanted to say that coming from a Member who is given to praising the virtues of democracy, the comments we have just heard from the Hon. Member for Saint-Denis (Mr. Prud'homme) are something of a paradox.

[*English*]

Mr. Deputy Speaker: We do have a question of privilege from the Hon. Member for Saint-Denis (Mr. Prud'homme).

Ms. Jewett: I would rather have had one question than all of this.

Mr. Prud'homme: I must admit, having always defended—

Ms. Jewett: You are just cutting down my time.

Mr. Prud'homme: I do not see why my dear friend from British Columbia is in such a hurry. You will have your time.

When we make rules, it becomes unruly to change the rule that we agreed to follow. I do not see why my colleagues suddenly believe that I am less liberal today than I was yesterday. We agreed yesterday that, in an orderly fashion, we would start by having three Members of Parliament speak in a row, one from each Party. I am sure that in due course some of my colleagues will have plenty of opportunity to put forward their views. Therefore, I think we should proceed as we agreed yesterday.

Mr. Deputy Speaker: The Hon. Member for Davenport (Mr. Caccia) on the same point of order.

Mr. Caccia: Mr. Speaker, that was not a point of privilege. The point here is whether or not the Chamber is afraid of allowing one question to be asked which has been defined as being a short one, within the time frame allocated to the Minister, without going over it, and to make this debate as engaging and interesting as the rules of the House usually provide. What is the House afraid of by allowing one question at this point?

Mr. Deputy Speaker: The Chair does not believe that there is unanimous consent. Therefore we will proceed with the debate with the Hon. Member for York Centre (Mr. Kaplan).

[*Translation*]

Hon. Bob Kaplan (York Centre): Mr. Speaker, of all the work we do in this House, nothing is as important as what we are about to do today, because we are now dealing with the fundamental law of this country, the Constitution of Canada.

We must do so out of a sense of pride in our country and its accomplishments, accomplishments that are quite considerable.

I think we should remember that today's Canada is not the initial version of this nation. Canada as we know it, which goes back to 1867, is actually the second or third version of this country, according to our historians. Before Confederation, an attempt was made to unite the colonies of North America, mainly so as to be strong enough to resist the influence of the Americans and keep the Americans out, and until Confederation, several attempts at union had failed.

The present version succeeded, and it has succeeded to this day, Mr. Speaker. I think it would be interesting to compare the versions that existed before Confederation with what we have now. What are the differences?

One difference I find very important and very apt is the difference in perception of the future of a great country. Before Confederation, we saw mature colonies that exercised all the powers of a colony, that wanted concessions and were anxious to have a mutual contract in order to survive against the United States. However, Canada as we know it today, the present version of Canada, had a vision of a frontier, of a great country from the Atlantic to the Pacific, a much broader perception than the original partners had.

The objective was not how to protect Canada, as a mature state, against the United States, but to build something great and important and different from the original colonies.

[*English*]

The Canada that we are living in now survived for a number of reasons. For me, for many Canadians, and for those whom I represent, it survived because of its grandeur, because of the larger vision that it has than any of the unsuccessful efforts before it to build a country which was nothing more than an agreement or an arrangement to share powers among existing colonies.

• (1540)

Many countries have the natural riches that Canada has and the human riches as well, but they are not as successful as

Canada. Within our borders we find immigrants who have come to our country from places in the world that have resources and human riches but which lack Canada's great heritage in our form of Government, our parliamentary tradition and in the balance that we have achieved in our Confederation. When we come as a country to analyse why we are where we are, we must remember that it is in part due to the input of the tradition of Government and the balance of our Confederation. Waves of immigrants have come to Canada from even richer places in the world and have done better here in freedom and in prosperity because of our system. This has to make us very conscious of what is before us when we examine possible changes to the fundamental law of Canada in the form of the Meech Lake Accord before us.

I want to put one other image before the House. It was an image which Prime Minister Trudeau set out close to the end of his career as Prime Minister. He spoke about building a great nation. He compared it for purposes of contrast to other buildings. He talked about the Pharaoh in Egypt who built a pyramid, about the work and the effort that went into building a pyramid and who in the end would stand back proudly looking at his project that would defy the ages. Building a nation is a very different process. We did not stop with what the Fathers of Confederation completed and let it defy the ages.

Building a nation is an ongoing process. It is a process that takes the efforts of the people of the country and their legislatures in a federal system, all of the components of our great country, to make it work. It responds to the changing circumstances and changing opportunities in a positive and in a generous way, in a way that looks to the long term, that looks to what it is we are building and respects the tradition and the heritage that has made it possible for us to enjoy the very great fortune that we do as Canadians.

I was part of the Government between 1980 and 1984 that patriated the Constitution, initiated the package, designed it, developed it, invited public participation and provincial and political support from across the country.

Canadians feel great pride in the fact that we patriated our Constitution. That patriation package was a first-class manoeuvre in the sense that it did not just patriate what we had but augmented it with the Canadian Charter of Rights and Freedoms, whose potential for enhancing social justice and fairness in our society is only now beginning to be realized. This was a very great achievement of 1981 and 1982 under the leadership of Prime Minister Trudeau. I do not think we can sit back. We have to look at what has been called the unfinished business of that package and we must continue to build.

We in the Official Opposition have viewed the Meech Lake Accord. We have been invited to support it and we have considered it. We are very critical of the process by which the Meech Lake Accord was devised. We feel, and we indicated in our reports, that much more public participation should have taken place and much more time should have been put into it. It is not a seamless web. In fact, Mr. Speaker—

[*Translation*]

I would like to read into the record a paragraph from our report, published as Addendum A, the Liberal Party's position on the 1987 Constitutional Accord. I read at page 149, and I have only one paragraph to read: "The Liberal members of the Special Joint Committee on the 1987 Constitutional Accord, on behalf of the Opposition, once again confirm their support for the Langevin Accord . . . "—in other words, Meech Lake— " . . . as a positive step forward in Canada's constitutional evolution. At the same time, we believe that the Accord can and should be improved now by the inclusion of some amendments, which are set out below. These amendments are fully consistent with: (1) the Liberal Party policy resolution of November 1986; (2) the Quebec Government's constitutional agenda; and (3) the testimony of many expert witnesses at the hearings of the Special Joint Committee. We also believe that these amendments should be acceptable to the First Ministers. They take nothing away from the achievement of the Accord, rather they clarify its meaning and recognize other legitimate claims which are totally compatible with the Accord."

[*English*]

That was the position we took when the resolution was first presented, and that is the position that we take today. We support the Meech Lake Accord in spite of an extremely flawed process. We were prepared, in other words, to look at the fruit which the process bore as an Official Opposition should do and to look at it on its merits in spite of the process that we found deplorable and of which we were very critical. We have proposed amendments. I simply cannot understand the Government, especially in the light of the current reaction across the country to the Meech Lake resolution, characterizing them as killer amendments or as amendments that will do anything other than enhance the package, increase its acceptability, as well as bring new constituencies of support to the constitutional package which the Government has brought forward.

I intend now to proceed to examine our amendments, put them forward and explain them. I hope members of the Government will once again give consideration to amendments which, although we will support the Accord in any event, I think will make the Accord a much more popular document and perhaps save it if it is threatened in a number of provinces across the country because of objections to certain aspects of it. I will refer to my amendments as I go along through substantial points about the Accord.

To begin with, we should never forget that the purpose of the Meech Lake agreement was to bring Quebec into the constitutional framework of Canada. The lengthy history of attempts at constitutional revision have always included the reluctance of Quebec's leaders to permit a reduction in both the powers of the Quebec Government and its role as the *point*

d'appui for the French language in Canada, as the B and B Commission expressed it.

I have heard the arguments. There is certainly validity to those arguments that Quebecers were involved in the process of patriation of the Constitution and bringing in the Charter of Rights and Freedoms. I have seen the chart of how many elected legislators from the federal and provincial levels together supported patriation and how many opposed it. I know about the resolutions in the Province of Quebec, but I do not think that the non-participation of the Quebec Government in patriation, its disapproval of it, should be demeaned or that it should be belittled. It is significant because, in an ironic way, that very fact of the Government of Quebec's non-approval gives Quebec a special status. It becomes the only province that has not accepted at the level of the provincial legislature and government the patriation of the Constitution.

• (1550)

That is an argument which gives comfort and support to grievances within the Province of Quebec against Confederation. It is legitimate and important, in this process of the ongoing building of our nation, to deal with that, to find a formula or an accommodation that will overcome that. We know from the referendum and from the recent election of a federalist government in the Province of Quebec that Quebecers want to participate in Confederation. This is perfectly legitimate and appropriate, and behind our approval of the Meech Lake Accord is our recognition of the importance of overcoming the fact that back at the time of the patriation of the Constitution and the establishment of the Charter of Rights and Freedoms, the Government and legislature of the Province of Quebec said no.

I have heard some people glibly say that because of the referendum, because of the election of a federalist government in the Province of Quebec and because Quebec has said yes to us now, we in the provinces and in the Parliament must now say yes to Quebec, as if to imply by that that no matter what the priorities of the Province of Quebec are at this time, because it had gone through the two stages, we should say yes no matter what. The approval of the Official Opposition is not to be taken as an indication that we would accept any kind of conditions put forward for the approval of the Meech Lake Accord and for the support of the Government and Legislature of Quebec for the package. Certainly, we would not be able to say yes to Quebec if Quebec were putting forward an agenda which would undermine or destroy the kind of balanced federalism that we know.

I think it is important at this time to review for a moment what some of the past demands of Quebec were as a condition for its approval of the patriation of the Constitution. It is important to do this because I want to demonstrate that it was not the conflict and confrontation, as some Members of the Government Party have said, of the former Trudeau Government that was responsible for Quebec's non support of the patriation package, it was not that at all. It was what was on the agenda of the Government of Quebec at that time.

People have forgotten that what was being asked for could not be agreed to. Quebec was represented by the Lévesque Government, whose agenda was not to build a strong and united Canada. Its overt, openly stated agenda was to separate and establish a country independent from Canada. Its agenda demonstrated that.

For example, one of the things that was wanted in the Constitution of Canada was the right of self-determination for the Province of Quebec. I do not see how that could be put into a Constitution of a federal state. That could not have been accepted. It was not a matter of confrontation or conflict, it was an unacceptable agenda.

The province wanted to close down the CBC stations and Radio Canada stations across Quebec and turn them over to provincial management. It wanted to withdraw television, cable and radio licences and have them issued by the provincial government. It wanted to be the voice outside Canada of la francophonie, not just inside Quebec but outside Quebec and across the rest of the country. Looking back at what it was that the Government of 1980, 1981 and 1982 was being asked to approve, one can see why the Constitution was patriated without the approval of the Government of the day in the Province of Quebec or of the Legislature of Quebec.

I mention those sad events because I want to contrast them with what we are being asked to say yes to now. We are being asked by the federalist government of the Province of Quebec, and I now refer to the commencement of the process which lead to Meech Lake, to say yes to a five point agenda of items which, in the view of the Official Opposition, are totally compatible with a federal system of government, with a Confederation as we know it, with a balanced equilibrium in Canada. We think that this is a timely development. It is not something that we can count on being available now and for all times in the future. It is something that we have to recognize while it is available. Quebec's approval is available on the basis of a federalist agenda.

I must also say that I do not see how one could have expected the Premier of Quebec, Premier Bourassa, to win his election and then turn to the federal and provincial Governments and say: "I am prepared to accept the package the former Government refused. It was not good enough for the former Government, but it is good enough for me". Politically, that would have been unrealistic, and it is reasonable for us to expect and to receive from the Province of Quebec a list of items which will assist it in being comfortable within Confederation, in a balanced form of Confederation which we have inherited and which it is our duty to preserve and strengthen.

I have indicated our support for the Meech Lake Accord, but I have also indicated that we have argued that amendment is possible. We have a number of amendments which are desirable and important.

I want to note in relation to the package of Québec's priorities for entry into Confederation and for approval of the patriation of the Constitution and of the Charter of Rights and Freedoms, there was no proposal to reduce the powers of the federal Government in its most important areas. I will talk about the changes in the system individually, but it is important to underline that what has not changed is that the federal Government retains all of its powers under Section 91, including its general power. It retains its powers of taxation and it retains the important responsibilities relating to peace, order and good government.

Let me turn now to one of the criticisms that has been made of the Meech Lake Accord. In spite of having sat on the Committee, listened to the witnesses and asked them questions, it is a criticism of the Meech Lake Accord that I am totally unable to understand.

[*Translation*]

And that, Mr. Speaker, is the suggestion or the objection that the Meech Lake Accord detracts from the official languages policy. For me, far from harming this policy, the Meech Lake Accord tends to strengthen it. Let me explain. First, we in Canada have a policy of official institutional bilingualism. That remains unchanged with the Meech Lake Accord. For example, this means that we try as much as possible—it is the Government's responsibility—to ensure to the greatest extent that those who want to live in French and those who want to live in English in our country can do so.

The Government must provide them with services in French and in English, as they choose, wherever practically possible. And the official languages policy is not to force them to learn another language to live in Canada. They have the right, as much as possible, to live in only one of the two official languages.

But another aspect of the official languages policy that is not legislated appears before us. It is phenomenal, wonderful, something that is really an aspect of this official languages policy; it is the growing practice throughout the country of learning both official languages. We see in every province the trend of Canadians who can live and work in only one of the two official languages to learn the other language, to teach it to their children and to have their children taught the other official language. Perhaps it is because in our country, we have two of the most important languages in the world; perhaps it is also the example of Canadians who are bilingual that impresses other Canadians. Perhaps too it is to have the opportunity to live fully as a Canadian. But it is very important and continues to be with the Meech Lake Accord. There is nothing in it to discourage these Canadians, be they adults or young people, who are trying to become bilingual in this country.

• (1600)

[*English*]

In my argument about the continuation and strengthening of the official languages policy I note that the Constitution after Meech Lake will still contain the option for provinces to become officially bilingual. I want to remind my colleagues that in our resolutions as a Party and in our report on the Meech Lake Accord we urged that provinces become officially bilingual. We refer specifically to the Province of Ontario. We would like to have seen at the Meech Lake Accord negotiations a Prime Minister who moved forward with that priority and tried to take the opportunity to encourage a province or more provinces to become officially bilingual. However, the option is still there and I commend our amendment to the House, encouraging the Province of Ontario and other provinces to become officially bilingual.

After the Meech Lake Accord is constitutionalized, there will still be an obligation on provincial Governments to provide education in an official language where numbers warrant. That is not taken away by Meech Lake. Official languages remains as strong. In fact, I want to refer to another of our amendments, an important one, in which we wanted to remove the "where numbers warrant" limitation contained in the Constitution at the time of patriation. We felt that the standard contained in paragraph 1 of the Canadian Charter of Rights and Freedoms about reasonable limitations on all rights, including language rights, would have been sufficient protection against abuse, if one can conceive of abuse as being a desire to have your children educated in one of the official languages. We commend that amendment to this House and to others across the country who are considering the resolution on the Meech Lake Accord. We think it is important, and the amendment would reinforce official bilingualism in the country, but nothing in the Meech Lake Accord in that respect reduces it.

Dealing with the Official Languages Act, which is the final aspect of official bilingualism that I want to refer to under the Meech Lake Accord, I note that the Act remains the law of the land. I did not want to speak today about the current problems that the Government is having in implementing its amendments to the Act contained in Bill C-72, but the disgraceful developments in Question Period today are pretty hard not to refer to in this context.

Here we have a Constitution which encourages official bilingualism, the Meech Lake Accord which in my submission does the same thing, Official Languages Act amendments which ought to be brought forward, a Government which indicated it was prepared to do so, but a resistance movement among some dinosaurs, as they have been called, in the Conservative caucus who do not want this element of progress. It may be that Conservative Members who want the amendment package which my colleague revealed today feel threatened by a country which has an official bilingualism policy.

Mr. Belsher: We are not threatened at all.

Mr. Kaplan: On our side of the House we do not feel that. We feel enriched by official bilingualism and we encourage the Government to stick to the position it put forward to the Canadian people on this subject and let us have these important amendments to the Act.

Further on the subject of the official bilingualism policy, I want to turn finally to the actual provisions of the Meech Lake Accord which calls on the Parliament of Canada and the provinces to preserve the situation of the official language minority in their province. I feel that is a step forward. Yet when one looks at the development in the Province of Saskatchewan one has to wonder how that province, which signed the Meech Lake Accord and passed the resolution, could bring forward legislation which is a step backward in the acquired rights of the official language minority residing in that province.

[*Translation*]

I speak of the Fransaskois who had rights granted in the statute that established the Government of Saskatchewan. And now, after the Supreme Court strengthened and confirmed these rights and pointed out that they were in effect, the Government, the same one that passed the Meech Lake Accord, could also diminish their acquired rights in the Province of Saskatchewan.

[*English*]

I want to suggest on that subject that if the Meech Lake Accord had been constitutionalized at this point, I think—

[*Translation*]

... I believe that the Fransaskois would have one more argument in their favour, in favour of their official language in their province and an argument that did not exist in the Constitution before Meech Lake. It is a gain. Even so, the attitude of the Government and of the Prime Minister (Mr. Mulroney) in his response to events in Saskatchewan is simply deplorable.

[*English*]

We have proposed an amendment to this provision of the Meech Lake Accord. I think if the Accord was a short step in reinforcing the situation of the official language minorities in the provinces, the amendment we proposed is a much longer step. I would like to read our amendment. We would put forward for Clause 2(a) of the Meech Lake Accord the following:

> "2(a) The role of the Parliament of Canada to preserve and promote, and the role of the provincial legislatures to preserve and, subject to subparagraph 2(b) to promote, the fundamental characteristic of Canada referred to in paragraph (1)(a) is affirmed.
>
> (b) The role of a province in relation to promotion applies from the time it is adopted by a resolution of the legislative assembly of that province."

Why is that a killer amendment, I ask the Leader of the Government in the other place, the Minister responsible for interprovincial relations? We ask that this Parliament and the Government of Canada not only preserve the rights of official language minorities but promote them as well.

• (1610)

We ask in relation to the provinces that they promote as well as preserve, but only from the time they specifically agree to do so. We are thinking of the model of the official bilingualism of a province. According to the Constitution of 1982, a province has the right to opt into official language status. We offer the right to opt in as well to the responsibility to promote in addition to preserve the official language minority's acquired rights and other rights within a province. I do not consider that to be a killer amendment.

If one looks at the list of priorities of the Province of Quebec, that is not part of them. Quebec's priority list deals with matters affecting the Province of Québec. This amendment deals with the situation of official languages outside the Province of Quebec, as well as inside the province with respect to the English official language minority. Surely this amendment can be totally acceptable and one which would have brought the unhesitating support of—

[*Translation*]

—of the FFHQ throughout our country. It was an amendment that could have greatly increased support for the Meech Lake Accord.

[*English*]

One of the points made in criticizing the Meech Lake Accord in the manner in which it affects official bilingualism in Canada is the distinct society clause. We in the Official Opposition do not agree with the argument that the distinct society clause prejudices bilingualism. Certainly no one can point to any words or clauses in the Meech Lake Accord which diminish official bilingualism. The critics of the distinct society clause acknowledge that there is nothing specific about it that violates bilingualism, but they try to make the argument that indirectly, recognizing Quebec as a distinct society will have that effect.

Let me make a few points about the distinct society. First, there is no question that Quebec is a distinct society within Canada in a very special way. From the moment in 1774 that the Quebec Act recognized the authority of the civil law and the rights of the Catholics to hold public office, Catholics meaning French Canadians in those days, there has been a consistent acceptance of a distinct constitutional recognition of Quebec's special place in the Canadian Federation. That does not preclude a rejection of the distinct constitutional provisions which recognize the anglophone or non francophone minorities in Quebec, or the francophone minority outside its borders.

The drafting of the BNA Act provided for a specific division of powers in those domains which were considered important to the maintenance of Quebec's distinctiveness, education, courts and civil law. There are other distinctive aspects about Canada than the distinctiveness of Quebec, however. I want to refer the House to amendments which are included in our

package, which recognize other fundamental characteristics of Canada, which recognize the aboriginal people as a fundamental characteristic of Canada and recognize the multicultural developments in Canada, with millions and millions whose heritage is in the culture which is neither English nor French.

The reaction of the public across Canada to the Meech Lake Accord certainly shows that recognition of other fundamental characteristics of Canada would certainly have enhanced public support for the Meech Lake Accord. In our submission, it is not too late for the addition of those two among the fundamental characteristics of Canada.

When considering another criticism of the distinct society clause, it is important to remember that the distinct society is not a francophone society alone. Many critics feel and fear that the power given to the Government of Quebec and the Legislature of Quebec to promote the distinct society means that a francophone society only will be promoted. That overlooks precisely what is contained in the Meech Lake Accord itself. It is important to read Clause 2 which states:

> The Constitution of Canada shall be interpreted in a manner consistent with
>
> (a) the recognition that the existence of French-speaking Canadians, centred in Québec but also present elsewhere in Canada, and English-speaking Canadians, concentrated outside Québec but also present in Quebec, constitutes a fundamental characteristic of Canada;

Those who would argue that the distinct society clause could be used as a device to downgrade or humiliate the English-speaking minority within the Province of Quebec are not giving adequate account of the actual language of the Meech Lake Accord and to the fact that such action would not be justified under the very clear language which indicates that Quebec is a bilingual society which includes francophones and anglophones.

It is clear that the distinct society clause is an interpretive provision. In relationship to the Charter of Rights and Freedoms, it is not a provision which cancels or diminishes other provisions of the Constitution or of the Charter of Rights and Freedoms. It is meant to be read to interpret them.

There is another criticism of the distinct society clause that I believe is invalid when one considers it carefully. The distinct society clause cannot be used as an interpretive provision to reduce the powers of the federal Government, of Parliament or of the provinces. Clause 2(4) states:

> Nothing in this section derogates from the powers, rights or privileges of Parliament or the Government of Canada, or of the legislatures or governments of the provinces, including any powers, rights or privileges relating to language.

While a proponent of a law before the court may argue that the distinct society clause justified trenching on powers of the federal Government or a provincial government, it is clear that this amendment provides that it is not to be interpreted to do so. However, when one comes to the relationship between the distinct society clause and the Charter of Rights and Freedoms, I do not believe the matter is as clear as the Minister of Justice (Mr. Hnatyshyn) indicated in his remarks. He said he rejected totally the argument that the distinct society clause could reduce provisions of the rights and freedoms granted under the Charter.

Let me give a hypothetical situation that I believe indicates the concerns of the Official Opposition in the amendment to which I will refer. Suppose that five provinces, including Quebec, put forward the same law which is considered by some to reduce the rights of women. I can visualize a situation under the Meech Lake Accord in its present form where Quebec will have an extra argument going into the Supreme Court of Canada to defend that law. The law, in other words, might be found not to violate the Constitution or, putting it the other way, the law might be found to violate the Charter of Rights and Freedoms in four provinces, but not within the Province of Quebec, because a different interpretative provision is being used. As I indicated, I do not think, and I was convinced by the evidence adduced before our committee, that rights can be removed by the distinct society clause or that they can be reduced, but they can be given a different interpretation.

• (1620)

We are arguing that it is undesirable for the Charter of Rights and Freedoms to have different meanings for Canadians in different provinces of Canada. That is the reason for our amendment which I would like to refer to now and commend to Members of the House, even the Minister of Justice who has rejected all evidence to the contrary, that we should make it clear that the Charter has the same meaning in every one of the provinces of Canada, and for all Canadians, wherever they live.

We are concerned that this very important achievement of 1982, the Charter of Rights and Freedoms, should not have different meanings in different places across the country, so we have put forward this amendment. However, if you ask if that possibility and concern is fatal with respect to the Meech Lake Accord, if you ask if that is an argument for us to reject the entire Accord with all of its other achievements, my answer is to reflect back on what we did in 1981 and 1982 when we brought back a Charter of Rights and Freedoms which contained Section 33. It contained a clause which permits a province to reject all parts, those that are listed in the Charter of Rights and Freedoms and in Section 33, in other words, to deny very specific provisions of the Charter of Rights and Freedoms, and to deny them 100 per cent to the residents of a particular province.

That is a very serious derogation from the Charter. Yet we were obliged to accept it because we would not have been able to patriate the Constitution and we would not have been able to establish the Charter of Rights and Freedoms without it. We tried to do it, but we could not get enough support to be able to proceed and patriate the Constitution and establish the Charter without it.

I look at the wisdom we had then to accept the derogation, the notwithstanding clause, and the situation now where there

is ambiguity about the interpretation of the distinct society clause in relation to the Charter, and we have an amendment which is being rejected by the Government. If it is rejected, let us proceed, let us put the clarification of the priority of the Charter, along with the notwithstanding clause, as something we would like to see dealt with early, and which our Leader has undertaken will be part of our platform and agenda of the Liberal Government after the Meech Lake Accord is constitutionalized.

Another suggestion in relation to the distinct society clause with which I would like to deal is the suggestion of some that it should be referred to the Supreme Court of Canada so that it can tell us exactly what the distinct society clause means. In rejecting this suggestion, I think I can do no better than refer to the arguments made by the Attorney General of Ontario before the legislative committee in that province which was examining the Meech Lake Accord.

It is true that the Supreme Court of Canada Act says that virtually any question can be referred to the Supreme Court of Canada, but references cannot be successful when they ask the Supreme Court of Canada to write a book or treatise in effect, about the meaning of a clause. The Supreme Court of Canada can handle, and it is reasonable to put to it, justifiable questions such as, is this legal? Does this comply with the provisions of the Charter? Does this comply with the amending formula?

It is a long, interesting and powerful argument the Attorney General of Ontario made. It cites authorities and comes to the conclusion that when we ask the court what does the distinct society clause really mean—and I am reading here from page 45 of his brief—it is unlikely that the court would be willing to answer any such question.

Courts exist for the purpose of resolving particular disputes rather than writing discursive essays on the meaning of various constitutional provisions. He contrasts that question with the question that was asked of the Supreme Court of Canada back in 1981. The court was asked whether or not the proposed amendment was unconstitutional, a very specific thing. It was asked is it constitutional or is it not, yes or no. It was not asked the difficult question of what it means. Imagine what would have happened if peace, order and good government had been sent to the Supreme Court of Canada in its day, if it had existed then? It is not the type of question about which a court can be asked to give a useful definition. It is too hypothetical to expect a court to be able to deal with it in a way that is really useful.

The final criticism that is made of the distinct society clause is also made of another provision of the Meech Lake Accord, that is that it is too vague and ambiguous. I want to deal with the question of vague and ambiguous, bearing in mind that peace, order and good Government must also be considered pretty vague and ambiguous. Yet it has been pretty useful and has been the basis for founding a considerable number of important decisions, and I want to indicate in connection with the shared costs program provision as well, that I do not think its vagueness or ambiguity is necessarily a fault.

The provision that is also criticized as being too vague to proceed is the provision on shared costs programs which puts a limit on the power of the federal Government to establish shared costs programs with provinces which do not want to participate. Again, I think, many of the critics of the Meech Lake Accord have exaggerated very considerably what it is this provision does. Certainly, it does not take away the spending power of the federal Government. The federal Government still has the power to spend money. In fact, the power is specified in the statute, or what will be in the Constitution, in a way of clarity which it has never had before. But the provision itself on the spending power does not eliminate the federal Government's power to spend money in areas of exclusive provincial jurisdiction.

It is important to recognize also that the limitation contained in the Meech Lake Accord only applies when we talk about an exclusive area of provincial jurisdiction. I think in a balanced federal system, it is not unreasonable for the provinces, when the federal Government proposes to spend money in an exclusive jurisdiction which belongs under the Constitution to them, to ask them to contribute half or more, perhaps less, but a part of the cost. It is not unreasonable to give the provinces more powers than they have enjoyed until now. This, the Meech Lake Accord does.

• (1630)

People fear that with the power the provinces are given to demand compensation, and if they provide a compatible program or policy, this will create a chequer-board Canada. I want to insist that this provision does not necessarily create a chequer-board Canada. It depends on politics. It depends on the kind of negotiation process that takes place. There will have to be more negotiation if the Government wants to proceed by this route. There will have to be more consideration of provincial priorities. But at the end of it, if the federal Government does not want particular provinces to establish programs of their own and claim compensation, it does not have to proceed through the route of a shared-cost program in an area of exclusive provincial jurisdiction.

I think it is a false criticism to say that this clause will lead to a chequer-board Canada. The federal Government can insist before signing on the dotted line that other provinces participate rather than opting out and claiming compensation instead.

I refer to the ambiguity of the shared-cost program clause. I would like to read it. I would like to read Section 106(A) of the Meech Lake Accord which states:

> The Government of Canada shall provide reasonable compensation to the Government of a province that chooses not to participate in a national shared-cost program that is established by the Government of Canada after the coming into force of this section, in an area of exclusive provincial jurisdiction, if the province carries on a program or initiative that is compatible with national objectives.

"Compatible with national objectives" and "program or initiative" have been criticized as being pretty ambiguous language. We in the Official Opposition agree that this is ambiguous language. I want to note an amendment that we have proposed which would make that language somewhat clearer. What we have proposed in our amendment is that what needs to be provided by the province to qualify for compensation is to carry on a compatible program which meets minimum national standards. The language that we have proposed I think is more clear. However, I have to acknowledge that even it is somewhat ambiguous and that there will always be some uncertainty in marginal cases where some type of arbitration is going to be required by a court to determine what it means.

Let me give a practical example. We have before the House now Bill C-89 which, as one of its objectives, provides federal funds for victims of crime. Money is given to the provinces. The wish is expressed in the legislation that they will use it for victims of crime.

Let us say that a shared-cost program is developed in that area and the federal Government offers the provinces the opportunity to participate in this. It is obviously an area of provincial jurisdiction. I do not think there is any doubt about that. Thus we have a province saying: "We will take the money. We intend to build sidewalks with it". How do sidewalks help the victims of crime? I suppose a provincial Government can argue that if there are sidewalks, people who walk on them are less likely to be hit by drunk drivers. That is one argument. A province might say: "We will take the money and we will establish that type of program". Under either version the question that would be asked is: Is this a compatible program which meets minimum national standards? I could not predict with confidence what a court would determine if that example were put as a basis for a demand for compensation by a provincial government opting out of a shared-cost program initiated by the federal Government.

I would like to observe this. Among the provinces I have noted arguments being made that this clause in the Meech Lake Accord has a different meaning. In the Province of Quebec a Minister is arguing that it gives very great latitude to the province. In another province, the Province of Ontario, the premier is arguing that that is a pretty tight definition. How do we deal with an ambiguity like that?

I would like to make a couple of observations about it. I remember chatting with one of the drafters of the International Monetary Fund Agreement. He made the observation that one of the achievements and the glories of that agreement was that it contained no unintentional ambiguities. What he meant by that was that the parties went as far as they could in agreeing but that there were certain things that they just could not agree on.

This could be contrasted with a contract in which people hire lawyers to iron out all the ambiguities. One certainly would not want to be told about a contract by one's lawyer that it is being left ambiguous because "we want to be able to sign the deal with the other side". In the case of a contract one wants to know clearly what will happen in every eventuality. However, the founders of the IMF, when they were getting together, reached a point where they could see, I assume, that unless there was a little measure of ambiguity there would not be a deal. I have the same feeling, although I was not at the table at the Meech Lake Accord, about the ambiguity, marginal, of the distinct society clause, and about the ambiguity of the shared-cost program provision.

We had premiers and a Prime Minister (Mr. Mulroney) who were saying to each other: "We have been able to agree about a number of things. We cannot agree in very precise detail about this. We are prepared to sign the agreement knowing that if this falls to be interpreted it will be interpreted within the context in which one side can make its arguments, the other side can make its arguments, and like peace, order and good government a decision will be made about where the responsibility falls and whether the compensation payment has to be made".

It is not a hot criticism of a constitution to say that it contains some vague language or some ambiguities. In that context, in fact, what started me thinking about this was a fascinating article about the Magna Carta which appeared in the *Law Society Gazette of Upper Canada* written by James Allan in June of 1987. He analyses a remarkable document which is about 700 years old. In particular he refers to the trial by jury safeguard contained in the Magna Carta.

The amazing thing is that when the Magna Carta was drafted, when King John and the barons sat together and hammered it out, trial by jury for ordinary citizens of the realm was the farthest thing from their minds. That Magna Carta today stands for trial by jury. In the British system there are still portions of the Magna Carta that are the actual current law of the land with respect to trial by jury.

In his concluding observations about the Magna Carta Mr. Allan notes that perhaps the greatest criterion of the longevity of any set of rules or laws is its adaptability. He states that the Magna Carta has lasted so long because of its tendency toward vagueness. "The passing ages were able to put their own gloss on the text".

I look at the shared-cost provision. I note that the federal spending power is still available to the federal Government, that virtually any objective, if the provinces object, could be achieved through other uses and through other exercises of the spending power.

• (1640)

It is not so bad to accept one or two ambiguities, although our amendment would have the effect of making it somewhat clearer and, I submit, would still hold the support of all the partners who initially drafted and approved the Meech Lake Accord. Future interpretation will decide and will settle. The parties who signed the Meech Lake Accord in this form were

willing to have the provision settled by the courts in due course.

Again, the critics of the Meech Lake Accord turn to the next provision that they condemn and state that they would be prepared to have the courts settle it, but under the Meech Lake Accord the Supreme Court of Canada will become a stacked deck. I wish to deal with that objection, because I do not think it is valid. We in the Official Opposition reject that particular criticism of the Meech Lake Accord. What is said is that, because the provinces have the right now to submit names to the federal Government from which judges can be appointed to the Supreme Court of Canada, that provincialists or separatists might be appointed whose perspective on the issues that come before it would be biased.

In noting that criticism, one has to ask how satisfactory is the present system. Certainly it has worked well. I have never heard criticism from any quarter of the Supreme Court of Canada being prejudiced or anything other than objective and excellent in its function and in its standards. The Members of the Supreme Court of Canada are appointed by the Prime Minister. He designates them. Under the present system the tradition is that they are confirmed and adopted. There is not even any reference to the parliamentary committees in the manner that certain other appointments are referred to committees, without the power to veto, but at least with the power to examine them.

If we ever had a Prime Minister like Ronald Reagan, who had an agenda of making the Supreme Court of his country politically coloured one way or another, in Canada that would be very easy to achieve in the manner the Supreme Court of Canada presently is. I remember thinking, and my colleague, the Hon. Member for Davenport (Mr. Caccia) may also remember, that when the patriation package brought forward by the Trudeau Government was under attack, and when the Quebec Government was taking it to court, that if the Quebec Government was unsuccessful at the Supreme Court of Canada, it could make the argument that this is a court that is set up to adjudicate between the claims of the federal and the provincial Governments, but it is 100 per cent appointed by one side, therefore, what type of legitimacy is that?

When one looks at the way the Supreme Court is presently constituted, it is appropriate to consider a change which will produce a balance; a Supreme Court of Canada which is bullet-proof in the sense that neither level of government can take shots at it and say that this is a court whose method of appointment disqualifies it from adjudicating our claims.

When one looks at what the Meech Lake First Ministers have put before us, it seems that it produces a better balance than the present system. There are criticisms made that go too far. For example, if provincialists or mandatees who are going to take orders from provincial capitals are put forward on the lists of one particular province, the federal Government has the choice of going to another province, or if one province does not want to put any names forward, it has a choice of going to another province. Outside of Quebec there is a tradition that there are three from Ontario, two from the West, and one from Atlantic Canada. But that is not an invariable tradition. If one region or one province wanted to defeat the composition of the Supreme Court of Canada by not giving names, or giving unacceptable names, the federal Government would have a neat way of dealing with it which would permit the Supreme Court of Canada to continue to function.

In the case of Quebec it is somewhat more difficult because it has the right to three places on the Supreme Court of Canada. If the Government of Quebec wanted to embarrass the federal Government by not putting names forward, or by putting forward unacceptable names, there would be a problem in filling the Supreme Court of Canada with representation from Quebec, and politics could be played with that. But politics could be played both ways with that. There would be pressure from both sides to do the responsible thing, and put forward acceptable names, and to appoint them.

To make a point, I was checking the ages of the present Quebec Justices on the Supreme Court of Canada. Their ages are 54, 63, and 60. The age of retirement is 75. The youngest judge has 21 more years to serve. If there was a government in the Province of Quebec determined to subvert federalism, it could take 21 years to achieve that purpose. If there was a government of that character in the Province of Quebec, it would be a lot sooner than 21 years that the future of our country would be in difficulty. It would not be because of the Meech Lake Accord formula, but because of the fact that a government not supporting federalism was in office for that long period of time in the Province of Quebec.

We proposed an amendment on the Supreme Court of Canada which is helpful. It is the provision on breaking the deadlock. We propose a deadlock-breaking mechanism. It would be helpful to have such a mechanism. I urge members of the Government to consider it. We have provided that if a deadlock does arise, the Chief Justice of the Court can fill the vacancy but only for one year. Therefore, there would be continuing political pressure on the Governments concerned to take their responsibilities and provide for the vacancy to be filled.

With the Meech Lake Accord, one has a solution to the composition of the Supreme Court of Canada which makes it more legitimate as an arbiter of the interests of the two levels of government that so often appear before it to have their disputes resolved.

The next provision of the Meech Lake Accord that we support, but for which we propose an amendment, is the provision for the Senate. The critics of the Meech Lake Accord are fearful of a concern that deserves to be stated. That is, what could happen with the provinces proposing lists and the federal Government obliged to take candidates from that list of that province only? Over time the Senate could become a Trojan horse brought into the federal level of government. It could be filled with delegates of provincial

legislators who, if they had to make decisions, would phone their head office in the province from which they came to take orders on how to vote, not on provincial matters, not on federal-provincial matters, but on matters that are exclusively within federal jurisdiction, that is, the business of the Parliament of Canada.

In examining that criticism, I have to admit that that could happen over a very long period of time. The thing to remember is that the Meech Lake Accord amendment on this subject is meant to be a temporary provision. It is meant to put pressure on the federal Government and on the provinces to reform the Senate to deal with the legitimate grievance of the regions of the country where the federal Government and the Parliament of Canada does not recognize their concerns. It is meant, in other words, to make the Senate fulfil more of the original aspirations for it, so that it truly reflects the various regions, minorities and other non-majoritarian interests of Canada.

• (1650)

Will this temporary measure be a temporary measure? I think the signs that it will be are good. First, the possibility of the Senate being reformed without some radical type of surgery like the one proposed in Meech Lake is very unlikely. We have had 110 years to reform it. The difficulty in examining reforms are that there are so many options that it is difficult to get a consensus to any one of them. That has been one of the main difficulties. Another has been that the Senate is a very attractive patronage place for the government of the day.

When it comes to changing the Senate, it has been very difficult. Governments have been under understandable political pressure to leave it the way it is and to use it in a way that it has traditionally been used. At least the Meech Lake Accords stops that incentive against Senate reform. It removes any ulterior motive that the federal Government might have not to reform the Senate. On the provincial side, some argue that it gives the provinces a particular incentive to keep things in a temporary situation so that they can continue to nominate their own candidates. That is not a guaranteed benefit to the provincial governments. After all the federal Government is not obliged to appoint anyone to the Senate. It is not like the Supreme Court of Canada where there is strong pressure that it be kept to its full strength at all times. That is not the situation with the Senate.

I want to note a very positive development on which I would like to see building take place on the Meech Lake Accord, namely the statement by Premier Peterson of Ontario. To help speed the process of consideration of reform, the Government of Ontario will not submit names to the federal Government. I would like to see other provinces say the same thing. Even more so, I would like to see the federal Government say for its part in order to assure that reform really does take place that no new Senators will be appointed for a certain lengthy period of time as a way to ensure that real effort be made to reform the Senate.

In our amendment, and I want to draw the attention of the House and of the country to it, instead of referring to a list from the provinces for this temporary situation, we are proposing that Senators be chosen by election in the provinces to fill the vacancies. This is meant as a temporary measure, but it moves toward an elected Senate. We hope that if done it will remove any argument that the provinces have some ulterior benefit in being able to name candidates that might encourage them to keep the Senate in its temporary state which Meech Lake will create rather than get down to business and really work to reforming the Senate.

I want to commend that amendment to the Government. I do not see how it can call it or any of our other amendments killer amendments. I hope it will be considered as a way of enhancing support for the Meech Lake Accord.

I want to turn next to the veto power which is of such concern to so many people, namely the unanimous amending formula referred to in connection with the Meech Lake Accord. Again, like so many other parts of the Meech Lake Accord, there are a lot of misconceptions. First, we already have certain provisions in the Constitution of Canada to which amendment requires unanimous consent. It is not a long list, but there are some.

Second, we are not in the Meech Lake Accord extending the requirement for unanimous consent to the entire range of changes to the Constitution. Most of the features of our Constitution that you would want to change or might want to change do not come under the unanimity list to which the Meech Lake Accord adds. For example, the distribution of powers is something that will still be done under the seven provinces containing 50 per cent of the Canadian population rule. Then we have the fundamental characteristics of Canada, those additions to the list that I indicated earlier that we in the Official Opposition would like to make fundamental characteristics, the aboriginal issue and the multicultural fact. In fact, the distinct society clause can be changed without unanimous consent. It is another one of the provisions that is there under the seven provinces containing 50 per cent of the population of Canada rule. Many concerns that exist are exaggerated because of the sense that the amending formula will require unanimity far more broadly than really is required.

Another strange belief that, of course, is not justified about the Meech Lake Accord is that the unanimity rule is now required for the federal Government to exercise its own powers. The unanimity rule does not apply to laws introduced by Canada or laws introduced by any province. It only applies to changes to the Constitution. Our view in the Official Opposition is that the amending formula, the requirement of unanimity, is extended too far, that Senate reform would be more likely under the seven provinces containing 50 per cent rule and that the provision relating to entry of new provinces into Confederation should not be put under the unanimity rule.

My colleague, the Hon. Member for Cochrane—Superior (Mr. Penner), has made the case for us that provinces in the

future should be able to enter in the way they have in the past. That is one of our amendments as well. The most serious criticism made of the unanimity rule and one that I think is unjustified is that it ends the sense of national purpose in Canada. I think people argue that if you need unanimous consent then there is no national purpose that is larger than the constituents whose consent is required. The clear answer to that is that the unanimity rule does not extend very much further under the Meech Lake Accord than it did before. In our view it should be narrower, but there is still a tremendous amount of constitutionalizing that will be done on a tighter approval basis than total unanimity. I understand you are seeking the floor, Mr. Speaker.

Mr. Deputy Speaker: I thank the Hon. Member for York Centre (Mr. Kaplan) for giving me this opportunity.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Thunder Bay—Nipigon (Mr. Epp)—Sikh Organizations—a) Minister's letter to Premiers/Policy of Department; the Hon. Member for Comox—Powell River (Mr. Skelly)—Fisheries—Reported spill of sulfuric acid into Straits of Georgia/Preventive measures to contain effluent; the Hon. Member for Lévis (Mr. Fontaine)—Financial Institutions—Bill C-81—Mouvement Desjardins.

GOVERNMENT ORDERS

[*English*]

THE CONSTITUTION ACT, 1867

CONSTITUTION AMENDMENT, 1987

The House resumed consideration of the motion of Mr. Hnatyshyn, and the amendments of Mr. Turner, Vancouver Quadra (p. 15617), Mr. Broadbent (p. 15618), Mr. Caccia, (p. 15618), Mr. Johnston, (p. 15618) and Mr. Roman (p. 15620).

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have concluded the specific points I wanted to refer to in the Meech Lake Accord. I have explained our amendments and indicated why we find the Meech Lake Accord a positive step forward and why we intend to support it. The Minister of Justice when he stood up to introduce this order of business was very critical of the Senate. I do not think his criticism was justified.

I think the Senate has done nothing more in the process than to demonstrate what ought to be done with the amendments that have been brought forward by the Official Opposition, how compatible they are with the Meech Lake Accord, and how they take nothing away from the constitutional priorities of the Province of Quebec. Surely, it also demonstrates how other matters could be added, matters including multiculturalism, the strengthening of the economic union of Canada, the establishment of a proper voice throughout the entire Meech Lake Accord for the northern people of Canada who were sidelined by the Meech Lake Accord, hopefully through an oversight, but one which could easily be corrected and which the Senate did correct. I regret that no effort has been made to amend the Meech Lake Accord and to see if that can be done within the context of an agreement so that this important constitutional step which is a positive step can be taken.

• (1700)

In conclusion, I think that the Government has made a terrible mistake in tactics in insisting that the Meech Lake Accord is a seamless web, that it is perfect and that only egregious error would justify reopening it. If surveys tell us anything, the Government ought to recognize that Canadians would like to see some of the important points the Official Opposition has made adopted in the Meech Lake Accord.

Finally, I want to assure the Government that our support is firm. We want this constitutional step forward to take place, but an examination of the state of support across Canada might indicate that its adoption or constitutionalization could be greatly enhanced by the consideration and acceptance of the amendments which have been put forward by the Official Opposition.

Ms. Pauline Jewett (New Westminster—Coquitlam): Mr. Speaker, on behalf of the New Democratic Party, I would like to begin by saying how very appreciative we are that the Meech Lake Accord should return to the House. We are not particularly appreciative of what the Senate tried to do with the Accord, but the other place has given us the opportunity once again to discuss the Accord, and for that we are very grateful.

I say that because in the view of Members of this Party, Meech Lake and what has been said about Meech Lake over the past several months has reinforced rather than diminished our support for the Accord. It has reinforced in several important respects our belief that Meech Lake is actually stronger and more effective than we had even dreamed at the time that it would be.

Let me start by giving a few illustrations of the fact that in our view, Meech Lake is stronger, better and more effective than we ever dreamed it could be. The first illustration concerns what happened with the introduction of Bill 2 in the Saskatchewan Legislature, effectively limiting the long established legal rights of the Francophone linguistic minority in that province. If Meech Lake were already in effect, it is our

firm belief that that limiting action of the Saskatchewan Government would have been declared contrary to the Constitution as amended by Meech Lake.

I know that it might sound incredibly machiavellian to suggest that a Premier would want to limit francophone rights so that when Meech Lake kicked in, he would have fewer rights to preserve. However, I honestly believe that despite the fact that the Premier signed the agreement and despite the fact that the legislature passed it by a 43 to 3 vote, he circumvented it. He said to himself: "If I wait until the provisions of the Constitutional Accord are formally adopted, I will find that it is the duty of this province to preserve the legal rights of the francophone minority, including the right for the translation of laws into French". This is because Meech Lake, as we have been reminded many times, requires provincial legislatures to preserve the official linguistic minorities of Canada.

I recall that on the committee, there was some discussion about whether the Accord should not both preserve and promote linguistic duality. Many of us thought that that would be desirable, but then we realized that to have all the provinces of Canada, and particularly, I may say, the western provinces, agree to preserve linguistic duality would indeed be a very major step ahead. We assumed that the provinces would be preserving everything from French on cornflakes boxes in British Columbia to the legal language rights of the Francophones of Saskatchewan.

With this rather transparent attempt to restrict the rights to be preserved, we have been shown vividly the importance of the clause in Meech Lake requiring the preservation of existing minority language rights.

As a second illustration, we have also realized over the last several months that many of the naysayers on Meech Lake, including the former Prime Minister, Pierre Elliott Trudeau, are effectively saying that two linguistic Canadas are being created by Meech Lake, French in Quebec, English everywhere else. Time and time again in the past several months, we have heard this. It would seem to me that those who keep saying this have simply not read the new Section 2 of the Constitution embodied in this Accord. Above all, they have not read that the duties of the provincial legislatures to preserve linguistic duality are duties that are shared and must be shared just as much by the legislature of Québec as by any other legislature.

The two Canadas, one French and the rest English, seems to me to imply that there would be no provision in Meech Lake requiring the legislature of Quebec, as it does of all other legislatures, to preserve linguistic duality. I think that a very large disservice has been done to the very goal the former Prime Minister wanted to achieve; namely, an officially bilingual Canada, when even he suggests that Meech Lake is destroying that goal and that vision. It does a very, very serious disservice to the Accord.

• (1710)

I noticed just the other day that in the National Assembly of Québec, specifically April 29, the Minister responsible for languages, Guy Rivard, made it absolutely clear, if there had ever been any doubt in the mind of Mr. Trudeau or anyone else, that Québec's large 200-year old anglophone community is "an integral part of the character of our distinct society". So the succession of fears aroused in the last several months, that somehow the Accord is going to divide us into a French Québec and an English everything else are simply not justified and must be dissipated.

A third development over the last several months which has shown the strength of Meech Lake is in the area of federal spending power. We have had a succession of journalists, I am sorry to say, and politicians, I am even sorrier to say, suggesting over the past several months that under the new constitutional Accord it will no longer be possible to have national social programs. Just today I read a CP story in *The Toronto Star* which said that the Accord would "limit the right of the federal Government to introduce new national shared-cost programs like medicare". This is simply not true. This just instils fear in the minds of people, particularly the disadvantaged and disabled in our society, that we will never again be able to have national shared-cost programs like medicare. Of course, if that were true, we would be justified in being fearful. I would be fearful, too.

I have talked to large numbers of people in the Coalition for the Disabled, visible minorities, and many others, who say that they have now been convinced there is no longer going to be any kind of social program possible for them in the future. The naysayers and scaremongers who are saying these things apparently do not yet grasp the fact that for the first time it is now written in the Constitution of Canada that there can be national shared-cost programs in areas of exclusive provincial jurisdiction. That has never ever been in the Constitution of Canada. Ever since Borden, federal Governments have engaged in spending in areas of exclusive provincial jurisdiction in developing shared-cost programs, but it has never been constitutionalized. So, far from retreating from the possibility of having national shared-cost programs, and I am thinking primarily of social programs but there would be economic programs as well, the Accord strengthens and constitutionalizes the possibility of future programs.

I am sorry to say that Mr. Trudeau has also added to the fears. He, who never launched a national social program in 16 years, who helped unravel several of the programs we did have, particularly that of post-secondary education, has the gall to suggest that we could not have national social programs under Meech Lake. It is just incredible gall.

Mr. Belsher: Now you're talking.

Ms. Jewett: That is what he has been suggesting while fanning the flames of fear.

I remind everyone in the Chamber that it was in the 1960s that we got our national social programs in key areas like medicare and the Canada Pension Plan during what we called an era of co-operative federalism. That is the kind of federalism that Meech Lake itself embraces. We did not get those national programs through dictation or usurpation of power. We got them through discussions between the federal and provincial authorities. In the case of medicare, it started when only two provinces were in agreement and then others came on board.

That was the era of the development of national social programs, and I am sorry to say that after the 1960s not only did we not have any more national social programs, but we found under the Established Programs Financing Act the federal Government relinquishing any authority over the spending of federal moneys, particularly in the area of post-secondary education.

That simply would not be possible under the Accord we are discussing once again today. A program in an area of exclusive provincial jurisdiction, initiated by the federal Government of Canada, and several provinces will undoubtedly have been talked to about it and will have indicated they are interested in participating in it, will only develop as the provinces themselves agree to spend the money for a program compatible with the national objectives of the program. In other words, national objectives have never been in our Constitution before. People talk about Balkanizing Canada. It is the contrary that is becoming increasingly evident over recent months.

National objectives can be just what you want them to be. They can be as tight as you want to make them. If the federal Government has the political will to do so, if you had a federal Government that really wanted accessible and universal child care on a non-profit basis, and unfortunately the present Government does not have that particular will, and you established those national objectives under the shared-cost program arrangement, it would be pretty difficult for any province that joined in to then spend that money on roads and bridges. That is what they have frequently done in the field of post-secondary education because Mr. Trudeau did not have any national vision on that matter. It would be very difficult indeed.

Just as I spoke a moment ago about the Province of Saskatchewan possibly trying to limit the French language rights that it would need to preserve before Meech Lake kicked in, so I think the federal Government itself has limited what it will do on child care and refused to define national objectives because it knew once Meech Lake became effective it would have to define national objectives. Even the federal Government is somewhat guilty of trying to implement certain policies before the strength of Meech Lake is finally put into the Constitution.

• (1720)

Another area which has been much discussed by the naysayers is what Meech Lake does to the Charter of Rights and Freedoms. The criticism is not only extreme, it is wrong. I read in the press that the Charter is practically being destroyed as a result of Meech Lake, that the Constitutional Accord alters the basic rights and powers spelled out in the Charter, and that the distinct society rule of interpretation will remove from Charter review any action by the Quebec Government or any other government under the linguistic duality rule.

There is a misperception that actions taken under the Accord either to preserve linguistic duality or promote the distinct identity of Québec will be immune from Charter review. There is a misperception that they can freely infringe upon the Charter, which is simply not the case.

The final report of the joint committee of the Senate and House of Commons last September pointed out that by virtue of Section 52 of the Constitution Act, 1982, any law, federal or provincial, or governmental Act that is inconsistent with the Constitution, including the Charter, is to the extent of the inconsistency, of no force or effect. What could be clearer?

Unless a new set of constitutional principles evolve in the future which none of us can even imagine, legislation or governmental action taken in furtherance of linguistic duality or the distinct society would be subject to Charter review according to normal constitutional principles.

We know that the rights in the Charter are not absolute and are, themselves, subject to Section 1 of the Charter, the reasonable rights section. A legislature must prove that any reasonable limit it wishes to apply to any particular right or freedom, including equality and non discrimination rights, can be demonstrably justified. That same proof would have to be provided if a legislature pursued a policy attempting to preserve linguistic duality which might limit one of the freedoms in the Charter. The onus of proof is on the legislature.

The same Charter review that applies now to all legislative Acts will apply to additional rules of interpretation relating to the distinct society and linguistic duality clauses. I suggest it is mischievous for commentators to continue saying that the Charter can be abrogated by the Meech Lake Accord.

The First Ministers contributed to the problem somewhat by removing two sections from the Charter and inserting them in Clause 16 of the Accord. This suggested that other parts of the Charter were not as important, but the explanation given for the inclusion of Sections 25 and 27 was that they were interpretative clauses relating to cultural matters.

Since the Accord primarily relates to linguistic and cultural matters, it was argued that it was important to include them but their interpretation would not affect the multicultural heritage of Canada or the rights of aboriginal peoples of Canada. I can sympathize with the concern of women and

minorities that the inclusion of those two sections somehow minimized their rights. That is why one of our amendments recommends that at least Section 28 of the Charter dealing with equality rights of men and women should be added to Clause 16 of the Accord.

The key section of the Charter, Section 15 dealing with non discrimination on the basis of race or sex, and Section 15(2) providing for affirmative action for disadvantaged groups, remain intact and will continue to exist without any effect from the Meech Lake Accord. Therefore, I hope we will not have to continue listening to what I must unfortunately call fear mongering. None of us want to receive letters from groups in our society about whom we are concerned, saying that they have been told that their rights will be abridged as a result of the Meech Lake Accord. That is simply not true.

In addition to our amendment to include Section 28 in Clause 16 of the Accord, we have also suggested other modest amendments about which my colleagues will expand. They relate to the unfair treatment of the Yukon and Northwest Territories by providing for unanimity in order to bring them into the nation, which is a far higher degree of consensus than has ever been required for other provinces.

We also want them to be able to make appointments for Supreme Court judges. We are very concerned about the absence of any provision in the Accord for the resumption of conferences on aboriginal rights, particularly native self government. The Native Council of Canada only recently published copies of its proposed draft companion amendments. All of them are included in our amendments that we proposed to the First Ministers. The first draft companion amendment is the reinstatement of the aboriginal reform process. The second concerns territorial representation in the Supreme Court, and a third is the establishment of provinces in the territories.

The Native Council of Canada also hoped to present a companion amendment relating to women, but I have not had seen that yet. In any event, they stated in their press release that the New Democratic Party has not taken seriously their proposal for companion amendments. On the contrary, the very content of its companion amendments is what we have already put in our amendments. The Council may say, and I think it does say in its press release, that the companion amendment approach is not anyone's first preference, that it would rather have the Accord amended. I can only agree with the Council. We want to have the Accord amended directly as well.

• (1730)

Our amendments, at least in the areas I have just been discussing, are similar to its companion amendments. There may be some later time down the road, but at the moment we in the New Democratic Party are still arguing that the small package of amendments we proposed before and are proposing again in no way gut the Accord. In no way do they deny the fundamental principles, but they do produce a degree of fairness for northern people, native people and for women, that is not now present in the Accord.

We are still working to get our amendments adopted. There are two new premiers since we last spoke in this House and we are hoping that perhaps, with their understanding, we will be able to get our amendments back to the First Ministers. We are not trying to amend the whole Accord. We are not in any sense reducing the importance of the fundamental achievements that have been accomplished by the Accord. Indeed, we think these modest amendments would in fact enhance the Accord.

We have also suggested subjects for constitutional conferences to come. We have looked at the revoking of Section 33 of the Charter. That has to be revoked. The section allows the provinces and the federal Government, for that matter, to ignore the Charter for a five-year period on any particular legislation. It is crucial that it go in the next round of constitutional conferences.

We have also said that the changing nature of Canadian society, the increasing ethnoculture reality of today's society, should be an item of top priority on the agenda of the next Constitution conference. We have made several other suggestions, above all about the process of constitutional making. We must have input from the public through legislative committees, federal and provincial, and through public hearings, before First Ministers meet as well as after, and we continue to press that as hard as we possibly can.

We think, however, particularly in the light of some of the events that have taken place in the last month since we discussed Meech Lake, that a really very significant achievement was brought about. True, it was 11 men sitting around into late hours, but they did represent all the political Parties. They did discuss and debate the issues, although in private, on the basis of about 60 years of discussion of these matters, and intense discussion on the Quebec agenda for the previous two years.

I spent a weekend recently pretending that I was all 11 First Ministers, wondering if I could, as a woman, come up with a better constitutional Accord. With the exception of the amendments we have proposed, I had to come to the conclusion that this was really an historic achievement. The last time we had men sitting around doing something for us was the famous kitchen cabinet back in November of 1981, when three men arranged things to almost completely forget women and native people. That was about the worst example in my memory of people sitting around in a closed environment, a kitchen, in that case. If ever there needed to be a woman in the kitchen, it was certainly then. They came up with some pretty shocking anomalies and forgetfulness.

I do not think that has been the case this time, with the exception of some proposals on which we have made our amendments and which I have gone over today.

We should also look at the fact that not only did the premiers represent all the provinces and all political Parties, but also that the agreement that they reached at Meech Lake and then subsequently in finer print at the Langevin Block, was only the fourth time in Canadian history that unanimity among the partners has been reached on a constitutional amendment. Getting agreement on important constitutional change in Canada is about as rare as Haley's Comet. It happened in 1940 on unemployment insurance and it happened in 1951 and 1964 when concurrent jurisdiction over old age pensions was being achieved. Those are the only times we have achieved agreement in the last 50 years until the Meech Lake Constitutional Accord.

We have now seen four of the provinces approve the Accord. Two more provinces, probably four more, will have approved it through their legislatures by fall. After the hearings are completed in the Ontario Legislature, it is expected to go through. It will go through the New Brunswick Legislature after hearings have been held there. I understand they will begin in early September. I regret very much that the Government of Nova Scotia decided not to hold hearings. We have protested that vigorously. The Government of Nova Scotia has appeared to decide to present the matter to the legislature for approval without hearings. Saskatchewan held hearings and Manitoba will hold hearings.

One naturally wonders about two provinces. There has been great speculation about them as they have new premiers since the Accord was achieved. That is Manitoba and New Brunswick. As I just mentioned, they will both be holding hearings and as a result of those hearings, I hope they will be able to support the Accord. I found it quite incredible to be told by the Liberal Leader in Manitoba that Meech Lake was dead. I do not know how she can speak for members of the other two Parties. She has just over a third of the seats in the legislature and cannot simply proclaim Meech Lake is dead. I think members of the New Democratic Party would certainly not accept the Leader of the Liberal Party speaking for them, nor do I expect would the Conservative Members of the Manitoba Legislature.

It looks very much like the New Brunswick hearings will begin in September. British Columbia will be presenting a resolution very soon, as will Newfoundland. So the possibility of reaching provincial consent to the Accord, I think, is really very great. It surprises me all the more when I pick up the newspapers and read almost daily that Meech Lake is on the rocks, that it will not be approved and that it will have to go back entirely to the drawing board. That is certainly not the way I read the developments of the past four or five months.

I want to close by not only emphasizing what a historical achievement this has been, how rare it is that we can get agreement and how good, by and large, the agreement is, but also to point out that when we really start looking at all the potential changes in the agreement, any one can find probably 50. You can sit down and do it as I have done myself. Then one comes to the conclusion that very few of those changes that one can dream up to be made to the Meech Lake agreement are ones which would receive unanimous agreement.

• (1740)

I mentioned some time ago whether or not the First Ministers should not have minority language rights promoted as well as preserved. Indeed, the special joint committee recommended that that should be the case. However, I think I am safe in saying that in British Columbia, for example, it was a fairly major achievement to agree to preserve minority language rights. I am speaking in respect of it being a major achievement for Mr. Vander Zalm, the Premier of the province. It was a real step forward. Whether he would agree to go additionally to promote at this stage is doubtful. Preserve, as I pointed out earlier, can mean a very great deal.

Even the New Democrats in British Columbia in their suggested amendments to Meech Lake did not make that one. So when we pick out whatever proposal it is we will find that some provinces would agree with it, some groups in society would agree with it, others would disagree with it and others would not even put it on the agenda.

It is in the context of looking at all the proposals we have heard over the last several months, and the realization of how difficult it would be to put all these together in one package that would be acceptable, and in the context, too, as I have stressed in my remarks today, of the strength within the Meech Lake Accord itself, once we get over all the naysaying, that I—and I hope and trust I speak on behalf of my colleagues in the New Democratic Party—recommend most warmly the adoption once again of the constitutional Accord by this House.

[*Translation*]

Mr. Deputy Speaker: It being five o'clock, the House will now deal with Private Members' Business in the order shown on today's *Order Paper*.

[*English*]

Since it is 5.43 p.m. the Chair has a suggestion to make to the House. It is that the matter which we were to discuss today during Private Members' Hour, which is a motion moved by the Hon. Member for Drummond (Mr. Guilbault), keep its order on the list of precedence and we deal with it tomorrow. Would that be the wish of the House?

Some Hon. Members: Agreed.

[*Translation*]

Mr. Gauthier: Point of order, Mr. Speaker.

Mr. Deputy Speaker: Order! The Hon. Member for Ottawa—Vanier (Mr. Gauthier) on a point of order.

Mr. Gauthier: Mr. Speaker, I am aware of the negotiations and I would in no way wish to take time from my hon. colleague. I think that the Speaker's proposal that tomorrow, if the Hon. Member is here—we all know that the Hon. Member

who was scheduled for tomorrow cannot continue with consideration of his private member's business at that time. So we agree to postpone this evening's debate until tomorrow, if we have unanimous consent, and that we give it a full hour, but that there is no precedent established by our dealing with our colleague in this amicable, generous way.

Mr. Guilbault (Drummond): Mr. Speaker, I want to thank the Hon. Member for Ottawa—Vanier (Mr. Gauthier). As you know, these matters are postponed from day to day, and I greatly appreciate his gesture and that of the Hon. Member for Saint-Denis (Mr. Prud'homme).

Mr. Deputy Speaker: I understand we have the unanimous consent of the House for adjourning debate on the motion by the Hon. Member for Drummond (Mr. Guilbault) until tomorrow. That shall be done.

Mr. Gauthier: Mr. Speaker, the House always seems to make a mountain out of molehill. We have fifteen minutes left before the adjournment debate begins. I don't know whether Members who are to speak to the adjournment motion have been advised that they can come to the House fifteen minutes earlier. However, if they are watching us on television, I would ask them to report to the House for the adjournment debate. There are three Members on the list. So if they could pick up their papers and come to the House as soon as possible, we could proceed.

Mr. Deputy Speaker: So if I understood correctly, they will get the message.

[*English*]

We will call it six o'clock now. If a Member is late, we will wait for that Member. However, there is a Member here who is ready to proceed.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

SIKH ORGANIZATIONS—MINISTER'S LETTER TO PREMIERS/POLICY OF DEPARTMENT

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, on April 18, I asked the Secretary of State for External Affairs (Mr. Clark) questions regarding the advice he had gratuitously given provincial Premiers to boycott meetings organized in communities in their provinces by a number of Canadian Sikh organizations. I referred to the Babbar Khalsa, the International Sikh Youth Organization, and the World Sikh Organization.

The questions resulted from the fact that there was a gathering in Toronto organized by a variety of organizations. The Secretary of State for External Affairs said that there were a number of temples involved. Others asserted that the three Sikh organizations had been among the sponsors of this event.

In responding to my question the Minister spoke of gatherings of moderate Sikhs which occur in various places. He mentioned a quite distinctive event in Edmonton organized to honour the *Prairie Link* newspaper where he said many moderate Sikhs had appeared. He then declared:

> If we want Sikh communities in Canada to be governed by the moderates who want to live within the rules of Canada, a large part of our challenge is to be seen to be associated with those moderates.

In the case of the World Sikh Organization, in particular, representatives of which have been appearing before the Standing Committee on Multiculturalism, and whose members in fact have not been charged with terrorist activity—certainly they have not been found guilty of any such activity—I asked him what he had to say to the suggestion that his blanket charge in his letter to the Premiers reflected a deplorable attitude, that it expressed a matter of judging people long before they had been found guilty in any court of law. I suggested that he was opening possibilities of Sikhs being found guilty by association with organizations which themselves might, in the case of the World Sikh Organization, have a particular concern about the creation of a distinct state of Khalistan. But he said that it is doing so by peaceful means and not by any kind of violence or any kind of terrorism.

In response to this question the Minister declared:

> There is a small minority within the Sikh community in Canada that is running not only against the rules of order of Canada but that is running against the preferences of the great majority of Canadians of Sikh origin. We cannot leave that great majority of Sikhs without support. We need to support them and we need to do it evidently. The Hon. Member needs to do it, I need to do it and my colleague needs to do it. That is what both she and I were doing this past weekend.

Let me say that the Minister and his Department have not been doing that "evidently". He has been adamant in his refusal to appear before the standing committee, or at least he was through to the meeting this morning. He is preoccupied with security considerations and with charges of terrorism against organizations and their members. The Government of Canada has in fact not followed the advice which the Minister himself was giving to us today.

• (1750)

The concern that I am expressing goes far beyond concern about a letter, three organizations, and advice given so gratuitously. The Department of External Affairs has intervened in all manner of areas relating to the Canadian Government and the Canadian Sikh community.

In discussions with the former Secretary of State, the now resigned the Member for Rosedale, Mr. Crombie, when I congratulated him in the House for having created the Chair for Sikh Studies and having provided funding from the federal Government to match community contributions, he alluded to

the pressure that had been put on by the Department of External Affairs and by the security agencies of this country in opposition to that.

The Federation of Sikh Societies of Canada, which ought to be that organization of moderate Sikhs if there is to be such a national organization, has been denied any funding for a couple of years. It has been forced into the basement of a Canadian Sikh because of lack of funds to carry on its endeavours.

As the Minister stated, if it were true that the Government of Canada was supporting those organizations against which no charges have ever been made, and if it were doing the correct thing for the Sikh community as a whole instead of expressing in one way and another the suspicion of Sikhs generally about what the Government of India wants these days, then I would have less reason to be here this afternoon protesting.

There are the most serious actions being taken by the Government of Canada in which the Secretary of State for External Affairs is a leader. Those actions destabilize the community, cause difficulties, and create a lack of harmony among the ethnocultural communities in Canada.

This is a most serious matter. I hope that whoever responds to this on behalf of the Secretary of State for External Affairs might be equipped to take my message back to the Department, because I am very much afraid whatever I am going to be given in the next few moments will be some more claptrap and preoccupation with one small point, quite missing large national realities and multicultural issues of the most far-reaching significance to the Canadian people.

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, we appreciate the concern of the Hon. Member, and I assure him that the Department will be advised of the new points he raised tonight.

It is important to stress at the outset that the letters sent by the Secretary of State for External Affairs (Mr. Clark) to the Premiers were not directed at the entire Sikh community in Canada. The overwhelming majority of Sikhs in this country are responsible, law-abiding citizens. Indeed, the Sikh community has made an enormous and undeniable contribution to Canadian society since the beginning of the century.

It should also be noted that the Minister told the Premiers that it was his view that participation in Sikh community activity by members of Government was valuable for them, both in keeping abreast of the interests of the Sikh community and in encouraging that community to participate fully in Canadian life.

The letters of the Secretary of State for External Affairs referred only to three groups which exist largely or exclusively to promote the creation of an independent Sikh state in India known as Khalistan. Some members of some of these groups have advocated violent means to achieve their ends. It is the advocacy of violence which is of greatest concern. The Canadian Government cannot remain silent when individuals or organizations threaten violence to achieve the dismemberment of a country with which Canada has friendly relations. Hence, the Minister's letters asked provincial Premiers to do no more than avoid appearing at events and activities organized by those groups.

It was not suggested that politicians avoid receiving or meeting with any individuals, no matter what views they may espouse. It is the attendance or participation in events or functions sponsored by those three organizations which is of concern. When political leaders openly associate with such groups, whether they intend to or not, they lend credence and support to the objectives for which those organizations stand. Moreover, those organizations have taken advantage of politicians attending their functions, for example, by having them photographed under the "Khalistan" flag.

If the situation were reversed, most Canadians would strongly object, as would the Canadian Government, to leaders of other countries giving support to anyone who promoted the dismemberment of Canada, particularly through violent means. In such circumstances Canada would certainly seek to have the Government of that country not give or be seen to give, any type of support to such activities.

Finally, the Secretary of State for External Affairs is responsible for developing foreign policies which benefit all Canadians, as well as for providing advice and guidance on those policies. It would be an abdication of those responsibilities if the Minister were simply to ignore a matter which has serious foreign policy implications for Canada's relations with a friendly Government such as India on an issue which it regards as being vital to its national survival.

FISHERIES—REPORTED SPILL OF SULPHURIC ACID INTO STRAITS OF GEORGIA/PREVENTIVE MEASURES TO CONTAIN EFFLUENT

Mr. Ray Skelly (Comox—Powell River): Mr. Speaker, I wish to elaborate on a matter that was raised in the House some time ago. It concerned an environmental spill in the Strait of Georgia from the Crown Forest Products operation outside Campbell River. The matter involved the spill of approximately 30 tonnes of 97 per cent sulphuric acid into the Strait of Georgia. The matter was not reported.

There are several things which can be learned from this experience. The first thing is that the matter was reported some time later by employees of the operation to the provincial Ministry of the Environment, to the federal Ministry of the Environment, and to the Department of Fisheries and Oceans.

In the subsequent examination of this matter the people at Fisheries and Oceans who examined the question did not report back to the employees. There is a very energetic environmental committee in that operation, and to date they have had some less than exciting results in attempting to relate to management on important matters of environmental concern in that pulp and paper operation. It is incumbent upon

the Department of Fisheries and Oceans, the Department of the Environment, and all federal government Departments concerned with enforcing environmental matters, that they recognize and respect employee environmental committees. After all, this is an important source of information.

It is my hope that there will be a recognition and a statement by the Minister that, any time a matter is reported by an individual or an organized group concerned about the environment, not only the company will be consulted about the matter but indeed the employee environmental committees will be contacted, briefed on the findings, and encouraged at any point to report any further concerns they may have.

There are environmental committees working in a large number of pulp mills on the coast of British Columbia. They provide a very important service to the employees who work in the pulp and paper industry and in the specific operations. In fact, they provide a service to the management and owners of those operations, as well as to the people who live in the area and who are concerned about the environment.

It is my hope that the Minister will not overlook this, that the Minister of Fisheries and Oceans (Mr. Siddon) will write to the chairperson of the environmental committee of the Crown Forest Operation in Campbell River, and that indeed regional officials will brief that committee on the outcome of the examination of the spill and will work closely with it in their future endeavours to make the environment in that area safer and cleaner.

Mr. Bud Bradley (Parliamentary Secretary to Minister of National Defence): Mr. Speaker, the matter of an acid spill in British Columbia at the Crown Forest pulp mill near Campbell River was raised in the House some three weeks ago. I would like to take this opportunity to outline our understanding of the spill and the steps taken by officials of the Department of Fisheries and Oceans in response to the incident. I might also add that officials of Environment Canada co-operated with DFO in a joint review of the spill.

As the matter is currently being investigated under the authority of the federal Fisheries Act, I am sure Members will appreciate that, in order not to jeopardize the investigation, only a overview of the incident can be presented at this time.

• (1800)

Information that a spill of acid had occurred at the Crown Forest Ltd. pulp mill near Campbell River, B.C. was first brought to the attention of DFO on April 20, 1988. This information was passed on to the Department by a concerned mill employee. Details of this spill were provided to officials of the Province of B.C. by the company on April 22, 1988. The brief summary I will give you now is based principally on those details provided by the company.

On March 25, 1988 sulphuric acid spilled or, as the company prefers to indicate, "leaked" into a sewer over about a three-hour period. This loss of acid apparently occurred following repairs to a pump in the mill when a pump drain was left open allowing the acid to escape into the mill's effluent sewer system. The acid flowed from the mill's sewer system into the marine environment through an underwater mill effluent diffuser in Discovery Passage, part of the Straits of Georgia.

The company has estimated the loss of acid to be approximately 31 tons or 3,700 gallons. The company concluded that this acid, which was discharged over a three-hour period, along with regular mill effluent through its effluent diffuser, would not have any environmental impact. For this reason the company did not consider it necessary to report this spill immediately either to provincial or federal authorities. However, to prevent the recurrence of similar incidents, the company has reviewed operating procedures in the mill and is considering the installation of a pH alarm system in its control room and another alarm system within the mill where the leak occurred to detect leaks anywhere in the acid storage area.

As I mentioned earlier, Mr. Speaker, federal officials were not notified of the incident until almost one month after the event. Because of this significant delay, an environmental impact assessment of the spill could not be carried out. Nonetheless, an investigation of the incident was conducted by both DFO and Environment Canada. DFO has asked Environment Canada to review the spill reporting procedures at this mill to determine if procedures or works, additional to those proposed by the company, are required to prevent future spills and to ensure proper spill reporting. I am pleased to report that the company has now agreed to report all spills of this nature in the future.

I would like to assure this House that the Department takes seriously all spills of hazardous chemicals that might occur not only at pulp mills but also at other industrial facilities. For this reason DFO, in concert with Environment Canada and provincial authorities, will continue to respond to and investigate spill events that could affect fishery resources and take appropriate action in response to such spills.

I would also at this time like to thank my colleague for the further information and points that he has raised this evening. I can assure my hon. colleague that the Minister will be advised of his points, and a response will be given on what action the Minister deems necessary.

SITTING SUSPENDED

Mr. Deputy Speaker: The Adjournment Debate will be suspended to the call of the Chair.

At 6.05 p.m. the sitting of the House was suspended.

[*Translation*]

SITTING RESUMED

The House resumed at 6.20 p.m.

Adjournment Debate

Mr. Deputy Speaker: We shall resume debate but do so very briefly.

The motion to ajourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 3(1).

The House adjourned at 6.20 p.m.

HOUSE OF COMMONS

Friday, May 20, 1988

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BRETTON WOODS AND RELATED AGREEMENTS ACT

MEASURE TO AMEND

Hon. Tom Hockin (Minister of State (Finance)) moved that Bill C-126, an Act to amend the Bretton Woods and Related Agreements Act, be read the second time and referred to a legislative committee.

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

Mr. Gauthier: Point of order.

Mr. Friesen: Come on, Jean!

Mr. Gauthier: I am sorry my friend objects to my getting up on a point of order, which is quite a reasonable one.

Mr. Speaker: I can assure the Hon. Member that the Chair will decide whether an Hon. Member is given the floor. The Hon. Member has the floor.

Mr. Gauthier: I appreciate your kindness, Mr. Speaker. I cannot say as much for the government side. I notice today that we have not received copies of our *Hansard*. I wonder if you could inform the House if *Hansard* will be available to us before Question Period? Or is there a delay here which should be explained to Members as to why we do not have our *Hansard* in our books this morning?

[*Translation*]

Mr. Speaker: I am very grateful for the point raised by my colleague the Hon. Member for Ottawa—Vanier concerning *Hansard*. I am informed that it should be available soon.

Mr. Gauthier: Soon?

Mr. Speaker: Soon.

[*English*]

Miss Nicholson (Trinity): Debate.

Mr. Gauthier: Debate.

• (1010)

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I have the honour of moving second reading of Bill C-126. The purpose of this Bill is to amend the Bretton Woods and Related Agreements Act. The proposed Act will provide the parliamentary authority for Canada's contribution to the International Monetary Fund's Enhanced Structural Adjustment Facility. It will authorize the Minister of Finance to lend and grant funds to the enhanced structural facility trust on behalf of the Government of Canada. I am very pleased that this morning I will be able to explain this Bill to Members of the House.

[*Translation*]

The creation of this facility is an important measure taken by the IMF to deal with the debt problems of the world's least developed countries. This mechanism will add significantly to the structural adjustment facility set up in 1986 to help low-income countries balance their payments on very favorable terms.

After the enhanced structural adjustment facility was implemented, the size of the balance of payments problems of the least developed countries led to requests for additional help. It became obvious that international organizations would have to take further special measures to deal with the problems of the poorest debtor countries, especially those of the Sahel. Their extremely slow economic development and the weak growth of their export markets seriously undermined their recovery efforts. Their debt burden had become a major obstacle to their economic development.

Faced with this bleak economic outlook, some developing countries hesitated to pursue or begin sustained adjustment initiatives under the International Monetary Fund. It became obvious that these countries would need increased financial aid on favorable terms to effectively implement through reforms. Although the resources of the structural adjustment facility were limited, they were an appropriate form of assistance because the more favorable terms and extended repayment schedules offered by the structural adjustment facility, as compared to a simple loan, are necessary to help these fragile economies adjust. Increasing the resources of the structural adjustment facility was therefore suggested.

[*English*]

The initiative for an Enhanced Structural Adjustment Facility received the endorsement of the group of seven

industrialized countries at the Venice Summit in June, 1987. At that time, the Prime Minister (Mr. Mulroney) expressed Canada's support for such a facility. The result of the international consensus to provide more aid to the poorest debtor countries has been a tripling of the IMF structural adjustment facility. This facility is being enhanced and increased to an important degree.

The Enhanced Structural Adjustment Facility is expected to add over $10 billion in equivalent Canadian funds to the resources available through the IMF structural adjustment facility. The loans will carry a subsidized interest rate of one-half per cent per annum and will be repaid over 10 years. The loans are conditional upon countries having an IMF-supported structural reform program in place. The programs will be formulated within a policy framework worked out jointly by the borrowing country, the IMF, and the World Bank. Potentially some 60 very poor countries could benefit from the use of the Enhanced Structural Adjustment Facility resources.

The Enhanced Structural Adjustment Facility contributions are made to two accounts. The contributions to the loan account will earn interest. Contributions to the subsidy account will be in the form of grants and allow the IMF to lend loan account funds at one-half per cent interest per year. The Enhanced Structural Adjustment Facility has received the enthusiastic support of the international community. Some 25 countries have made pledges to this facility.

In Canada's case, the Bill before us will give the Minister of Finance (Mr. Wilson), the authority to lend up to $550 million Canadian to the loan account. These moneys will be lent in three equal instalments over three years beginning in 1988. This contribution will pay Canada a rate of interest based on long-term rates for domestic financial instruments of five major world currencies.

The legislation will further allow for the Minister of Finance to grant up to $250 million Canadian over the 12-year life of the trust, in order that our loan contribution can be loaned out to low-income countries at one-half per cent interest per year. Canada's contribution will be financed through the Consolidated Revenue Fund. The subsidy portion will be counted as part of Canada's official development assistance. The legislation allows changes to both the subsidy and loan contributions, through Order-in-Council, to reflect future international discussions.

As a Government we support the structural adjustment facility because we believe that countries that are undertaking necessary adjustments in their economic policies deserve the encouragement of the international community. This is particularly true when required policy reforms may be politically unpopular in the short term. Furthermore, the Enhanced Structural Adjustment Facility will be complementary to our bilateral aid efforts. The economic stabilization of the least developed economies, quite frankly, is a necessary prerequisite to their more effective use of bilateral aid.

For all those reasons, this Bill deserves our strong support.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I am pleased to take part in the debate on Bill C-126, an Act to amend the Bretton Woods and Related Agreements Act.

As has been said, this legislation gives authority to the Minister of Finance (Mr. Wilson) to contribute to the International Monetary Fund in support of the new IMF balance of payments assistance program, the Enhanced Structural Adjustment Facility or ESAF.

ESAF is a trust fund established by the International Monetary Fund to make resources available to some of the poorest highly indebted countries. When I talk of some of the poorest countries, Mr. Speaker, I am talking about countries where the average per capita income is $300 a year.

The resources that are being planned for now will support policy programs that help their balance of payments, because these poorest countries are among the most heavily indebted, and enable them to start planning for economic growth.

ESAF was initiated at the June, 1987, Venice Summit of industrialized countries. At the summit it was agreed that the magnitude of the debt problem, and the protracted nature of the balance of payments problem of the poorest countries called for additional resources.

• (1020)

ESAF will operate on the basis of two accounts. The loan account will pay contributors, that is, the industrialized countries, a market rate of interest. The grant account, or the subsidy account, will be composed of grants which allow loans to be made to the borrowing countries at .5 per cent interest per annum for 10 years with 5 years' grace. As has been said, ESAF will support the adjustment efforts of about 60 low-income countries, many of which are in sub-Saharan Africa.

Canada will support this initiative by providing loans at concessional interest rates to these poor or debt-ridden countries, conditional on the countries putting in place the structural adjustment and growth programs which will help them achieve economic self-sufficiency. Perhaps I could say here that some of the commercial lending in the 1970s was not sufficiently buttressed by performance requirements or by assistance to these countries, to improve their lot.

The ESAF, in contrast, is planned as an initiative to encourage policy reform in developing countries. It will allow the very poor, debt-ridden countries, to maintain needed imports while servicing their foreign debt obligations and undertaking policy reforms. Of course, it offers an opportunity for further co-operation between the IMF, the World Bank and the developing countries.

The following are the amounts that are being contributed by some other countries in special drawing rights converted into Canadian dollars: Japan, approximately $3.7 billion to the loan account and approximately $510 million to the subsidy account; West Germany, approximately $1,190 million to the loan account and approximately $221 million to the subsidy

account; France, $1,360 million to the loan account and $1,190 million to the subsidy account.

As I said earlier, a poor country to be assisted under this program is defined as a country where the average annual per capita income is $300. Many of these countries are indeed in dire straits because simply meeting the interest rate on their foreign debts takes up almost all of their GDP, leaving them unable to undertake planning to get out of their basic predicament and to improve the economy of their country.

Prior to 1982, low-income countries experienced external pressures similar to those experienced by middle-income countries. Two of these were the commodity booms of the 1970s and the two oil shocks that led to huge increases in the price of oil. The cruel world-wide recession of 1981 and 1982, of course, exacerbated the problems.

Low-income countries which import their energy were faced with high energy import costs after 1973. New sources of funds were acquired to sustain the growth that had been stimulated by the expanded commodity exports of 1971. The traditional source of funds, official development assistance, was not meeting the needs of low-income countries. These countries began to look to commercial banks seeking to recycle OPEC surpluses. The result was, in the years between 1972 and 1982, a striking shift toward capital market and non-concessional debt occurring in low-income countries. The commercial banks have to bear some responsibility for this. They looked at short-term credit worthiness. They did not look at the fact that these countries had serious problems that needed to be addressed which went far beyond their need for immediate loans.

According to a World Bank study, borrowings from the private financial markets increased ten-fold from 1972 to 1979. As interest rates began to rise rapidly, debt servicing became an enormous problem for the poorest countries, compounded by the fact that new commercial financing abruptly declined. Making matters worse, of course, were the underlying inefficient domestic policies in place in low-income countries. For some of these countries weapons imports add a costly drain, absorbing capital that could have been spent on programs to develop economic growth.

The scenario for some of these countries is bleak. On a per capita basis the debt for the low-income countries is higher than that of middle-income Latin American countries. Their debt has grown faster and is a heavier burden. Most of these countries lack the most basic infrastructure and personnel to put in place needed reforms.

Many of these countries over-borrowed but did not make the necessary domestic structural domestic adjustments. In terms of the international financial system, the smaller debtor countries do not pose a threat. But in human terms the poverty, the starvation, are a constant source of distress. Hence this particular measure is welcome, provided that it is carefully monitored.

Canada must ensure that the financial assistance is given in a context that involves the recipient country in defining its needs, in planning, and some appropriate expectations for change must be set.

When I spoke in the House on March 12, 1985, also on an amendment to the Bretton Woods Act, I pointed out that while financial assistance is desperately needed by the poor countries of the world, financial assistance without performance requirements and monitoring will lead to inefficient investment.

The commercial lenders simply evaluated the credit worthiness of the borrowers for short-term loans but failed to monitor how the funds were used, or the long-term policies and prospects of the borrowing countries. Bilateral country-to-country assistance is very often given without insisting on the restructuring that would lead that country out of the need for assistance to the same extent. This is understandable because sovereign nations do not easily accept attempts by other countries to influence or dictate their policies. However, an international organization such as the IMF is in a position to discuss with recipient countries their plans, to help them set appropriate targets. This is a most important part of the aid and a very necessary condition of what we are agreeing to this morning.

The multilateral financial institutions have a better opportunity to design and evaluate adjustment programs in co-operation with the recipient country and in ways that are acceptable to all concerned.

In April, 1984, I heard the Vice-President of the World Bank speaking in Lisbon on the issue of conditional aid to developing countries. He talked about conditionality implying hard choices and disagreements. He also pointed out that major reforms can only take place if they are implemented gradually over a number of years and financed in parallel with closely monitored implementation. One can hardly emphasize too much the need for co-operation and full partnership with the recipient country. This is the key.

• (1030)

Imposing harsh conditions without consultation, understanding and agreement of the assisted country is fruitless. It only makes for resentment and lack of co-operation. The role that the IMF must play is that of the consultant who studies and evaluates the needs of the country, makes recommendations on policy and helps the recipient country meet those recommendations.

Canada must ensure that this happens. Canada is particularly well suited to do so. Our officials have a reputation for being able to be helpful without taking over. It is important that this continue.

Efficient and thoughtful long-term planning and implementation will benefit both the assisted and assisting countries. As

developing countries are able to improve their economies, they will depend less on assistance from countries like Canada.

My Party is basically in agreement with the principle of this Bill. Indeed, no one who has travelled in some of the very poor countries can fail to be moved by the dreadful conditions—the starvation, the lack of opportunity for people to achieve their potential, to achieve basic education. We clearly have a duty to help and the average Canadian is glad to do so and have tax dollars invested in this. However, Canadians want to know that the Government is fully committed to ensuring that the $800 million being committed today to assist the poorest countries is wisely and constructively used.

In fact, no new money has actually been committed. The $250 million grant will come from the current development aid envelope. The remainder is loans at market rates.

I should also point out that discussion of Third World loans is on the agenda of the summit meeting in June in Toronto and this could be an opportunity for Canada to propose new initiatives and also to work toward better international understanding and more effective use of the moneys being committed at this time.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I appreciate the opportunity to speak to Bill C-126 dealing with an amendment to the Bretton Woods Act and other agreements. While this very short Bill appears to be very straightforward, since it deals with the debt load of the poorest countries in the world we believe it needs more than simply a cursory debate. We do not want to hold the Bill up unduly, but we do want to focus attention on the debt problem. We hope to be able to hear witnesses and make amendments in committee.

The Bill provides both for the loan and the granting of funds to the International Monetary Fund in order to fund: "Any trust or body established by the Fund". A sum of $550 million is the total mentioned for the loan, and $250 million for the grant. However, in both cases the amount can be increased by the Governor in Council. In other words, the Government is asking for a blank cheque.

The immediate purpose for these funds is to meet Canada's commitment to the IMF's Enhanced Structural Adjustment Facility.

When the Bill states: "Any trust or body established by the IMF", it is more open-ended than necessary for the purposes of Canada's commitment. I think it is more open-ended than this House of Commons should allow and I hope it can be strengthened in committee.

The Enhanced Structural Adjustment Facility originated last June at the Venice Summit as an attempt by the industrialized world to come to grips with the debt problem, particularly the debt problem of the poorest countries in the world and the balance of payment problems of the poorest countries, most of which are in Africa.

The IMF has now taken this under its wing and hopes to provide some $6 billion special drawing rights, which would be the equivalent of just over $10 billion Canadian.

The Government hand-out on the Bill states that these resources will support policy reforms designed to restore balance of payments sustainability and enable these countries to maintain satisfactory economic growth. Taken in isolation, the terms of the proposed loans to the poor countries are extremely generous, almost unbelievable. Certainly 0.5 per cent interest per annum for 10 years, with five years' grace, is extremely generous.

However, the great portion of the contribution from Canada and other countries will be used to subsidize this negligible rate of interest so that the original lenders will get a normal rate of interest on the loan portion. That is, the grant portion will be used to subsidize the interest portion so that there will be a market rate of interest paid.

We support this concessional flow of funds, but we do question the so-called policy reforms which the IMF will impose on the recipient countries. That is the burden of a good deal of our debate this morning. It should be noted that a good part of the funds will be used to service debts owed to the same countries that are lending the money, or to multinational agencies like the IMF itself. In other words, ESAF will be used not to meet the developmental needs of the poorest countries but to help keep them from defaulting to First World creditors.

The World Bank has estimated that the total debt of developing countries is something like $1.19 trillion U.S. This could be a considerable under-estimate since the World Bank tends to take very conservative estimates of such things as debt. This has climbed from a $1 trillion debt just two or three years ago.

Much of the attention about this debt and most of the anxiety has focused on big debtors such as Brazil or Mexico, both of which owe over $100 billion in U.S. funds.

Indeed, the six largest problem debtors account for 32 per cent of the $1.19 trillion. Their inability to service these debts creates major problems not only for themselves but for the entire world economy.

This problem is outside the range of ESAF, but it should not be outside the range of our concerns in the House. I know it will not be outside the concerns of the economic summit in Toronto next month.

It is outside the range of concern of ESAF because these are far from the poorest countries. ESAF is designed to help countries like the sub-Saharan countries of Africa, which account for 5.2 per cent of this total debt. In contrast to countries owing large debts to private banks, most of the sub-Saharan and African countries' debt is official. Only 13.5 per cent is owed to banks or to private creditors. Sixty-two per cent of that debt is owed to OECD bilateral countries or to multilateral creditors, and smaller amounts are owed to OPEC

and Soviet bloc countries. While these countries may have lower debts in terms of the absolute numbers, these debts are horrendous in terms of their relation to the Gross National Product per capita or expressed in terms of the ratio of debt exports.

• (1040)

I would like to quote from Roy Culpeper's study for the North-South Institute called *The Debt Matrix* in which he looks at some selected low income sub-Saharan debtors. Benin had in 1985 a GNP per capita of $260 U.S. and a total external debt of $890 million U.S. The ratio of debt to export of goods and services in 1986 was 321.6 per cent. Gambia had a GNP per capita of $230 U.S. It owes $270 million U.S. and has a debt export ratio of 290.5 per cent. Liberia had a GNP per capita of $470 U.S. It owes $1.303 billion and has a ratio of debt to export of goods and services of 280.8 per cent. Madagascar has a GNP per capita of $240 U.S. It owes $2.899 billion U.S. and has a debt export ratio of 708.4 per cent. Mauritania had a GNP per capita of $420 U.S. and owes $1.761 billion. It has a debt capita ratio of 387.1 per cent. Senegal has a per capita of $370 U.S. GNP. It owes $2.989 billion and has a debt export ratio of 302.2 per cent. Sudan has a GNP per capita of $300 U.S. and owes $8.272 billion. It has an astounding debt export ratio of $1,145.7. Tanzania, with a per capita GNP of $290, owes $3.955 billion. It has a debt export ratio of $864.4.

Zaire, with a very low GNP per capita of only $170 U.S., owes $5.430 billion. It has a debt export ratio of 266.8 per cent. Zambia has a GNP per capita of $390 U.S. and owes $5.300 billion. It has a debt export ratio of 326.1 per cent.

When we look at these figures and do not just think of them as dry statistics but look at the reality that here we have countries with Gross National Products per capita of $200, $300 and $400 each, with these astounding debts we can well ask how can they ever service them, let alone pay them off. Culpeper points out that for developing countries in total the debt export ratio deteriorated from 169 per cent in 1982 to 227 per cent in 1986. Zambia provides a tragic example of what this means for an individual developing country.

Let me refer to Roger Young's study called *Zambia Adjusting to Poverty*. He points out that the outstanding short and long-term debt now stands at four times the estimated dollar value of the Gross Domestic Product as at the end of 1986. The schedule debt servicing ratio in 1987 stands at nearly 100 per cent of estimated exports, and if arrears are included at 150 per cent of exports, interest payments alone in 1986 were estimated at $336 million U.S. or 35 per cent of exports.

At present Zambia is in arrears both to the IMF and the World Bank and is ineligible to resource the general funds of the IMF. As a result of this horrendous situation, the real Gross Domestic Product per person has fallen 19 per cent since 1981 or 3 per cent per year in each of the past six years. This has meant a very drastic deterioration in the country's social infrastructure in health, education and housing as these have become more expensive and more inaccessible. In order to get help from the IMF, countries have to adjust their economies to meet IMF conditions. These conditions are imposed upon Third World countries from a western monetarist point of view and they usually have the following components.

They usually involve devaluation of local currency so that the local currency will not buy as much as it previously did, and cut-backs in government services. This means cut-backs in health services and education, lay-offs of government employees, which increases the unemployment in countries that are already suffering from up to 40 per cent unemployment, and it means raising the price of food, hitting particularly hard at the poor. The elimination of subsidies for state-run enterprises means opening the local economy to outside investment and control. Nevertheless, in the last few years, faced with these very difficult situations, at least 28 African countries have introduced measures along these lines.

As I pointed out, these measures hit particularly hard at the poor and cause a great deal of social unrest. Zambia is a case in point. In order to receive international help, it raised the price of maize meal by 125 per cent. When the price of the staple food is raised it causes great hardship for the poor. Riots resulted and 17 people were killed. President Kenneth Kaunda was forced to rescind the price increase and broke off the IMF program. As I pointed out earlier, Zambia is not now eligible for regular IMF funding.

It is interesting to note that when the Senate of Canada was studying the international financial institutions and the debt problem of developing countries, Mr. Cedric Ritchie, Chairman of the Bank of Nova Scotia, told the committee that continual application of austerity measures "have exacted a social and political cost that in some countries at least appear to be unsustainable. Mr. William Mulholland, Chairman of the Bank of Montreal, put it even more directly, "If we think we can convince debtor countries that it is in their interest to eat less in order to make low repayments, we better think again". These are chairmen of large Canadian banks, banks which themselves are heavily involved in the whole debt problem, but they recognize that simply tightening the screws on poor people will not work.

An international labour organization report points out that these measures do not work in many poor countries which lack a strong industrial base where unemployment and malnutrition are already very high. The programs may have reduced the balance of payments deficit, but they have not led to economic recovery. That is why Africa is in such a difficult situation today.

• (1050)

Western liberal democracies have often been very critical of the poor human rights record of many African countries. We have good reason to be concerned about the human rights

records of those countries, but we need also recognize that we share a good deal of the blame. If the IMF, controlled by the West, imposes such onerous conditions on African countries that they lead to higher food costs, more hungry children, less schooling, poor health facilities and higher unemployment, do we wonder if this will cause social unrest that will lead to riots and do we wonder if in response, Governments take stern measures to put these riots down?

The point is that IMF programs, far from leading to recovery for African and other poor nations, often seem to pave the road to increased poverty, social chaos and the breakdown of democracy. It is important not to exaggerate at this point. African nations themselves admit that many of their problems are the result of mistakes they made in the past. Some of their reforms are necessary, and these reforms form the basis for their program of recovery that was adopted by African nations at the special session of the United Nations in 1987.

Having admitted this, we need to realize the truth of what Julius Nyerere, the President of Tanzania, said in 1984 about the IMF and the World Bank. He said:

> These institutions, originally meant as institutions of co-operation among the developed countries, are now being used as instruments of control over the developing countries. They have become instruments for a new kind of empire. They are being used as instruments of power to dominate the Third World.

The rigid IMF policy has meant that in 1987, debtor countries paid $5.9 billion more back to the IMF than they received from it. We are talking about poor countries here. We are talking about the plight of poverty in these countries. We are talking about the IMF providing some help to them, yet in 1987, according to a *Globe and Mail* article of February 2 of this year, they paid back to the IMF $5.9 billion more than they received. This $5.9 billion U.S. is coming from poverty-stricken African countries.

Admittedly, in recent months, the International Monetary Fund has begun to show some sensitivity to the impact of its policies on poor people. Michael Camdessus, the new head of the IMF, wants to ease the monitoring provisions for loans and he supports contingency financing for countries with reform packages that face unexpected shocks such as a collapse in commodity prices or a rapid rise in interest rates.

As one Third World person put it, these measures are welcome, but he asked if they are enough and if they are coming in time to prevent a complete collapse in many of these countries.

Combined with the debt problem, we need to recognize that African countries face a decline in the level of official development assistance from many countries. Canada plays a very ambiguous role here. When the Right Hon. Secretary of State for External Affairs (Mr. Clark) appeared before the United Nations in 1984, he promised that Canada would reach its goal of 0.7 per cent of GNP by 1990. With the cut-backs the Government has introduced, that was reduced to 0.7 per cent by 1995. In another Budget, it was said that we would reach that figure sometime in the 21st century, and in the meantime, we would try to reach the goal of 0.6 per cent by the year 1995-96.

The Special Joint Committee on Canada's External Relations that was chaired by the Hon. Minister responsible for this Bill two years ago recommended that we go back to the original commitment of reaching 0.7 per cent of GNP by 1990. The Government rejected that. Then, when the Standing Committee on External Affairs and International Trade studied the whole question of the amount of our development assistance last year, the committee, with a Conservative majority, recommended that we should move at least more quickly to the 0.6 per cent goal. The committee report read:

> With such a floor securely in place, we believe Canada should make steady progress towards higher aid targets. We doubt that the current plan to hold the ratio steady at 0.5 per cent until 1990 and then increase it sharply to 0.6 per cent in the following five years is realistic, particularly considering that we are now at a level slightly below 0.5 per cent. We are concerned that Canada may find itself once more in the position of abandoning its commitments.
>
> In the Committee's view, a plan is needed that would take us to the 0.6 per cent level in 1995-96 by steady, achievable annual increments. Accordingly, the Committee recommends that progress towards achieving the 0.6 per cent target in 1995-96 should begin in the 1988-1989 fiscal year, rather than the current plan of fiscal year 1990-91, and proceed by steady annual increases. We estimate that would bring the ODA/GNP ratio to 0.53 per cent in fiscal year 1990-91.

Unfortunately, the Government chose to ignore that advice as well.

Canada's record is not bad when compared with that of countries like the United Kingdom or the United States, but it is not good when compared with some of the Nordic countries or when compared with the record of the need for development assistance.

The real villain is the fall in commodity prices. Unfortunately, the International Monetary Fund is much more ready to move to prop up the monetary system than it is to put in place some system of price stabilization that would result in commodity prices not being subject to the wild fluctuations that they are so that development countries would not be constantly the victim of international markets.

Roy Culpeper, in his book *Forced Adjustment*, again a North-South study, pointed out that sub-Saharan Africa went from being the export growth leader of the world from 1965 to 1980 to being the world lagger, with exports shrinking at an annual rate of 5 per cent during 1980-85. He points out that in 1986, the terms of trade of developing countries fell by some 16.8 per cent, equivalent to a loss in exports of about $100 billion. However, because of the growth in the volume of exports, developing countries' export purchasing power fell only by about 10 per cent.

According to World Bank estimates, real prices of a basket of 33 non-fuel commodities plummeted from their 1980 levels some 32 per cent by 1986. Oil prices also fell sharply, particularly during the 1986—

Mr. Deputy Speaker: Order, please. I regret to interrupt the Hon. Member, but we must proceed at this time to Statements Pursuant to Standing Order 21. The Hon. Member will of course complete his speech after Question Period.

• (1100)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

EMPLOYMENT

CANADIAN EMPLOYMENT CENTRE FOR DRUMMOND STUDENTS

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, I want to urge students who are looking for a summer job to register as soon as possible with the Canada Employment Centre for Students in Drummond.

And I invite the people of Drummond, whether they are manufacturers, merchants, farmers or private citizens, to help make the Employment Centre for Students a success by hiring quality manpower. High school, CEGEP and university students are counting on the community to help them find jobs.

So far, 211 applications have been approved in my riding under the Challenge 88 Program. These projects will create 322 jobs, thanks to federal wage subsidies totalling $414,507. The program demonstrates how keen this Government is to help young people make the transition from school to the labour market.

I am very proud that I can help create jobs for the students in Drummond through this program set up by the Conservative Government.

I wish all young people in my riding the best of luck with their job search, and I urge them once again to register without delay with the Drummond Canada Employment Centre.

* * *

CANADIAN NATIONAL RAILWAYS

RUMOURED TRANSFER OF TRAIN REGULATION CONTROL CENTRE FROM MONTREAL TO TORONTO

Mr. Gilles Grondin (Saint-Maurice): Mr. Speaker, yesterday I received a request from about 100 CN employees to intervene in a situation which they reject as unacceptable, and it was in connection with rumours that the Switching and Control Centre will move from Montreal to Toronto. In fact, these people are employed as telegraph operators and in addition to the threat of cutbacks at CN, they will also have to cope with this possibility, which may deprive them of a chance to switch to other jobs such as train dispatcher or director of train operations in Montreal.

The move to Toronto will leave these employees no alternative except unemployment, since their jobs will then be filled by other employees located in Toronto.

I don't think we are giving them a fair break. Some of their positions are being cut, and at the same time they may be deprived of a chance to get another job with CN. If Montreal is not going to get the space agency, Mr. Speaker, couldn't we at least keep the railways?

* * *

[*English*]

NATIONAL ARCHIVES

RELOCATION TO WEST MEMORIAL BUILDING

Mr. Bill Tupper (Nepean—Carleton): Mr. Speaker, I am pleased with the Government's decision to make the West Memorial Building at 344 Wellington Street in Ottawa the new home of the National Archives and to consolidate the housing of its collections in a special facility to be built in the future.

The National Archives contain 250,000 Yousuf Karsh's negatives, Marshall McLuhan's complete works and papers, and a set of Frances Ann Hopkins' paintings of the fur trade. It also houses over 60 million manuscripts, the personal papers of past Prime Ministers of Canada, and over one million maps and architectural drawings. There are also 70,000 hours of sound recordings in the Archives' collections.

The proposed environmentally controlled storage facility will better enable archivists to preserve existing collections and make room for the Archives to collect more of Canada's precious national heritage.

The Minister of Communications (Miss MacDonald) based her decision on the report of the Standing Committee on Communications and Culture. This is a good example of how this Government responds to committee recommendations.

This Government cares about our national heritage.

* * *

NATIONAL CAPITAL

OF MOOSE AND MEMBERS

Mr. Ian Waddell (Vancouver—Kingsway): Mr. Speaker, this has been a tough week in Parliament for Members on all sides. We have had abortion, free trade, and the Meech Lake constitutional resolution, all of which are big, tough issues. However, let us not lose sight of the sweeter side of life. Remember, this is the week when a moose fell into the

swimming pool of a suburban Ottawa home. What could be more Canadian? Could that happen in any other capital city of the world?

Tonight is the opening of the magnificent new National Gallery here in Ottawa. That gives us a chance to reflect on the vital role our museums and art galleries play in lifting our spirits, educating our young people, and reflecting our past and present in all their diversity. Therefore, I propose a toast with my glass of water to Ottawa, to Canada, to the new National Gallery, and to us at the end of a tough week!

Some Hon. Members: Hear, hear!

* * *

NATIONAL FITNESS WEEK

PROGRAM OF EVENTS

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, it is with a great deal of pleasure that I bring to the attention of all Members of this House a very important event on the nation's annual calendar, Canada's Fitweek. This year's event starts today, Sneaker Day, and will run until May 29.

[*Translation*]

During the next ten days, Mr. Speaker, one out of three Canadians will take part in Canada's Fitweek, the biggest celebration of physical activity in the world.

Thousands of organizers and volunteers have planned nearly 14,000 events that will take place in schools and communities across this country.

[*English*]

This phenomenal program is co-ordinated jointly by the Government of Canada through the efforts of Fitness Canada, along with the 12 provincial and territorial Governments and 20 national fitness and recreation agencies.

[*Translation*]

Finally, under the slogan " Celebrate Good Times", the whole country will be moving, from May 20 to 29, and I invite all of you to join in.

[*English*]

So let us see those sneakers!

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—EFFECT ON HOUSES

Mrs. Thérèse Killens (Saint-Michel—Ahuntsic): Mr. Speaker, did you know that acid rain is eating away at our houses? Acid rain is not only corroding our monuments and destroying our lakes and forests, it is also gradually destroying the houses people live in.

In Canada acid rain damage is heaviest in Ontario and Quebec. Martin Weaver, an Ottawa conservation consultant, said recently that masonry in Montreal is crumbling, metalwork is corroding, and paint is fading and peeling at up to twice the expected rate. He added that construction materials once thought to last almost forever, like granite, concrete, and marble, are being reduced to spongy masses that can be cut like cheese with a blunt knife. This is really bad news. The situation is alarming now and getting worse every day.

Some questions beg to be asked. What can be done to stop the effect of acid rain on houses? What is the Government doing about it? Why is it so weak *vis-à-vis* our neighbour to the south? Our growing aging population have only limited funds for the upkeep of their homes. Who will help them with their repair bills? The problem is urgent and will not go away. The solution rests squarely on the shoulders of the Prime Minister (Mr. Mulroney).

* * *

ABBOTSFORD INTERNATIONAL AIRSHOW

PLANNED EXPANSION TO INCLUDE TRADE SHOW

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, my riding of Fraser Valley East, in beautiful British Columbia, has been proud to be the home of the Abbotsford Airshow for the last 27 years. The Airshow will expand in 1989 to include an aerospace trade show, thanks to a $3.4 million contribution cost-shared equally by our federal Government and the Province of British Columbia. This will make the Abbotsford Airshow and the new trade show comparable with the famous Paris and Farnborough Airshows in Europe.

The funding, welcomed by all involved in the Airshow, comes from the Western Diversification Fund and the B.C. Ministry of Economic Development.

Airshow Canada, as the trade show will be called, will be devoted to aircraft, space aviation components, and the latest powered flight technology. It will also be a forum for international decision-makers and aviation business leaders and in no way will diminish the thrills and chills of the Airshow.

Congratulations, Abbotsford International Airshow, for a job well done! Fraser Valley East and the rest of Canada look forward to an even more successful and interesting airshow and trade show in the future. Come see us the second week in August. It's well worth the trip.

LABOUR CONDITIONS

TREATMENT OF IMMIGRANT WOMEN DOMESTIC WORKERS

Mr. Dan Heap (Spadina): Mr. Speaker, the Canadian Government legislates semi-slave labour for some women. Because women's work in Canada gets less than two-thirds of men's pay and housework less still, immigrant domestics are imported to work at about $10,000 per year.

There are no real limits on their hours so we cannot say how much they get per hour. They must usually live in and are subject to traditional abuse by either man or woman in the house. They are compelled by our federal law to stay in that occupation for two or three years in what one immigration official called a "halfway house".

Why do they come here? They are hoping to be landed. What are their chances? In order to stay more than two or three years they must leave domestic work and upgrade themselves by study for work that would be accepted as another category of immigration. Often they cannot get the time to study. Many are forced to return home to be replaced by others on the same treadmill.

The Minister of Employment and Immigration (Mrs. McDougall), who is also the Minister responsible for women, ought to revise the regulations so as to free these semi-slave labouring women.

* * *

TRADE

FOOD EXPORTS FROM ALBERTA

Mr. Jim Edwards (Edmonton South): Mr. Speaker, Alberta food processors look increasingly to export markets for their products. The drive to export fine processed food products is southward and westward. The markets in the United States are opening to Alberta food. The Pacific Rim nations such as Japan, Taiwan, Korea and Singapore are developing a taste for Alberta beef, for Alberta smoked trout, for Alberta foodstuffs of quality and nourishment.

The free trade agreement, and Canada's commitment to GATT, combined with Alberta hustle, all work together to provide food exports to make millions of mouths water.

• (1110)

Food processing is the second largest Alberta industry. In our drive to diversity, let's make it number one.

S. O. 21

ENVIRONMENTAL AFFAIRS

CANADA-UNITED STATES FREE TRADE AGREEMENT—ENVIRONMENTAL IMPLICATIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, yesterday at the examination of the current estimates of Environment Canada, I learned with shock and dismay that Environment Canada has not conducted any study on the environmental implications of the Canada-U.S. trade deal. This is astonishing considering the fact that in January, 1986, the Canadian Environmental Advisory Council, at the request of the Minister, strongly recommended that it will be necessary to examine the environmental implications just as systematically as the economic ones. This has not been done.

By contrast, most other federal Departments have studied the deal's impact on their areas of responsibility and have even publicly reported on potential impacts. The deal contains provisions such as Schedule 7 on pesticides and their regulation which will undoubtedly have an impact on the environment.

The Minister of the Environment (Mr. McMillan) has been remiss in his duty and responsibility. He should have studied the trade deal from the environmental point of view so as to determine its long-term consequences for our natural resources.

* * *

BANKS AND BANKING

BANK ERRORS—LEVYING OF SERVICE CHARGES

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, the bank service charge hearings are over but the letters continue to arrive. Customers are now being levied service charges even when the banks make an error. In one case a cheque was written for $6 and was returned as NSF. The writer of the cheque was charged $12.50 for writing the NSF cheque. The recipient of the cheque was charged $4 for depositing the NSF cheque.

Upon investigation, it turned out that there were sufficient funds to cover the cheque in the first place, so the first bank cheerfully refunded the $12.50 service charge. However, the depositor's bank refused to reverse its $4 service charge since, according to it, a charge is levied on all returned cheques.

Banks should be prohibited from levying service charges on people who are victims of NSF cheques, but even more fundamentally, banks should be prohibited from levying service charges which result from bank errors in the first place.

S. O. 21

FORESTRY

LEGENDARY STAND OF SITKA SPRUCE—CALL FOR PRESERVATION

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, on Tuesday, Queen Beatrix of The Netherlands concluded her Canadian tour by watching loggers fall a 900-year old Douglas Fir near Duncan on Vancouver Island. Over six feet through and nearly 200 feet high, this giant took only seven minutes to fall. Nine hundred years to grow, seven minutes to fall!

Pretty soon we will not have any of these giants left to show visiting Royalty or anyone else. For this reason I commend McMillan-Bloedel for placing a one-month moratorium on the building of a road into the Carmanah Creek area where we have a legendary stand of spruce only now becoming known. Thought to be the largest Sitka Spruce in Canada, perhaps in the world, these trees should be protected from the power saw.

During the one-month moratorium, I urge federal and provincial Governments to work together with McMillan-Bloedel and the people of British Columbia and Canada to ensure this priceless treasure is preserved. Perhaps the grandchildren of Queen Beatrix, as well as our own grandchildren, might want to come and see them still standing.

* * *

TRADE

IMPORTANCE TO ECONOMY

Mr. Jim Caldwell (Essex—Kent): Mr. Speaker, Canada is a trading nation, and has been since the fur traders sold their wares to the Hudson Bay Company. Today, however, we no longer depend totally on our natural resources for trade. In fact, for the first time in our history, our economy has boomed during a period of low resource prices.

Canadian companies earn more export dollars from the sales of insurance policies than they do from softwood lumber or crude oil. We export more office equipment than meat. Canadian exports of wheat are now worth only half as much as our exports of trucks. More than two-thirds of our exports are manufactured goods.

Trade is Canada's future. It is the Canadian way, yesterday, today, and tomorrow, and into the 21st century. Those who oppose free trade oppose the future prosperity of Canada. Are you listening, Mr. Peterson?

THE NATIONAL GALLERY OF CANADA

OFFICIAL OPENING CELEBRATIONS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, Wednesday was International Museums Day and this year Canada marks that celebration with the opening of the doors of our world-class new National Gallery. One hundred and eight years after its establishment, the National Gallery finally has a home worthy of its collection. Congratulations to Canadian architect Moshe Safdie for his creative design and use of daylight, making it not only a refreshing place to view art but an architectural masterpiece in its own right.

Never before was so much of the gallery's collection of 40,000 works of art on display. In the Canadian historical section, more space means that the number of pieces on display has been doubled from 375 to almost 800.

Amidst these celebrations we salute the Liberal Party, whose foresight started the ball rolling for this Canadian cultural landmark.

Canadian museums play a unique role in furthering public education as well as in the preservation and display of the collection of our heritage. We are all looking forward to full discussion with all museums on the new federal museum policy.

* * *

PUBLIC WORKS

CALL FOR TIMELY RENT PAYMENTS IN NORTHERN AREAS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, a standard clause in lease agreements entered into by the Government of Canada as lessee, states that the rent will be paid on the last day of each and every month during the term thereof. However, it is not uncommon for rent cheques to be a week or more late in coming to my constituency. An explanation often given is that: "We are not just set up to make timely payments in the North".

The lessor is obliged to keep to the terms of the agreement and so should the lessee. Perhaps Public Works Canada could work a little harder to ensure timely payment of rent cheques in northern areas.

* * *

MISSING CHILDREN

DIFFICULTY IN LOCATING ABDUCTORS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this Sunday is National Missing Childrens' Day. Last year, with much fanfare, the Government brought in the Family Orders and Agreements Enforcement Assistance Act which was

supposed to help families locate missing children. However, in my own community I have now received a very solid example of how it is not working.

I refer specifically to the abduction of Ryan Kevin Johnston, aged three and a half years. He was abducted by his father on January 28, 1988. Mr. Johnston abducted the child and has essentially disappeared from the face of the earth. The access that has been sought to federal and provincial records has been very slow in coming.

It took four months to find out from the federal data bank that no new address has been posted. In fact the legislation prohibits access to information under the Income Tax Act. It is funny that the Income Tax Act will allow us to get an address of a tax evader but it will not allow us to get an address of a person who abducts a child. Nothing could be more heinous than the abduction of a child and I think we should change the Income Tax Act to ensure that people who steal children are dealt with under the Criminal Code.

* * *

[*Translation*]

AEROSPACE

QUEBEC'S SHARE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, on April 21, the federal Government in the person of the Minister of Regional Industrial Expansion (Mr. de Cotret), announced the Conservative Government's decision to participate in the U.S. space station. At the time, the Minister guaranteed that 35 per cent of the contracts would be for Quebec and 35 per cent for Ontario. Unfortunately, this morning we heard that so far, Ontario has obtained 77.8 per cent and Quebec a meagre 17.9 per cent.

Mr. Speaker, at this rate, pretty soon all the contracts will have been awarded, and by the time the Government announces the space agency will be located in Montreal, it will be an empty shell. There will be nothing left to give, since Ontario will have the lion's share!

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—P.E.I. POTATO AND LOBSTER EXPORTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, yesterday the Minister for International Trade mocked the Hon. Member for Egmont when that Hon. Member attempted to find out from the Minister why Prince Edward Island lobster fishermen and potato farmers were the last minute victims of the Prime Minister's trade deal with the United States. I want to say to him that this Government seems to revel in picking on the little guy.

Why, in this instance, is the Government allowing Canada's smallest province to become a victim of the continuing changes of attitude of the Americans on this trade deal? The Prime Minister is so concerned about the deal that he really doesn't care what happens to anything else.

What is the Minister for International Trade actually prepared to do in response to American action on lobsters and potatoes which, as he knows, undermines the economy of Prince Edward Island and, indeed, of the Atlantic provinces? Aside from the bombast, what is he actually prepared to do?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it ill behooves the Right Hon. Leader of the Opposition to talk about bombast when he has threatened to tear up an agreement entered into by the U.S. and Canada. He is the world's leading expert on bombast.

• (1120)

With respect to the question about P.E.I., first, on the issue of potatoes, we continually hear the Opposition crying wolf. What happened with respect to potatoes? The U.S. Senate Finance Committee has proposed that their legislation provide the President with authority to negotiate bilateral quantitative limitations on potato trade with Canada. All it is is that they want to give the President authority to negotiate.

The President can negotiate, but it takes two sides to enter into an agreement. There is nothing objectionable in that, surely. It is a recommendation to the administration that they negotiate. So much for the potato threat. We are not going to agree to anything that will limit the export of potatoes from Canada to the United States.

With respect to lobsters, the United States, I might tell the Hon. Leader of the Opposition, and pass the message on to Premier Ghiz, introduced new federal legislation on lobster carapace size in 1987. Under the regulations the minimum size would increase to three and seven thirty-second inches this year, and so on.

An industry-government meeting was held in Charlottetown on this subject on May 15 with respect to the impact of these regulations on the Canadian lobster fishery. Governments were represented, as were industry and the fishermen. All provincial government representatives, with the exception of the Quebec representative, supported a carapace size increase. The situation is a little bit different than the public impression given. In addition, this is a regulation already made by the U.S. federal authorities.

With respect to the Canada-U.S. Free Trade Agreement and the language suggested to be added by the committee members several days ago, we are protesting that. We do not think that it has any place in this legislation. We are delivering

a note of protest. We will act vigorously in the interest of Canada.

Let us note that a meeting was held on May 15. The government representatives there supported an increase in the minimum size.

I might further point out that the P.E.I. industry is largely a canner fishery which is not affected by the U.S. regulations.

Some Hon. Members: Time!

Mr. Crosbie: These are the facts. If the hon. gentleman wants to talk about bombast, he better examine his own bombastic statements.

Some Hon. Members: Hear, hear!

DIPLOMATIC PROTEST NOTES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to encourage the Minister to go on as he has. He has become the best salesman that we have on this side of the House to sink this deal.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): What the Minister is really saying is: "No problem with potatoes. No problem with lobsters. But we sent a note of diplomatic protest because it goes against the spirit of the deal". Of course it goes against the spirit of the deal.

There are really two issues at stake here. One is the Prime Minister's willingness to sell out everything and anything to keep this deal intact. The other is a question of the Government's honesty in treating this deal in the House of Commons.

Why did the Minister for International Trade yesterday in answer to the Hon. Member for Egmont say that there was no problem with respect to lobsters or potatoes when he had already sent a diplomatic note to the United States, as he revealed outside the House? Why did he not come clean with the House of Commons at that time and say: "Yes, there is a problem. Yes, it is contrary to the trade deal. Yes, I have sent a note of diplomatic protest to the United States"? Why did he not treat this issue fair and square yesterday in the House of Commons?

Some Hon. Members: Hear, hear!

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I have just explained the position with reference to the situation. I have outlined the facts. The Hon. Leader of the Opposition never deals in facts.

He says: "What's the problem?" The problem is U.S. protectionism. We recognize the problem. Under the direction of the Prime Minister we have taken action to do something about that. We have negotiated an agreement that will be of considerable help to Canada next year if it is implemented.

What is the solution of the Leader of the Opposition? He gets up and crabs and complains in this House, with all his Members, every day about what the Americans are doing, but he is doing nothing about it. He is going to tear up the protection that we have negotiated that will go into effect next year.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, the great protection he has negotiated does not protect our lobster fishermen, and it does not protect the potato farmers of Atlantic Canada. That is where he is.

Some Hon. Members: Hear, hear!

[*Translation*]

ALLEGED CONCESSIONS MADE TO AMERICANS—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, why are lobster fishermen in the Gaspé, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland the victims of the trade agreement signed by the Prime Minister? Hasn't this Government made enough concessions to the United States? And why are potato producers being victimized by the trade agreement with the United States?

The Prime Minister has stated on many occasions that he would not tolerate any amendments or concessions regarding his agreement with the United States. What about these concessions on potatoes and lobster?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, there are no concessions made to the United States at all. I just explained that the situation on potatoes is that they want to give to the President authority to negotiate, as though he needed the authority to negotiate. That is all that they are doing. There is no danger to potatoes at all.

The danger to potatoes is if the hon. gentleman were successful and got elected, which of course is not going to happen, and tears up up the agreement. Then the spuds would really be in danger. We would then have an hon. gentleman in power who said that he wished to export water, not for money but in return for access to their markets. He would exchange water and potatoes and fish for access to the Americans.

Mr. Turner (Vancouver Quadra): Read the whole quote.

Mr. Crosbie: That is the statement of the Leader of the Opposition. We are protecting Canadians. He would sell them out just as he said he would in 1968.

AGRICULTURE

DROUGHT IN SOUTHERN PRAIRIES—REQUEST FOR FEDERAL ASSISTANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Deputy Prime Minister in the absence of the Minister of Agriculture. The drought situation in the southern prairies grows worse every day. Last weekend I had an opportunity to visit the Milk River Ridge area of southern Alberta where we saw topsoil blowing away, sloughs were dry, and dug-outs with no water in them. Still, the federal Government is not prepared to make any commitment to the farmers in that area.

I wonder if the Minister is willing to give a commitment today to provide at least the same amount of money, $28.5 million, that the provinces of Alberta and Saskatchewan have already committed so that they can provide emergency water systems, dug-outs, wells, and transportation systems for livestock herds.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, of course the Government shares the Hon. Member's concern in this very serious matter. I think that he would acknowledge at the same time that there has never been a Government in the history of the country that has done as much for agriculture, and has responded to the needs of agriculture in the way in which this Government has under the leadership of the Prime Minister of Canada. The programs have been effective. We have responded generously.

I can tell the Hon. Member that the Prime Minister has instructed the Minister of Agriculture to meet with his provincial counterparts at the earliest possible date. As he knows, there has been an ongoing working group of federal and provincial officials working on this particular issue.

He should also know that there are indeed ongoing government programs to deal with this very serious problem.

He should also recognize that there is a long-term commitment, as was enunciated in the announcement in December, to the effect that we want to work very closely with the provinces in establishing a long-term soil and water conservation program that will meet all the needs of agriculture throughout Canada.

HAY AND FEED SUPPLIES—REQUEST FOR EMERGENCY ASSISTANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, the Deputy Prime Minister knows that hay and feed supplies are desperately low in many of the drought areas, and that farmers are actually starting to disperse their herds, which not only cuts off their livelihoods for the next three or four years but also drives down cattle prices.

Is the Deputy Prime Minister willing to give a commitment to the farmers of western Canada today that the Government will provide emergency assistance for moving feed into those drought areas? After all, this is a national emergency that requires specific action for these livestock producers now, not vague generalities about what the Government has done in the past or may do at some time in the future.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I find it rather strange for the Hon. Member to suggest that we deal in vague generalities when well in excess of $3 billion has been committed to western Canada this year, an increase of well over 400 per cent since the Hon. Member's Party was in office.

The fact of the matter is that there have been ongoing meetings at the officials' level. The Prime Minister has instructed the Minister of Agriculture to meet with his provincial counterparts. This is a co-ordinated effort. The provinces recognize that they have a responsibility. The federal Government has always recognized its responsibility in this regard.

• (1130)

I can tell the Hon. Member that this Government, under the leadership of the Prime Minister, has responded to the needs of agriculture before, and will do so again.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—PLYWOOD EXPORTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister for International Trade. Earlier today in Question Period we heard questions raised about how the Government has not stood up for the interests of our lobster producers and potato producers.

My question relates to another aspect of the deal. In the U.S. Senate and House of Representatives the U.S. has proposed changes in the accord, and apparently the Government of Canada has objected.

Is the Minister aware that the wording used on the proposed change in the plywood section at the House committee level, a copy of which I have obtained today, is virtually the same as the wording used in the U.S. Senate Finance Committee, which shows that they are deadly serious about this change in the United States? By the way, it is being described in the United States as a major victory for U.S. plywood producers, allowing them greater access to the Canadian market.

Is the Minister aware that the wording is now identical at both the House and Senate levels, and that they intend to proceed with it? If the Minister is aware, has he made it clear that this further change in the deal is unacceptable to the Government of Canada, and it will not be proceeding with this deal if these changes in the wording are proceeded with in the United States?

Hon. John C. Crosbie (Minister for International Trade): Speaker, when we encounter a problem we do not throw up our hands and withdraw altogether and leave chaos in its place, as apparently the Leader of the New Democratic Party suggests. What a course of conduct that is. When one encounters a difficulty, Mr. Speaker, one continues on to overcome the difficulty.

What is happening in the United States is that the Senate Finance Committee has dealt with the markup of the proposed administration Bill as has the House Ways and Means Committee. They have to get together, have a conference, and decide what it is Congress will recommend.

Mr. Broadbent: It is the same wording.

Mr. Crosbie: We do not know what the final version of this Bill will be.

With respect to the plywood situation we have pointed out to the United States that, unless it institutes the tariff cuts to which we have agreed, on January 1, it will be in violation of the Canada-U.S. FTA. If the Canada-U.S. FTA is adopted by this country, as we intend to do, and as we feel reasonably certain the United States will do, it would be in violation.

Therefore, we would have several options. One is to go to dispute settlement, because the Americans would be violating the FTA. Another option is to take our own action with respect to repositing or replying to that action by the United States, if it goes forward with it.

It has not acted yet, and we are not going to panic. We have to ask the hon. gentleman opposite what is his answer to U.S. protectionism? What are the NDP going to do? What would the hon. gentleman do if the United States gives notice that it wants to cancel the Auto Pact? What would the hon. gentleman do then? Superman Broadbent, what would his solution be?

Mr. Broadbent: Mr. Speaker, I can tell the Minister that one thing we would not do is when the Americans say "jump", unlike the Conservatives we would not say "how high?" That is the difference.

Some Hon. Members: Hear, hear!

WORDING OF CONGRESSIONAL COMMITTEES' RECOMMENDATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, since the Minister obviously does not know, I would like to tell him that the wording of the change in this proposal as it affects Canadian exports of plywood, is identical in the House committee to the wording in the Senate.

Mr. Crosbie: So what?

Mr. Broadbent: The Minister says, "So, what?" We want action before the deal is completed, not protesting after; that is so what.

Mr. Speaker: The Hon. Minister.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. Leader of the NDP wants action. He has been wanting action now for how many years? Is it 10, 12, or 20 years? For how many years have members of the New Democratic Party been wanting action? They have been wanting it all their lives, and they are getting action. We have already delivered a diplomatic note to the United States objecting to what it is proposing, and what might be in the legislation. It is not there yet. We will continue objecting. If the United States does not rectify it, we will take a counter action, because we have the backbone to do it, and we are going to do it.

The hon. gentleman asks how high they jump. I ask the hon. gentleman is it a bird, is it a plane? No, it is Ed Broadbent hurtling over Oshawa on his way down to the United States to force the Senate and the House of Representatives to do his will.

Mr. Broadbent: Mr. Speaker, all I can say is that the Government has certainly taken action and that is why it remains distinctly lodged in third place in popularity among Canadians today. That is the type of action it has taken.

Mr. McDermid: You are beginning to believe those polls now, are you?

An Hon. Member: Getting a little arrogant, Ed.

Mr. Broadbent: Who is arrogant? Listen to your answers.

Mr. Speaker: Perhaps the Hon. Leader of the New Democratic Party can put his question.

GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, instead of waiting until after the act is done, would the Minister, in his straightforward, non-bellicose language, inform the United States that we will not be introducing this Bill in the Parliament of Canada next week if it contains a change that the Minister himself has said goes against the agreement? Just for once will the Government stand up for Canadian interests before something is done against us, instead of after? That is the question.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, what we have done, of course, is make it plain to the Americans that any change such as has been suggested would be strongly resisted by us. I have mentioned two ways in which we can respond to that.

Let me read what the offending provisions suggest: "The implementing Bill encourages the President to develop with Canada common performance standards for the use of softwood plywood and other structural panels in construction applications in the United States and Canada. The President shall report to the Congress on the incorporation of common

performance standards—and may implement the tariff reductions pursuant to Article—when he determines that the necessary standards have been met."

It is not such a bellicose pronouncement as the Leader of the New Democratic Party makes out, but nevertheless we are opposing this. We do not control the Congress. The American administration does not control the Congress. The Leader of the New Democratic Party has the least influence of any man in Canada on the U.S. Congress, believe me, and second to him the Leader of the Opposition, because they have lost any respect for them down there. They are going to tear up agreements before they are even ratified.

Mr. Broadbent: No, we respect them. It is you we do not respect. They stand up for their interests.

Mr. Speaker: The Hon. Member for Ottawa—Vanier.

* * *

[*Translation*]

OFFICIAL LANGUAGES

SURVIVAL OF LINGUISTIC MINORITIES—PRIME MINISTER'S POSITION

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, my question is directed to the Prime Minister. Yesterday I mentioned the amendments prepared by the Deputy Prime Minister for the dinosaurs on his back-bench committee that will gut the Official Languages Bill, especially where it concerns anglophone and francophone language minorities.

The amendment to Section 38 drops completely the concept of official language communities, which goes against the intent of Meech Lake.

I would like to ask the Prime Minister whether he would give his word, or make a solemn commitment to this House, that his Government will not tolerate any amendments that in any way diminish the role or importance of official language communities, in this country and in the Official Languages Bill.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member referred to amendments that were prepared by the Deputy Prime Minister. That is false! I think the Hon. Member will want to withdraw what he said, because we are not talking about amendments prepared by the Deputy Prime Minister.

The Minister of Justice mentioned yesterday that amendments would be tabled next Wednesday, if I am not mistaken, including a number of amendments from the Liberal Party and perhaps from the New Democratic Party, I am not sure. I assume that all these amendments, considering the support of all three political Parties for the Official Languages Bill, will tend to improve, and make more direct and more accessible, the provisions for implementing the legislation and in no way affect its basic principles, since the basic principles of the Official Languages Act enjoy the full support of all political Parties in Parliament.

It should come as no surprise to have amendments by the Liberals, the NDP and the Conservatives on a Bill as important as this one. I assume the amendments will tend to improve the Bill and make it more acceptable to a larger number of Canadians, because basically, its purpose is to make bilingualism acceptable from Vancouver to St. John's, despite certain problems and some resistance.

This requires understanding and generosity on the part of all involved, and a total absence of partisanship on a question of such vital importance.

• (1140)

[*English*]

CONCEPT OF MINORITY LANGUAGE COMMUNITIES

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I have in hand a set of amendments which I take it come from the meetings of Tory back-benchers—

Mr. McDermid: What do you mean you take it? If you have an accusation, make it.

Mr. Crosbie: Is anyone's name on it?

Mr. Gauthier: —in which we find the same proposal for Clause 38, the same proposal which would gut the concept that is essential to this Bill, dealing with minority language communities.

Will the Prime Minister give his word that he will not allow any back-bench committee, or other amendments to be put to this Bill that would, in effect, scuttle the spirit of the Bill and destroy the Bill by eliminating the concept of language communities in this country? Will he give me an undertaking that he will not allow language communities to be excluded from this Bill?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I point out to my hon. friend that in his choice of language he said that he has in his possession a set of amendments that "I take it comes from back-benchers". I do not know where he gets the amendments. I suppose any Member is entitled to present amendments.

Quite frankly, one of the moments of great dismay to me personally, and I assume to other Members of the House, was when an important instrument like the Meech Lake Accord was subjected to eight or nine amendments by the Liberal Senate which would have the effect of vitiating much of the impact of the Meech Lake Accord. I did not hear any objection from the Liberals in regard to the—

Mr. Gauthier: Answer the question.

Mr. Mulroney: Let me tell my hon. friend that the amendments to the Meech Lake Accord brought forward by the Liberal Senate would gut the Meech Lake Accord. I did not hear any objection from the Member for Ottawa—Vanier who should have been on his feet protesting that, and should have been denouncing those Senators.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—PLYWOOD EXPORTS—PROTEST NOTE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I want to return to the Minister for International Trade who is spinning a cobweb of contradictions which will get him in real trouble.

He suggested to my Leader that with regard to these actions on plywood in the United States there is nothing we need to worry about seriously. He said this despite the fact that U.S. commentators have called it a major victory for the U.S. plywood industry and despite the fact that his own Government has sent a protest note with respect to the issue.

If there is no problem, why has this note been sent? Second, will the Minister table the note in the House of Commons so that we can judge just exactly how tough the Minister is in standing up for this country?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, it would certainly be a job to be as tough as the Hon. Member opposite—

Mr. Broadbent: Yes.

Mr. Crosbie: Nevertheless, we must aspire to have a high peak of toughness.

No one has suggested that we have nothing to worry about. I suggest that this country has much to worry about in its trade with the outside world and its trade with the United States. Since we have much to worry about, the Prime Minister and the Government entered into this U.S.-Canada Free Trade Agreement. It is because we are worried about U.S. protectionism, which is evidenced by their action on plywood, their action on lobsters, and evidenced by their attempts on potatoes. We can use a hundred different examples.

We are worried and doing something about it. However, the two Parties opposite try to stop us and tear us down at every step of the way.

I read what they are suggesting in the United States. We have sent a note of protest. I, myself, spoke to Clayton Yeutter today—

Some Hon. Members: Hear, hear!

Mr. Crosbie: —and expressed the same position verbally.

We only get derision, of course. If I call the U.S. trade representative, I get derision from Members opposite. What do you want? Do you want me to go down with a machine gun? Is it the Rambo policy that the NDP suggest?

Some Hon. Members: Sit down.

Mr. Speaker: The Hon. Member for Essex-Windsor.

REQUEST THAT MINISTER TABLE PROTEST NOTE

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I am pleased that the Minister has had a conversation with Mr. Yeutter. He still has not answered the question about whether he will give the House of Commons a chance to see the note of protest which he sent on this and the other issues.

[*Translation*]

Could the Minister not table here in Parliament a note of protest on this serious problem?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, that is incredible!

[*English*]

I said that this is incredible, Mr. Speaker. Every time the hon. gentleman opposite asks a question, he proves how right we are to be on the course of the Canada-U.S. Free Trade Agreement in order to get more secure access to the U.S. market. The plywood example more than proves the point.

If the Americans do not heed our protest, we have several options. We will exercise those options under the FTA.

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FISHERIES

CANADA-FRANCE DISPUTE—CHANGE IN FRENCH REGULATIONS AFFECTING CANADIAN FISHERMEN

Mr. George Baker (Gander—Twillingate): Mr. Speaker, Captain Willougby Bolt, the Canadian fisherman arrested by the French Navy, is to appear in court at the beginning of next week charged with violating French fishing regulations that he knew nothing about. Apparently the Government of Canada knew nothing about them either because the Secretary of State for External Affairs stated in the House last week, as reported at page 15339 of *Hansard*:

> There was an agreement providing for at least three months' notice of any change in practice. We did not receive such notice from the French . . .

Was the Government not aware that the Canadian Ambassador in Paris received letters dating back to November 8, 1986, about these changes in regulations? They were gazetted on March 19, 1987, together with the letters from and to the Canadian Ambassador in Paris. What happened? Why did he not inform the Cabinet of which he is now a part, or at least the fishermen?

[*Translation*]

Was Mr. Bouchard so busy with his own policies that he forgot about Canadian fishermen?

An Hon. Member: Right on!

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I believe a calm recital of the facts is the best approach in this case. The Secretary of State for External Affairs was exactly right when he said that we did not receive such notice. The facts are that on November 8, 1986, the French Government delivered a note to Ambassador Bouchard, soon to be Member Bouchard, in Paris. That note was transmitted to Ottawa.

Under Article 6 of the Treaty of 1972, drafted and implemented by our Liberal predecessors, three months' prior notice must be given of any action to be taken by the French with respect to licensing or whatever. On March 20, 1987, there was a gazetting. On March 24 and 25 our representatives met with the French representatives. It was agreed by the French that they would give a period of grace during which Canadian boats would not be required to be licensed. These are the facts, Mr. Speaker.

• (1150)

Mr. Speaker: All of this is important. Perhaps the Hon. Member could put a direct question which will enable the Minister to reply more directly.

RIGHTS OF CANADIAN FISHERMEN

Mr. George Baker (Gander—Twillingate): Mr. Speaker, the reasoning in his response is just as fractured as his French when he dares to use it.

Doesn't the Minister realize that while these diplomatic games are being played the fishermen are being forgotten, that Captain Willie Bolt has to go out 60 miles before he is allowed to fish after having this line across Fortune Bay and, if he goes beyond that, he is arrested by the French. Doesn't the Minister realize that those fishermen if they fish in waters they have traditionally fished in, so-called Canadian waters, they are arrested by the Government? If they fish in waters where they traditionally fished, so-called French waters, they are arrested by the Government of France? Where does he expect them to fish? Meech Lake?

Some Hon. Members: Oh, oh!

[*Translation*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, my French is not perfect.

[*English*]

That is why I don't attempt it more often.

Some Hon. Members: Oh, oh!

Mr. Crosbie: In other words, the French Government said that before there was any change the French would give us notice. They gave us no notice of any change in their regulations or that they would be applied to Newfoundland inshore fishermen.

With respect to the rest of the hon. gentleman's question on Meech Lake, the Hon. Member fishes in troubled waters there because the Leader of the Opposition cannot get the Senate to concur with him on Meech Lake. The Liberal Leader of the Opposition in Newfoundland is sabotaging Meech Lake. I would not want to fish in Meech Lake if I was the Leader of the Opposition—

Mr. Speaker: The Hon. Member for Humboldt—Lake Centre.

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AGRICULTURE

DROUGHT IN WESTERN CANADA—PREMIERS' CALL FOR ASSISTANCE

Mr. Vic Althouse (Humboldt—Lake Centre): Mr. Speaker, my question is for the Prime Minister or the Deputy Prime Minister. The Minister of Agriculture's position on western drought aid has been very clear to date both before the Agriculture Committee and in this House during our May 9 opposition day on drought. The Minister said in effect "crop insurance is in place. Use it. The Prairie Farm Rehabilitation Agency exists. Use it".

In light of the urgent call for assistance from the four western Premiers has the Government changed its mind on drought aid? Will there be another federal-provincial program this year?

Right Hon. Brian Mulroney (Prime Minister): Not at all, Mr. Speaker. The Government has been very responsive to the problems of agriculture generally in Canada, and western agriculture in particular this last while. As the Deputy Prime Minister pointed out, there has been a substantial increase in aid to western agriculture. We view this very seriously.

I have instructed the Minister of Agriculture to meet on an urgent basis with his provincial colleagues. When there is damage being done like this to the farming industry in western Canada, it is a national problem. We have to be involved in the solution and I know that my hon. friend would want the Parliament of Canada to be involved in that.

PROPOSED EMERGENCY ASSISTANCE PROGRAM

Mr. Vic Althouse (Humboldt—Lake Centre): I thank the Prime Minister for his answer, Mr. Speaker. During the 1985 drought, the Parliamentary Secretary to the Prime Minister, the Hon. Member for Assiniboia, chaired the drought committee and was apparently responsible for developing a

permanent emergency assistance program to respond to future droughts. Where is that program today? Why don't the four western Premiers seem to know about it?

Right Hon. Brian Mulroney (Prime Minister): I thank my hon. friend for pointing out the exceptional work and very successful initiatives of the Hon. Member for Assiniboia who provided great leadership on the question of the drought the last time around and was saluted for such by, I think, Members on all sides of the House.

The western Premiers signalled yesterday that we have a new dimension to the problem. All I can do is tell my hon. friend that we will be assisting the western Premiers in dealing with this very debilitating situation that is causing such damage to the western farmers. I see the Hon. Leader of the NDP smiling. That is all the New Democrats do—smile. We help farmers in trouble.

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CORPORATE AFFAIRS

SERVICE CHARGES IMPOSED BY FINANCIAL INSTITUTIONS—ROLE OF DEPARTMENTAL OFFICIALS

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. It concerns the unusual intrusion of his officials into the work of the Finance Committee.

Would the Minister tell the House why the Government is trying to frustrate the achievement of a solution to the problem of charges by financial institutions?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): We are not, Mr. Speaker. When Mr. McIntosh of the Banker's Association appeared before the committee he indicated that the Competition Act prevented the banks from getting together to provide certain advantages to consumers. I wrote to him on April 29 saying that that is not true. The Competition Act is there designed to help consumers, and it was not acceptable to me for him to claim that it was the Competition Act that prevented banks taking action to help consumers.

I went on to tell him how he could get advice from the Department if he had any doubts about it. I was trying to make sure that the bankers did not try to hide behind the Competition Act when it came to giving consumers some relief from these service charges.

VOLUNTARY COMPLIANCE—MINISTER'S POSITION

Miss Aideen Nicholson (Trinity): Mr. Speaker, this is interesting because it is a different perspective from the one given to members of the committee as a result of telephone calls from his officials.

Will the Minister confirm that he is prepared to see voluntary compliance in preference to a legislated solution, or is he moving toward legislation?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to see compliance. I think there is the ability for the banks to comply. They can get legal opinion for that from my Department.

If, in fact, there is some unseen quirk that would prevent this, I would certainly be more than willing to come forward with quick amendments to the Competition Act, or to recommend to my colleague in terms of the Bank Act to have any legislative obstacles removed to allow the banks to comply. If they do not comply voluntarily, I am certainly not averse to a legislative solution, but I would prefer compliance on their part. I wish they would stop trying to hide behind the law, and get on with compliance.

* * *

HEALTH

FUNDING OF HEALTH CARE SYSTEM IN ONTARIO

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, my question is for the Minister of National Health and Welfare who has undoubtedly noted media reports about Ontario hospitals which are unable to balance their budgets, and about patients dying because they were not able to have the surgery needed in time to save their lives.

Does the Minister still think, as he said in New York not very long ago, that there is enough money in the Canadian health care system to maintain the good health of Ontario residents?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the issue which the Hon. Member raises is one that is a concern I think to all Canadians who want to preserve the health care system, and it is a good health care system.

I point out to him that the delivery of health care is a provincial responsibility. I further point out to him that from 1982 to 1987 through the transfer payments for health and post-secondary education, the entire established programs financing portfolio, that the federal Government transferred to the provinces in the order of $65 billion. For 1987 to 1992 with a formula for protection against inflation we project that figure of $65 billion to increase to $90 billion.

I think additionally what the Hon. Member should keep in mind is that in a number of cases provinces have not transferred the same percentage of increase they receive from the federal Government in the transfers to their institutions. If that had been done, then possibly we would not be in the dilemma we are in today.

ESTABLISHED PROGRAMS FINANCING

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, the Minister knows perfectly well that in his own province the limits on federal support for the system are forcing closure of beds and the same kinds of consequences are occurring in Ontario. Does the Minister have any plans at all to reconsider the policy, which the Liberal Government began more than 10 years ago, of restraining transfers under the Established Programs Financing? This Government has made the situation worse. We will be seeing more people dying across Canada because the Government is not financing health care adequately.

Mr. McDermid: What nonsense.

Mr. Epp (Thunder Bay—Nipigon): They are dying.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, that is simply not the case. Back in the 1970s, 7.4 per cent of the GNP was expended on health care. Today that figure is 8.6 per cent at a period of time when we have seen the GNP and economic growth increase in this country over the last four years. The first point is wrong.

Second, we have the $65 billion over the last five years, and the projected $90 billion projected for the next five years together with the increases which that involves.

• (1200)

The third point I would make is that this would not happen if there had not been the kind of mismanagement in Manitoba that existed with the NDP Government. It was that Government that closed the hospital beds and that is why it was rejected in the last election.

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AGRICULTURE

WESTERN DROUGHT—CATTLE SALES—DEFERRAL OF TAXES

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, having grown up on the Prairies and in southern Saskatchewan, I know the real dangers of a drought. This year it will become necessary for many cow-calf operators to sell down their herds. Normally, when sales are made, taxes must be paid in the year the sales are made and then replacements are paid for with tax dollars.

My question is for the Minister of State for Finance. Can there be a program initiated that would cause the deferral of the taxes over a two to three-year period to compensate for this very real dilemma the cow-calf operators will find themselves in this year?

Hon. Tom Hockin (Minister of State (Finance)): Mr. Speaker, I thank the Hon. Member for Fraser Valley East for his very important question, and I join with him in the great concern he raises for his constituents, the farmers and the ranchers in his constituency. He is very alert to their needs.

I must tell the Hon. Member that the Government has not dealt with these particular problems through a diddle of the tax system. This Government has approached the matter through direct assistance. Since 1984 there has been $140 million in drought assistance for livestock and $150 million in drought assistance for crops. The direct assistance approach has been this Government's approach.

As the Prime Minister and the Deputy Prime Minister mentioned today, the Government is watching this and monitoring it carefully, and it will act firmly and decisively.

* * *

MISSING CHILDREN

DIFFICULTY IN LOCATING ABDUCTORS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the absence of the Minister of Justice and of the Minister of National Revenue, my question is for the Prime Minister. The Prime Minister will know that on Sunday of this weekend we will be commemorating National Missing Children's Day. He will also be aware of the fact, I think, that the current federal record data bases which are made available for parents seeking children who have been abducted do not include access to information under the Income Tax Act.

I have in my hand a copy of a Canada-wide warrant which was issued under Section 250.1 of the Criminal Code, for one Kevin Lee Johnston, who abducted his son Ryan last January. Mrs. Johnston came to me because she wanted access to all and any information to find out where her son is, yet she has been denied access to information under the Income Tax Act.

Can the Prime Minister move immediately to amend the Income Tax Act to make available information about the whereabouts of child abductors who are facing charges under the Criminal Code?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am unaware of the specifics of this case, but I thank my hon. friend from Hamilton East for raising what is clearly a very important question. The problem of missing children is a great tragedy and one that I think all Members of the House and all agencies of government should respond to as quickly and as effectively as we can.

We have made some important advances in the last couple of years in this area, but we can do a lot more. I will inquire immediately as to the possibility of acting promptly in regard to the suggestion of my hon. friend and any other suggestions she may have in this regard.

Point of Order—Mr. Langdon

INCOME TAX ACT PROVISIONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I thank the Prime Minister. I hope he will give personal attention to this matter.

He should be aware that this morning a representative of the Minister of National Revenue told me personally that if any person tried to get information under the Income Tax Act about the whereabouts of missing children, he or she would be fought all the way to the Supreme Court because the Minister of National Revenue does not intend to release this information.

Again, is the Prime Minister aware of the fact that under the Income Tax Act, those who happen to be evading income taxes can be required to provide information? The whereabouts of a person who evades income tax is public information which can be received by the courts, whereas the whereabouts of a child abductor is private information. Does the Prime Minister not agree with me that the whereabouts of children are more important than the whereabouts of missing income tax money?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I thank the Hon. Member for her question following up further to what the Prime Minister said. The Hon. Member will be aware that when changes were made for computer access, the Income Tax Act and Revenue Canada operations were examined. I appreciate the comments made today indicating that that will be revisited.

I should say to the Hon. Member and all Canadians, because we all share the concern in this area, that we are now using the computerization of the Employment and Immigration Department and we are also using the computerization of the Department of National Health and Welfare. I have been told, and I believe it to be correct, that there are possibly more names of Canadians on National Health and Welfare computers than even on Revenue Canada computers. That notwithstanding, we will examine if there is another way to access Revenue Canada information.

Excuse me, Mr. Speaker. I am taking a little bit of time. For example, changes in contributions to the Canada Pension Plan also come through National Health and Welfare. I will check again to see how fast that program is working.

May I say as well, if I might, Mr. Speaker, that corporations are also demonstrating some civic responsibility. One example is Child Find. As well, a rental car company, Budget Rent a Car, has a program of showing missing children brochures on vans, and some children have been found through that program.

Last, the Hon. Member for Surrey—White Rock—North Delta, back in the mid-1970s, came forward with a Private Member's Bill on parental abduction. I think that—thank you for the time, Mr. Speaker.

Mr. Speaker: I must advise that this brings Question Period to a close. I wish to share with Hon. Members a few words.

I know that all of the matters raised today were important, both in the questions and in the responses, but I want to indicate to Hon. Members that, at least in the view of the Chair, we should be seeing more Members rise and more questions and more answers than we were able to see today. I would ask all Hon. Members to co-operate when we return after the long weekend because I will need that co-operation in order to do what we are supposed to do in Question Period, and that is get a maximum number of questions and answers. I thank all Hon. Members.

* * *

POINT OF ORDER

TABLING OF DOCUMENTS CITED

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, during Question Period today, a reference was made by the Minister for International Trade (Mr. Crosbie) to certain notes which have been sent to the United States with reference to sections of the Finance Committee's suggested changes to the legislation dealing with the trade agreement, and I would draw your attention, Mr. Speaker, to Beauchesne's 1978 edition, Citation 327, which deals with documents cited and the requirements of Ministers of the Crown with respect to this. Paragraph (2) reads:

> It has been admitted that a document which has been cited ought to be laid upon the Table of the House, if it can be done without injury to the public interest.

In view of this rule which binds us in the House of Commons, I would ask you, Mr. Speaker, if it would be possible for you to ascertain from the Minister for International Trade if there is in fact any potential or actual injury to the public interest which might exist if these protest notes to the United States were laid upon the Table. If there is no such injury to our national interest, I would ask that these documents be in fact laid upon the Table further to that rule.

Mr. Speaker: Perhaps I can help other Hon. Members who might wish to contribute to this question by pointing out that we had this matter before us only a little while ago, and a question of whether or not a Minister is quoting from a document becomes of some considerable concern to the Chair.

• (1210)

If the Member is quoting from a document, the rule is clearly as the Hon. Member for Essex—Windsor (Mr. Langdon) states it to be. If it is something less than a quote, it puts the Chair in some difficulty, and I ask Hon. Members to address that point.

Hon. Herb Gray (Windsor West): Mr. Speaker, the precedents on this matter speak not only of quotations but also

of citing documents. I respectfully submit there must be some distinction between the meaning of the word "quote" and the meaning of the word "cite". Otherwise, the precedents in question would not have covered both those words in setting out a basis for requiring Ministers to table documents they refer to in debate or in answering questions. Therefore, I know you will want to review the "blues" to see exactly in what way and in what context the Minister referred to the notes in question.

I submit that the precedents are clear. It is not necessary for the Minister to quote at length or in any substantial fashion from the documents in question. It is sufficient that he cite them, and I repeat that there must be some difference in meaning between the words "quote" and "cite", otherwise the precedents would not have made reference to both those words in setting out conditions for the requirement that documents referred to by Ministers in this House have to be tabled once they are referred to.

I also want to point out that the Minister, at no time in the answers he gave, made any suggestion or gave any hint that there be anything contrary to national security or the public interest in making their contents public. On the contrary, he took great delight in referring to those notes and their existence as supporting the position of the Government that it was in fact doing what it should in defence of the best interests of this country.

I ask you to take into account the context in which the Minister made reference to the notes. I would think that he would be delighted, if not to table the notes forthwith in the House, to release them publicly as soon as possible today. I certainly think it would be consistent with the Minister's responsibility to this House to disclose those notes first by tabling them here, and he has time to do that up until three o'clock. However, if there is some problem in getting the text of the notes in both official languages before three o'clock in such a way that they can be made public, then he need not, and in fact should not, wait until next Tuesday. He should make them public as a press release as soon as possible later today.

To conclude, I say the precedents are clear. The context in which the Minister made reference to the notes is also clear. He has a definite obligation to table the notes in question in their complete form forthwith. Anything else would be not only contrary to the precedents in question, it would be a failure to show the respect which any Member, especially a Minister, owes to this House.

Mr. Speaker: I want to thank the Hon. Member for his intervention. He points out an important addition to the argument and also a distinction. I have taken the point that he raises and I will keep it in mind.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I have a couple of things if I may. First, I think it is quite clear that Beauchesne's deals with this in more than one section than that which my hon. friend from Essex—Windsor (Mr. Langdon) quoted. He started with Citation 327(2). I would like to quote Citation 327(1) which states:

> A Minister of the Crown is not at liberty to read or quote from a dispatch or other state paper not before the House, unless he be prepared to lay it upon the Table.

I think when you review the "blues" you will find that the Minister referred to his notes, not the note sent to the U.S. Government or the trade ambassador.

Mr. Gray (Windsor West): So he has to table his notes.

Mr. Lewis: They were his handwritten notes. Second, and this is the neat part, my hon. friend was kind enough to read to the House Citation 327(2), which says:

> It has been admitted that a document which has been cited ought to be laid upon the Table of the House, if it can be done without injury to the public interest.

My friend did not give you the last sentence and I would like to read it for you:

> The same rule, however, cannot be held to apply to private letters or memoranda.

Even if the Hon. Minister were quoting from it, I submit that it would be in the context of a private letter.

Mr. Gray (Windsor West): Mr. Speaker, I want to get some clarification of what the Minister has been saying. Is he attempting to tell the House and you, Sir, that a diplomatic note exchanged between Canada and the U.S. is the same thing as a private letter? With all due respect to the Hon. Minister, I say that argument is, if I may use the words, patently absurd. A note is not a private letter, it is a formal document exchanged between two countries, and the only grounds for not tabling it in this House is if the public interest would somehow be harmed by it.

There is no suggestion by the Minister for International Trade that what he told the press outside the House yesterday and what he referred to in his questions today was just some private little *billet-doux*, some personal love note exchanged between the Minister and his U.S. counterpart. Rather, it was a formal diplomatic note, a state paper, which clearly, under the circumstances in which it was referred to, should be tabled in this House.

Mr. Langdon: Mr. Speaker, in an attempt to set out what seems to be indicated in this section in full—

Mr. Lewis: Bring back Nelson Riis.

Mr. Langdon: No such luck.

Mr. Lewis: Stick to the issues.

Mr. Langdon: The key distinctions are between state papers or dispatches from which a Minister reads or quotes on the one

hand, or public documents which are referred to on the other—

Mr. Lewis: That is not the word.

Mr. Langdon: Or, third, documents which have been cited.

Mr. Lewis: Cited.

Mr. Langdon: As I took the answer of the Minister today, he certainly cited this document and provided a description of it in doing so. He indicated that it had a certain sense of emphasis or toughness, a certain power which was conveyed, et cetera. I think that is a citation and I think that unless there is, as the section suggests, some injury to the public interest which could be created by requiring that this be laid upon the Table, I frankly see little option for the Minister but to follow the rules. I very much hope that those distinctions and the argument would lead you to rule in that direction.

Mr. Rod Murphy (Churchill): Mr. Speaker, just a short intervention. I am very concerned about the Minister's last reference to private letters. If that argument were to be accepted by the Chair, then virtually everything sent out by a cabinet Minister could be deemed to be a private letter. Obviously we would then be in a situation where no documents, whether quoted or cited by a Minister in this House, would ever be tabled. I think that argument indicates a disregard for the precedents.

We are not asking for the Minister's private letters to his wife or his sons. We are talking about a document sent by the Government to another Government, on behalf of Canada, presumably. Obviously, there was a citation or reference to that letter and I believe it should be tabled.

• (1220)

If I may, Mr. Speaker, I just want to point out to the Minister that it is obvious that his letter to his own profession in which he said he does not practice law in Ontario is very honest.

Mr. Speaker: I have listened carefully to the interventions of all Hon. Members. I would remind Hon. Members that the Chair dealt with a similar situation raised by the Hon. Member for Regina West (Mr. Benjamin) several weeks ago. I will, of course, review that ruling and I will take very great care to reread *Hansard* and will report to the House accordingly. I thank Hon. Members for their interventions.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Bill Domm (Peterborough): Mr. Speaker, I have two petitions I have made available to your office for clarification. I would like to present them at this time. The first petition is from a number of members of the Calgary Pentecostal Church in the constituency of Peterborough. These petitioners call upon Parliament to pass into law legislation that will protect the life of the unborn child from conception and at all stages of development, with the exception of the extremely rare situation in which an abortion is performed in order to save the life of the mother.

POST OFFICE AT PETERBOROUGH

Mr. Bill Domm (Peterborough): The other petition I would like to introduce to the House this afternoon is from employees of Canada Post at the main post office in Peterborough. It was received in my constituency office on March 17. The petition calls upon Parliament to ensure that Canada Post provides a clean and healthful workplace for its employees in the Peterborough post office in the Province of Ontario.

PROTECTION OF RIGHTS OF THE UNBORN

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I also have a petition from my constituents in the community of Shoe Cove in Newfoundland. In fact, this petition was originally sent to the Speaker himself.

The petition requests that the Parliament of Canada legislate to ensure that the fundamental right to life of everyone is protected from conception through to natural death. The petitioners call upon Parliament to enjoin the Government so to legislate.

CALCULATION OF UNEMPLOYMENT INSURANCE BENEFITS

Hon. William Rompkey (Grand Falls—White Bay—Labrador): Mr. Speaker, I also have a petition from residents in the community of Conche in Newfoundland who call upon Parliament to ensure that the Government acts upon their very reasonable request for a change in the unemployment insurance regulations. The petitioners ask the Government to allow fish plant workers to use their best rather than their most recent 10 to 20 weeks when applying for unemployment insurance benefits, as most fish plant workers are struggling to survive and raise their families on very low incomes.

[*Translation*]

THE POOR—REQUEST FOR INCREASED ASSISTANCE

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I have the honour to table a petition concerning the destitute on behalf of students at École Lemire and École Moreau in Pierreville and

Saint-François-du-Lac, so that 1987, the year of the homeless, will result in increased assistance for them in 1988.

[*English*]

NORTHERN TAX ALLOWANCES

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, pursuant to Standing Order 106, I have the privilege to present a petition today signed by residents principally of the community of Dryden, Ontario, some 80 in number. These Canadian citizens call upon Parliament to provide a remedy to the inequities created by the application of the northern residents' tax allowance by the designation of all Tier III communities as eligible for that allowance.

IMMIGRATION—SPONSORING OF RELATIVES

Mr. Dan Heap (Spadina): Mr. Speaker, it is my pleasure and duty to present a petition from a number of residents of the City of Toronto who are concerned about our immigration policy. The petitioners point out that the Minister promised more than half a year ago to admit unmarried daughters and sons of all ages as members of the family class of immigrants and to provide 15 points instead of 10 points in the case of married children and brothers and sisters coming in as assisted relatives.

Furthermore, in 1986, the then Minister of Justice promised to remove the unfair distinction between Canadian citizens and permanent residents who have been here for three years or more with respect to the right to sponsor parents of any age. The petitioners point out that none of these promises have yet been fulfilled. Therefore, the undersigned ask that Parliament ensure that the Government fulfil its promises now.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Mr. Speaker, I have another petition from residents of the City of Toronto who point out that the trade deal negotiated between the Prime Minister (Mr. Mulroney) of Canada and the President of the United States, for which the Prime Minister of Canada, they say, had no mandate, would reduce Canada's ability to plan the economic, social and cultural programs Canada needs. It would also integrate Canada further into the North American defence industrial base. Therefore, the petitioners request Parliament to ensure that a national debate takes place on the Mulroney-Reagan trade deal and that this debate result in a national general election before such an agreement is finalized.

* * *

QUESTIONS ON THE ORDER PAPER

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Deputy Speaker: Is it agreed?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BRETTON WOODS AND RELATED AGREEMENTS ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mr. Hockin that Bill C-126, an Act to amend the Bretton Woods and Related Agreements Act, be read the second time and referred to a legislative committee.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, when I was interrupted by Question Period, I had been pointing out that in addition to the debt problem faced by the poorest countries in the world, there is a decline in official development assistance, and then I went on to talk about the most serious problem, and that is, the decline in commodity prices. I was reading from Roy Culpeper's study "Forced Adjustment: The Export Collapse in Sub-Saharan Africa" in which he states:

> No commodity category was exempt: food, non-food, agricultural and mineral commodities alike plunged to their lowest level, in real terms, since the Great Depression half a century ago.
>
> Other World Bank estimates provide forecasts of commodity prices over the next 15 years, under various assumptions about global supply and demand conditions and the economic environment. These projections indicate that the price deterioration which has occurred during 1980-86 is expected to continue in 1987 before commodity prices rise again.
>
> However, prices are not expected to rise much in coming years, with the result that by the year 2000, they will still be lower in real terms than the depressed levels of 1985. By the turn of the century, real commodity prices, according to this scenario, will only be one-half their 1950 levels!

This is the problem facing African nations and other poor nations around the world which depend for their export earnings on commodity prices. They have declined drastically. They will continue to decline in real prices.

• (1230)

In fact, it has been estimated that in 1986 there was a net outflow of funds from Africa amounting to some $16 billion American. That is made up by the fact that funds coming into Africa were some $16 billion of development assistance from all countries. There was private lending amounting to only some $2 billion. This amounts to a total of $18 billion going into Africa. Going out of Africa there was a drop in commodity prices of $19 billion. Debt servicing amounted to some $15 billion. This amounts to a total of $34 billion.

This is why our Ambassador to the United Nations, Stephen Lewis, a person who has spent a great deal of time in the last three or four years visiting Africa studying the situation there and working with the United Nations trying to get a program of action that will actually meet the problems of Africa has

said time and time again that the West is betraying the African continent.

Perhaps we could look at the words of a distinguished African President, President Kaunda, who is the head of the Organization of African Unity. On October 6 he spoke before the United Nations General Assembly. He said that:

> —almost one and a half years after the adoption of the Program, and despite some limited initiatives here and there, the international community's over-all response has fallen far short of the requirements of the Program. The international community has not lived up to its side of the recovery pact . . .
>
> Africa has been losing on all counts . . . No measures are in sight to stabilize export earnings from commodities, which are of major interest to Africa; nor have effective mechanisms been put in place to deal with the unmanageable debt and debt-servicing burdens in any meaningful way. Worse still, the anticipated increase in the resource flows to Africa has not materialized. Not only have they not matched the resource outflows from Africa, they have actually stagnated.

He concluded by stating that:

> —unless effective solutions are found for the debt and commodity problems and unless resource flows at levels adequate to compensate for the outward transfer of resources away from Africa are ensured, prospects for bringing about recovery and development in Africa will become forever elusive and the continent will forever be a victim of the vagaries and misery of perpetual crisis.

This is the problem about which we are concerned. The fund that we are talking about contributing to will establish approximately $6 billion in special drawing rights, a little over $10 billion Canadian, or a little over $8 billion American. Yet that is going to be spent over a number of years to help with the debt problem. We are talking about a situation in Africa alone where there is a net shortfall of $16 billion per year. Thus the enhanced structural adjustment facility, ESAF, is not going to meet the total needs of the African continent. We should not be under any illusion that it will do that. It is a small step. It is a step that is primarily designed to ensure that the poorest countries do not default to their creditors in the West or to the IMF itself.

In our Party we are concerned that Canada should be doing more for Africa. We are concerned that when Canada meets with the other leaders of the industrialized West at the G-7 meeting in Toronto next month we should be pushing for more human adjustment policies on the part of the IMF. We should be pushing for a greater role by the World Bank and its concessionary flows to the poorest countries. We should be putting some pressure on the United States because, inadequate as ESAF is, the United States has said it will not be contributing anything to it.

Here we are talking about a trade arrangement with the United States. We want to get in under its protectionist umbrella, so-called. We are not going to quite make it. We will be standing with quite a bit of our shoulders and our head outside the umbrella with it dripping down on us. However, we want to get in under the American umbrella. Yet the United States is pleading poor. It says it cannot make any contributions to this enhanced structural adjustment facility that is supposed to be helping the poorest nations in the world. It says that it is too poor itself.

This raises questions as to why we are getting involved in a trade arrangement with another nation that is not able to carry its weight in international terms. It is able to throw its weight around on the International Monetary Fund but it is not able to carry its weight in terms of helping the poor nations.

We would like to see Canada take a more straightforward position on this matter and work with other nations to ensure that multilateral agencies such as the IMF and the World Bank have better structural policies that take account of the impact of those policies upon the poorest of the poor. We want to see Canada take a better position in terms of itself increasing the amount of official development assistance that goes to the poorest of the poor.

I remind the House and I remind the Canadian people of the commitment that was made by the Secretary of State for External Affairs when he appeared before the United Nations shortly after the Conservative Government was elected. He said that Canada would reach its commitment to guarantee 0.7 per cent of its Gross National Product to official development assistance by 1990. That is a commitment that Canada made. The Secretary of State for External Affairs made that commitment in our name to the poor peoples of the world. It is a commitment that the Government has welched on. I regret that as a Canadian who would like to see us living up to our commitments. We should be taking action.

We must place back on the agenda the need for a new international economic order. We have to be working for some system that will stabilize world commodity prices. It is in our interests as well as in the interests of the poorest nations in the world that their economies should not be allowed to collapse because of the way in which commodity prices have collapsed.

Thus we have this agenda. It is a big agenda. We support the small step that the establishment of the enhanced structural adjustment facility makes. But we want to emphasize that there are other items that need to be addressed also if we are going to take at all a comprehensive approach to Africa and not be simply a drop in the bucket.

Finally, I want to reiterate that we want to see this Bill tightened up in terms of not giving a blank cheque to the Government so that it can simply increase the money, at any time it wants and so that it can give money to any fund that it wants without coming back to Parliament. We believe it is extremely important that Parliament should continue to have control over the purse, that when we are talking about such matters as contributions to the International Monetary Fund the Government should be accountable to the House of Commons for the way in which the IMF operates. If we are giving money to it, if we are providing Canadian taxpayers' money then we should insist that the Government be accountable for the way in which the IMF spends that money.

Mr. Dan Heap (Spadina): Mr. Speaker, I am very pleased to have a chance to speak on Bill C-126 because it raises a very serious problem. That is to say, on the one hand it undertakes

to give aid to the needy. It asks those countries that have money to provide money to lend to those that lack it. On the other hand, our experience over several years now with this kind of lending process is not encouraging because it seems that the results that we were going to get are just not there.

• (1240)

Furthermore, I believe that this Bill takes a direction which is unwise and unfortunate in that it removes from the House almost all effective responsibility and oversight for future contributions to the International Monetary Fund. Bill C-126, an Act to amend the Bretton Woods and Related Agreements Act, has two short clauses. The first states, in part:

> "5.1(1) The Minister of Finance may lend to the International Monetary Fund, at such rate of interest and on such other terms and conditions as the Governor in Council may approve, such sum or sums of money as may be required for funding any trust or body established by the Fund . . .

In other words, it will not only go to specified purposes now existing in the fund, but if new purposes and new programs are created, they need not be discussed, and probably will not be discussed in the House of Commons, because the Minister now has the power to direct it anywhere he or the IMF please.

The Minister can direct it "as may be required for funding any trust or body established by the Fund to assist in fulfilling the purposes of the fund . . . " Those are very broadly stated purposes, which the fund does not necessarily carry out, such as maintaining the income level of the people in the country to which it lends.

That clause further states, "not exceeding in the whole five hundred and fifty million dollars, or such greater amount as may be fixed by the Governor in Council". If the Governor in Council decides to put in a further $1 billion or $10 billion, he or she does not need to return to Parliament to ask for the money. We have now said it may be any amount that the Governor in Council thinks would be reasonable.

The second clause states that, "the Minister of Finance may grant . . . " The first clause states "lend" and the second clause states:

> . . . grant to the International Monetary Fund, on such terms and conditions as the Governor in Council may approve, such sum or sums of money as may be required for funding any trust or body established by the Fund to assist in fulfilling the purposes of the Fund, not exceeding in the whole two hundred and fifty million dollars, or such greater amount as may be fixed by the Governor in Council.

In other words, this Bill gives the Cabinet a blank cheque in its lending or granting to the International Monetary Fund. It is a blank cheque not only in the limits to which it can grant or lend, but also in the purposes and the bodies to which it can grant or lend. If the International Monetary Fund had a really good record of helping the people it is supposed to help, that would be more acceptable. But it does not.

I wish to move from the dry figures and dry legal words to what I saw a couple of years ago when I was on parliamentary business in Guatemala. I wish to speak about the man with the hoe. There is a famous portrait that was produced in Europe of a man with a hoe. This is a different man with a different hoe. In the famous European picture the man with the hoe has a hoe similar to that which we would use in our gardens. The hoe being used by the man in Guatemala was at least twice or perhaps four times as large, a really heavy tool. As we drove past this person in the countryside, I was told by the officials that that was the only technological improvement brought to the indigenous peoples of Central America by five centuries of European conquest and occupation.

This man with the hoe was brother or cousin to the others whom I saw there. They were lifting their hoes to dig at a hillside which was at least 45 degrees steep, and sometimes 60 degrees steep. That was the only land that they could work, the only land that they were allowed to have. On the road I saw one of his brothers or cousins carrying a load of firewood, logs that had been split and sawed. It was a huge load about the size that he was himself. He was carrying this load of firewood from where it could be cut to where he would need it for his family. Behind him was a woman carrying on her head a large bundle of sticks, also for firewood.

It was explained to me by our CIDA officials that the gathering of firewood for cooking and the gathering of water for cooking on those mountainous hills occupy several hours a day of a peasant's time. No wonder these people are poor. For a few days or weeks in a year they may go down to the coastlands for a day labour at low rates for the cotton harvest, the sugar harvest, or similar work. But all in all, 80 per cent of their children are suffering malnutrition. I believe it is obvious that that is not a condition that has gone on for many centuries. The fact that 80 per cent of the children of a country are suffering malnutrition is a modern invention.

The man with the hoe is contributing a small amount, but he is contributing to the wealth of Canada, the United States, and the other banker countries. It was pointed out by my colleague that the people of the Third World, of which this country is a part, last year contributed almost $6 billion in outflow, that is, $6 billion more went out than came in. That is $6 billion from the poorest to the richest. That is why I think of the man with the hoe when I look at this Bill.

There is another reason why I think of the man with the hoe. When I grew up in Winnipeg during the Depression I heard that there were two kinds of farmers: there were those farmers who farm the land, and there were those who farm the farmers. That farming of the farmers has not stopped in Canada, but it has been powerfully extended to Guatemala and dozens of other countries of the former colonies of Europe that we now call the Third World. They are exporting food from Guatemala because there is plenty of rich land. Guatemala is not the Sahara Desert, or even the Sahel. Guatemala has some of the richest farm land one could find, with an excellent climate and fertile soil on the flat bottom land.

Generations ago the landowners and the military drove the indigenous people, who are the great majority in the country,

off the good land into the hills. They did not kill all of them because they were needed for cheap labour. As I said, come harvest time for a few days or weeks they are needed to work for a pittance down near the coast. There they are on the hills, unable to feed their children properly, but supposed to survive as a pool of surplus labour, the reserve army of the unemployed.

Whether it is through the IMF, the IAB, or any of the other multiple lending sources, those organizations lend money to countries such as Guatemala, El Salvador, or to many other countries in the same condition. These loans are mainly contributed by the countries of Europe and America, and mainly used to police countries of the Third World to ensure that they will structure their economy in such a way as to enable them to repay not only the IMF, but also their loans from the private banks.

It happens that in Central America three-quarters of the $17 billion debt, which has been created mainly in the last eight years, because it was $7 billion in 1980, is owed to Governments, that is, bilateral debts, or to multilateral institutions such as the IMF. This does not include the $600 million that is provided annually by the United States for the military. It is clear why the military are needed. They are needed in order to stop the rebellion of people who do not like supporting the IMF and the other creditors in the style to which we have become accustomed. In fact, of the 25 million people in Central America, every man, woman, and child is charged by us with owing us $700. People who do not see $100 in a year are supposed to owe us $700. People in lands where we have taken out gold, silver, timber, cotton, sugar, bananas, coffee and all kinds of mineral and agricultural wealth, are now considered by our laws to be debtors to us. Every man, woman and child, including those suffering malnutrition, on average in Central America, is charged with owing us $700. It is bizarre. It is obscene.

• (1250)

The only way that they can pay it, of course, by our standards, is by producing their cheap labour to keep the price of our coffee, our sugar, our cotton, our bananas, carnations and other beautiful flowers and so on, low enough so that we will be able to afford them easily and never come within sight of the kind of malnutrition that their children suffer.

The role of the IMF is illustrated in this Bill but not in full detail. The information from the departmental staff indicates that loans will be made at 0.5 per cent to certain countries under conditions that they tighten the screws still further on their population in order to repay. But the grant will be used to make up the difference between that one-half per cent and whatever is the rate, perhaps 8 per cent, 10 per cent or 12 per cent, at which the IMF will receive the money from the creditor countries. In other words, the borrowers—the people in countries like Africa and Central America, Latin America—are not really benefiting by this so-called easy or cheap interest rate. It is the Fund itself which benefits and, along with that, about 13.5 per cent of the repayments go to the private banks. The private banks in our country benefit by the kind of money that is being put in as proposed in this Bill today.

The responsibility for repaying the loan is attributed to countries like Guatemala, El Salvador, Brazil, Peru and so on, but the benefit of it does not come to them. On paper there is a benefit. Instead of being in debt for 50 years, they will be allowed to pay it more slowly and be in debt for 100 years to come. In other words, they will be locked into what is called debt peonage.

The basis of this debt peonage is the declining prices of agricultural and other raw products, but primarily agricultural products.

At a conference yesterday dealing with Central America, we were told by an official of CIDA that there is no use trying to stop the decline of agricultural prices. That is a very convenient statement of fact. Is it not nice for us coffee drinkers that it is impossible to stop the lowering of the price of coffee to the men and women who actually produce it? I suppose, according to our officials, it is supposed to be some inevitable law of God that agricultural prices must decline and there is nothing we can do about it, so we say. Certainly there is nothing we can do about it by the rules we have created.

I think the principal thought for the IMF under these circumstances was actually enunciated a century ago by Lewis Carroll in *Alice in Wonderland* and the verses about the walrus and the carpenter.

After they invited the oysters for a walk and were eating them, the oysters complained. The verse is:

> "I weep for you", the walrus said; I deeply sympathize, with sobs and tears he sorted out those of the largest size, holding his pocket handkerchief before his streaming eyes.

The carpenter was complaining that the walrus only held the handkerchief in front of his eyes so that the carpenter could not see how many oysters he was eating.

Lewis Carroll thought he was joking, but apparently the IMF has taken him seriously. What we heard yesterday at the round table conference on Central America, for example, concerns this same point, the prices of agricultural products.

Mr. Gabriel Siris, Director of the country program of the Economic Committee for the Latin American countries of the United Nations, told us in part that;

> Another determinant of today's economic crisis is the downturn in exports of traditional goods, which in the past had been the principal engine of growth for these economies.

He is referring to Central America.

He went on to say:

> Basic agriculture commodities, such as coffee, cotton, and bananas constitute a major source of savings for investment in other sectors, principally industry.

He went on to detail the sharp drop in world prices of their chief export commodities. For the seven years from 1980 to 1987, coffee dropped 41 per cent; cotton dropped 31 per cent; bananas dropped 7 per cent; sugar dropped 83 per cent; and beef dropped 12 per cent. With such a sharp drop, he said that it is no accident that every country in the region has slid into economic depression during this decade, regardless of its degree of civil strife or the prevailing political structure. He went on to say:

> Preliminary estimates indicate that the losses resulting from decreases in the volume of traditional export goods average more than half a billion dollars a year; the losses attributable to drops in prices are even greater.

Therefore, more than half a billion dollars is taken out of those countries by the devices that our countries use to force agricultural prices down.

I do not see any sign that the IMF will change its policy. We read in the newspapers that it will not. An article yesterday in the *Ottawa Citizen* quotes Mr. Camdessus as saying: "I see no readiness by Governments of the major creditor countries to entertain such an approach."

He was referring to debt relief. He refers also to the desperate condition not just of Central America but to the whole of Latin America.

The same principle applies in Latin America as in Central America, as in Africa. The IMF is not helping those countries to recover. It is driving them deeper into the hole. Unless Canada can persuade the IMF, along with other countries, to alter its policy then the money we put in there does not help them but hurts them. It only benefits the banks in our countries.

Mr. Manly: My colleague said that it almost comes down to the man with the hoe. I agree with him, except that to a large extent in the world today it comes down to the woman with the hoe or even the child with the hoe.

The reality is that entire families are forced into wage slavery, producing these commodities where the bottom has dropped out of prices.

• (1300)

I am reminded of the old story of the company store. The harder you work, the more you owe. You owe your soul to the company store. We have had ample illustration of that in some of the single industry towns in Canada, Mr. Speaker, where people were literally locked into a kind of wage slavery. The company store would extend credit to them. When it looked as though people might be going under, the company store would extend a little more credit to them, always keeping them on the hook. In a sense that is what the IMF has done.

The Member spoke about this vicious spiral that we have. It is a downward spiral. It is not just a vicious cycle. It is a vicious downward spiral with a drop in commodity prices. That in turn leads the poor people of the poor countries to produce more to try to make up the short-fall for the drop in prices. When they produce more there is a glut in the market, causing a further decline in commodity prices. This vicious downward spiral has a direct impact upon the poor.

How can this vicious cycle be broken? What steps should Canada be taking? What steps should the IMF be taking? What steps would the Members, like the Prime Minister (Mr. Mulroney) to take next month when he meets with the other so-called world leaders in Toronto?

Mr. Heap: I thank my hon. colleague for his question, Mr. Speaker. I recognize that he has a strong background on this subject through his work in connection with official development aid through CIDA.

The question that he poses is one which I think should be addressed by a committee when this Bill, after second reading, is referred to committee. I would hope this very question would receive very close attention in the committee. Although I may not be a member of it, I would be interested if possible in attending and assisting in the work of that committee.

As to what could be done, I believe the answer has to be that the kind of conditionality traditionally imposed by the International Monetary Fund must be changed. Instead of conditions forcing countries to export more and therefore often to import more machinery, fuel, herbicides, fertilizer and so on, the conditions to be required by the IMF should rather concern the well-being of the people of a particular country, not the well-being of the IMF. Is the IMF following policies which enable people to eat better, to have schools for their children and to have decent houses? That is not expected all in one year, but is the IMF moving in that direction? If not, the IMF should seek ways in which it can move in that direction and not look at the balance of exports and the ability to repay debts.

A proposal was put forward by a number of people at a conference held in Oxford last month at which a Member from each Party in Canada attended. The debt repayments from Central America mostly owed to governments and multilateral groups should be retained in Central America in the Central American Bank and recycled for the development of Central America, particularly for projects that would encourage two or more countries to co-operate together.

A suggestion was made that a railroad could be built running the length of Central America, a revolutionary proposal, Mr. Speaker. There are railroads but there is no Central American railroad, only feeder lines running down to the sea. A railroad might help to bring those people together and avoid future wars. Projects like that could be considered by our committee for suggestion to the International Monetary Fund, and I hope they would be, Mr. Speaker.

Mr. Friesen: Mr. Speaker, the Hon. Member is suggesting that the countries in Central America should export less. It would seem to me that the logical result, since there would be fewer exports, would be that more and more of their products

would remain within a given country. Is the Member suggesting that each of the economies in Central America should then become internalized and that there be as little as possible trade with the outside world? In conjunction with that, how long can an economy last in any part of the world if it cuts down on trade and tries to improve its future only by trading within?

Mr. Heap: I thank the Member for his question, Mr. Speaker, because it is very pertinent. Mr. Siri pointed out yesterday that one of the most painful casualties of the economic recession has been the Central American Common Market. It is not only a question of whether countries will sell carnations to Canada, but they used to trade among themselves and there were complimentary activities in different countries.

Trade between the countries, which in the past constituted the driving force behind the industrial sector, has plummeted to the levels of the early 1960s, less than one-third of the values recorded during the peak period of 1979-80. It is not a question of whether they will trade, but what kind of trade. When good land is used to grow carnations for our entertainment and pleasure while children lack beans and rice so they can grow to adulthood, that is wrong. There is no justification for any kind of talk about trade which suggests that carnations for us are more important than beans or rice for children. People were producing beans and rice before we came to help them with the IMF. I think they feel that with friends like the IMF they do not need enemies.

Mr. Epp (Thunder Bay—Nipigon): Mr. Speaker, I have been appreciating the debate by the Hon. Member for Spadina (Mr. Heap). He has explored particularly the Latin American dimensions of the debt peonage in which people and many countries find themselves these days. It is a problem, and we are using the word frequently. It seems so far from us and it rarely receives much attention in the House of Commons. Today the Government has a Minister presenting the Bill and is expecting that it will go to a vote quite rapidly. I know the Member has had profound concern about these matters himself and has been involved with others in trying to arouse the concern of Canadians for much stronger action than this Bill proposes.

Could he tell us in the minute or two that he has something of his conclusions from that experience about the concern of Canadians for their brothers and sisters in other parts of the world and how that can be aroused. The Government in arousing Canadian support and support in the other industrial countries is going for much stronger action than the International Monetary Fund, a much better directed action with much larger resources than the International Monetary Fund appears ready to bring to bear.

Mr. Heap: Mr. Speaker, I thank the Hon. Member for his question. I want to answer on two points very briefly. There is a great deal of volunteer work being done by Canadians in Central America. Some of it is funded or assisted by CIDA. Some of it depends entirely on the churches or on other non-publicly funded non-governmental organizations. This shows that Canadians are very interested in what can be done in a practical way.

Second, some of our CIDA projects I believe are very good. I had an opportunity last year to visit a bee farm while in Nicaragua with the International Parliamentary Union. I saw a relatively modern type of bee farm, that is to say there were boxes such as we have here instead of hollow logs which were there before. African bees have to be watched more carefully, but they produce more, and together with that, a new kind of fruit, which probably grew there wild, is on the market and which is doubling in output since the beehives were brought in there.

• (1310)

The person who took me there is an apiarist from Alberta, one of the many people who had gone from Alberta to help the people in that region. He is an apiarist who was sent by CIDA to help farmers like that develop their land. He does not have a huge plantation of thousands of acres, he has about 40 acres, perhaps, and he feels he is doing very well with the technology that was shown to him by the Canadian apiarist. I think there are projects like that which could be multiplied many times over.

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, when this Bill came before us, I looked at it and it looked entirely innocuous. Had it been brought forward quickly, there might have been no debate on it at all. That is really too bad, and it says something about deficiencies in our process.

This Bill, which is an Act to amend the Bretton Woods and Related Agreements Act, is in fact of major importance. It provides the House an opportunity to discuss the debt crisis in the Third World, and of course, that is one of those issues which is important and in fact absolutely crucial to the future of our world but which this particular Parliament seldom if ever discusses.

When members of the public complain that we are a bit trivial and are worried only about what Minister is taking loans from whom or how many pairs of shoes so and so happens to keep in his closet or something like that, and why do we not talk about the important things, I would reply that today we have such an opportunity and I would hope that Members of the Progressive Conservative and Liberal Parties in the House of Commons would take the opportunity to discuss this very serious question.

Let us make no mistake. We are talking about some 120 less developed countries. Their debt now amounts to about one and one-quarter trillion dollars. A lot of that debt was run up during the 1970s during the oil crisis when there was a great deal of recycling of oil revenues which went through the banks of the developed, industrialized world and were then put into the less developed countries.

Unfortunately, for political or other reasons many of those loans have not proven to be particularly good. In particular, the ability of those countries to support that debt, to use it for development and to pay it off has been tragically undermined because of the change in relative commodity prices over the course of the last eight or ten years and because of the recession in the industrial world at the beginning of the 1980s. As well, it is because, dare I say it, of the fact that the major markets for goods, services and commodities that could be sold by the developing world, the markets in the industrial countries, have not been particularly receptive to the kind of growth those countries would have needed in order to maintain the debt that was almost forced upon them back in the late 1970s at the time of the oil crisis.

As my colleague from Cowichan—Malahat—The Islands has already indicated, the New Democratic Party is glad that this issue is being debated in the House of Commons through Bill C-126, and we are taking this debate very seriously. At the same time, we are uneasy about this Bill. It indicates the kind of priority the Government has given to the Bill. When the Government of Canada proposes to play its part in a $10 billion facility to help the poorest of the less developed countries, it does so in the form of a two page Bill which gives almost no clue in the explanatory notes as to what it is all about. I do not think that this subject deserves such paltry treatment as that.

This Bill provides for Canada to advance about $550 million Canadian, equivalent to about 300 million special drawing right units or SDR units of the IMF, to the International Monetary Fund for its Enhanced Structural Adjustment Facility, plus an additional $250 million in grants to the same facility.

This Enhanced Structural Adjustment Facility was agreed to at the Venice Summit meeting of the seven economic powers in June of 1987 and calls for a total enhancement of about $10 billion Canadian or 6 billion SDRs to provide funding to deal with the structural development programs of the poorest developing countries. There was already a facility in place that was begun in 1986. This is also known as a structural adjustment facility, and it had a value of 2.7 billion SDRs.

The idea is that the money in the fund will be lent at very low interest rates of one-half of 1 per cent by the IMF to the poorest countries in order to allow them to service debts and to maintain necessary imports. The difference between that and market interest rates will be made up by grants from the participating countries such as Canada.

As far as Canada is concerned, to some extent, we are committing foreign aid funds into the 1990s. The $250 million in grants for this facility will be used up in a few years, and we will be looking at a continuing commitment for this interest rate subsidy of perhaps $50 million a year as long as this Enhanced Structural Adjustment Facility stays in place.

As my colleague has already pointed out, this particular provision is a double-edged sword for the very poor countries. Advances from the International Monetary Fund will be accompanied by policy advice from the IMF relative to economic growth, deficits, export-oriented policies and privatization policies pursued by the developing countries in question. This means that this facility is a means for the western industrial nations to impose their agendas on developing countries. I will return to that in a few moments, because it seems to me that that is very important and could be and is very dangerous.

Let us look at the price the developed countries are paying in order to impose their agendas on large numbers of developing countries. It is not that great when one considers that the current total of Third World debt is about a trillion and a quarter dollars or $1,250 billion or thereabouts, and $10 billion in this enhanced structural adjustment facility is therefore less than 1 per cent of the outstanding amount of the debt. However, many of the less developed countries are so poor, so desperate, that they have no choice but to accept the money from the International Monetary Fund and the advice that goes with it. It seems to me that that is a matter about which we should express some very real concern.

My friend and colleague, a former NDP Member from Saskatoon, Father Bob Ogle, went with a Parliamentary Committee to Brazil a few years ago, and I met him when he came back. I asked him what he found, and he told me that he had been able, through his networks, because he served as a missionary in northern Brazil, to see people and to go places to which the committee would not have been taken by the Brazilian Government or even by our own diplomats because they do not know the areas that well.

He remarked that when he went to towns where he had worked 10 or 15 years earlier as a missionary, he went to the markets and saw what the people there were carrying home from the markets. I recall the conversation I had with him very vividly. He said: "If you are living at that level of development, then everything you can spend on food, you spend, so that when you go to the market and take your week's food home, you are taking everything you can afford. You have paid whatever else you have to pay in terms of rent or any taxes or other things you have to pay", and he said what people were taking home to their families in the early 1980s was only just over half of what they had been taking home 10 or 15 years earlier.

To me and to Father Ogle, that was a vivid example of just what is happening in that part of Brazil, a country which has substantial industrial development in the southern industrial area between Sao Paulo and Rio de Janeiro.

• (1320)

At a recent convention my Party took on this question of the agenda the IMF has been imposing upon the Third World. My Party does not always refer to its convention resolutions in the House of Commons, but this time I think it is particularly apt and deserves quoting. Policy (b)3(2) says in part that the IMF,

in pursuit of monetarist objectives, has imposed conditions upon Third World countries which have led to drastic devaluations of currencies, reduction of already low wage levels, elimination of food subsidies, and cut-backs in social services. Enforcement of these unpopular policies has required repressive internal security measures which are directly counter to development. At that point we, assembled in our convention, called upon the Government of Canada to respond positively to Third World proposals for immediate debt relief such as the repayment at a rate equal to a ceiling of 10 per cent of export earnings proposed by the President of Peru, Alan Garcia Pérez.

That was the proposal, but the situation we have now is such that it is estimated in the last five or six years there has been some $125 billion more sucked out of poor, less-developed countries in debt servicing and debt repayment than went into those countries. Those countries have perforce followed the script written by the IMF and the industrial countries in a way which I do not believe would be tolerable in this country.

Recently the Canada-Mexico parliamentary group met here. We talked at length about Third World debt. The people we talked to were representatives of the Popular Revolution Party, the governing Party for the last 50 or 60 years in Mexico, a country with an unusual form of democracy. The message they brought to us was that there have to be answers. The problems of debt servicing are killing Mexico, a country which is rather more advanced with a higher per capita income and higher standard of industrial development than many of the other less-developed countries.

During the period of office of the current President of Mexico, real wages for Mexican workers have tumbled by 30 per cent, 40 per cent or 50 per cent. The level of underemployment and unemployment is tragic. Even in the industrialized areas immediately adjacent to the U.S. border, workers are paid the equivalent of about 40 cents or 50 cents an hour Canadian. That is a good wage compared to the standard in the rest of Mexico.

When I got home last night I noticed an article in *The Ottawa Citizen* from *The New York Times Service* which talked about concern throughout Latin America, which was reflected when I met with the Mexican parliamentarians just a few weeks ago. A number of people, including economists from different Latin American countries, point out that over the past five years alone Latin America has financed $145 billion in debt repayment. What they are saying is that the IMF prescriptions have now been tested in 28 of the 32 Latin American and Caribbean nations, the policy of what is called investment through growth. That policy has produced adjustments but it has not produced growth. It has not produced an ability to solve the problems of those particular people. In fact, it has produced exactly the contrary.

I will give another example which would perhaps indicate the depth of the problem. The other day I was speaking to someone from Jamaica. There, because of import duties and conditions of life and that kind of thing, an ordinary man's shirt can cost $50 or $60. A Datsun automobile which might sell second-hand for $3,000 or $4,000 in this country costs $30,000 or $40,000. Of course, incomes are far lower there than here. That gives you an idea of the disparities that exist there.

The IMF, according to the Latin Americans, has four commandments: Get your prices right; balance your budget; open up the economy; and privatize. All at the same time. I would like to ask my colleague from Thunder Bay—Nipigon, or my colleague from Cowichan—Malahat—The Islands, or my colleague from Spadina, all NDP Members, where they have heard that particular prescription before. I know where we have heard it. We have heard it from Washington and Ronald Reagan. We have heard it from the United Kingdom and Margaret Thatcher. We have heard it from the Fraser Institute. We have heard it from all the gurus of the right in the U.S. and the U.K.

Mr. Friesen: You forgot Helmut Kohl.

Mr. Cassidy: It has created massive unemployment in the northern part of the U.K. It has made the U.S. the biggest debtor nation in the world. These nostrums of the right have not even worked in the developed world but they have been applied with a vengeance against countries too economically weak to fight back.

One of the reasons I raise this issue is the fact that our record on assistance to the Third World was relatively good. It is a heck of a lot better than that of the U.S. where development assistance is only one-half the portion of GNP that it is here. It is a hell of a lot better than in the U.K. when you note that Canadian development aid in sheer dollars is now greater than what Margaret Thatcher and her Conservative Government is prepared to devote around the world. That is shameful for a country which has had a great international mission as the U.K. has had for many years.

Canada provided leadership last year at both the Commonwealth Conference and the conference *la francophonie* in Québec when we effectively wrote down or wrote off hundreds of millions of dollars of government-to-government loans extended by Canada to countries in *la francophonie* and the poorest countries of the Commonwealth. We have shown some leadership, but we are not doing it here because there is no indication from the Department of Finance that the Government has said boo about the agenda to be imposed in this enhanced structurally adjustment facility. In other words, even if the Government, for political and other reasons, has now backed off its determination to eliminate the deficit at all costs, even if it is having second thoughts about its agenda for privatization when it finds Canadians do not want Petro-Canada privatized, even if it has been backing off some of the extreme right wing policies it hoped to bring in when it took office three and a half years ago for its first and last four years, it is supporting the Ronald Reagans and Margaret Thatchers when they say to the IMF: Let us make those poor

countries shape up regardless of the impact on people in the developing world.

I would have liked to see Canada really taking the lead. I note that the presidents of Canada's banks, who are not noted for being particularly socially enlightened, are now beginning to speak in a very strong way about Third World debt. Just the other day the chairman of the Royal Bank of Canada, in a speech in Los Angeles, urged that the Group of Seven meeting, the economic summit taking place in Toronto about a month from now, should give priority to the trillion dollar debt crisis of the Third World. We know the Prime Minister (Mr. Mulroney) has certain privileges in terms of setting the agenda for that particular conference.

• (1330)

[*Translation*]

Mr. Speaker, I would like to express the strong desire that our Prime Minister put the debt crisis of under-developed countries on the agenda of the meeting of the G-7 to be held in Toronto in a few weeks.

I note that Mr. Ritchie, the President of the Bank of Nova Scotia, also made the same request, that the Third World debt crisis be on the agenda of the Economic Summit.

[*English*]

I do not know how to say it strongly enough, but the figures and facts all point in the same way. We need a more human and humane policy by the International Monetary Fund. We need a recognition that one cannot get blood from a stone. The IMF's policies now are effectively implicating this country in ways which we could never tolerate here. We are saying to these countries that regardless of the starvation, the child prostitution, the family breakup and regardless of the other impact of policies the IMF is imposing, they are going to have to do it in order to get funds without which their country cannot survive. Literally, some of these countries are going to go bankrupt.

We need to have a more human and humane policy by the IMF and in the committee when this matter goes to the Standing Committee on Finance. My Party and I will be looking for commitments from the Government, far stronger commitments than we heard before. We will be looking to the Minister of Finance (Mr. Wilson) and his colleagues to press in the IMF, the World Bank, the United Nations, the G-7, the OECD, every form available, so that Canada will become a leader in the industrial word for humane policies that will stop this savage, repressive, industrial country, right wing agenda which the Thatchers and Reagans are imposing on the IMF, and which Canada is joining in having the IMF impose on 120 countries where the bulk of the world population lives, and where there is suffering to the level of starvation because of the economic policies of the developed world.

Mr. Manly: Mr. Speaker, Harry Golden, the American journalist, once said: "We are on a single ball of twine and if you follow it, everything kind of crosses and recrosses". I want to ask my hon. colleague about an issue about which he is very concerned, that is, the Canada-U.S. Trade Deal as it relates to this issue, and I will explain how it relates.

Part of the conditionality, the very strict severe conditions that are laid upon Third World countries, comes from the fact that the IMF has a limited pool of funds in its resources. The World Bank has very limited resources it makes available. When these institutions were set up under the Bretton Woods Agreement at the end of the Second World War, the United States was the major contributor and, therefore, the United States, of course, had the largest vote, because the votes are weighted in accordance with the contribution.

I was very disturbed to read in the Senate report on world debt published just last April that the United States is opposing any increase in the capitalization of these international financial institutions. It wants to keep the capitalization the same because it does not want to put in any more money itself. However, at the same time, it does not want to lose its veto over the way in which these funds are being used. In other words, the United States is not prepared to carry its weight with these international financial institutions, but it wants to throw its weight around.

How does my hon. colleague react to this in light of the fact that Canada will be going into a trade arrangement with the United States? What does that say about any kind of equality with the United States in being able to secure some kind of just arrangements when Canada faces difficulties?

Mr. Cassidy: Mr. Speaker, I think that good fences make good neighbours. I think if a country becomes too dependent on another country, it leads to very unfortunate things in terms of its foreign policy. Anyone who has been to the United Nations has seen the way certain Central American countries and Israel, I regret to say, vote faithfully with the United States, no matter what it wants them to do. They vote like lap dogs. I do not want to see Canada come to that point in the IMF or anywhere else.

You may recall, Mr. Speaker, a couple of years ago that U.S. Treasury Secretary James Baker proposed there be some additional resources channelled toward debtor nations. However, the managing director of the International Monetary Fund himself confesses, saying: "Look. This is the only way we can go. We have no other solution because the industrial countries are defining the policies that control the institution". As my friend, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), points out, the United States is playing a beggar my neighbour policy within the IMF. It will not allow the quotas to be increased because it does not want to put more money in itself. It is 20th in terms of the proportion of the GNP given to development aid of the major countries which are aid donors around the world. The U.S. donates only half as much a proportion of their GNP as does Canada, and a lot of that American aid is, I am afraid, motivated by ideology rather than perhaps directly by need.

If the IMF is now getting the message that there is no point in even trying to implement the Baker plan, that the Baker plan is dead, then where the devil are we? Do we have a sense of crisis here or not? Do we have a sense of the importance or, in this spaceship earth, are we of the view that we in North America can fly on our own in one direction while the rest of the world is allowed to starve? I hope my friend from Ottawa Carleton will talk about this as a man who has in fact worked in the Third World, to say whether he agrees with imposing Margaret Thatcher's policies on countries like Kenya.

Mr. Friesen: Mr. Speaker, the Hon. Member for Ottawa Centre (Mr. Cassidy), as well as the Hon. Member for Spadina (Mr. Heap) spent considerable time dealing with the poverty in Central America which is undoubtedly a crisis issue about which all of us are concerned. However, a year or two ago, General Umberto Ortega, who is Daniel Ortego's brother and the Minister of Defence, deposited in his bank account in Switzerland, account No. 58946 in Banque Nationale de Paris, $1.5 million in one fell swoop. How much was already in there we do not know and how much the other commandantes have in these Swiss bank accounts we do not know. Let us say they have none. Let us say it is just the $1.5 million. Does the Member not agree that given the impoverishment in Nicaragua itself, and all of us have seen it, it would have gone a considerable distance to alleviating the poverty and helping the reconstruction in Nicaragua if he had forgotten about the Swiss bank account and put that money into the economy of Nicaragua?

Mr. Cassidy: Mr. Speaker, I am not familiar with the allegations made by my hon. friend. He is a parliamentarian of long standing in this House. During the period prior to the Sandanistas taking over and the revolution in Nicaragua, some eight or nine years ago, I would wager that my hon. friend, despite his activity in parliamentary reform and that kind of thing, never once in this House of Commons raised a complaint about the way in which the Somoza regime had drained Nicaragua dry, how it had sucked the wealth out of Nicaragua, how it had taken the livelihood from men, women and children in that country over a period not just of years but of decades.

Mr. Dick: Two wrongs do not make a right.

Mr. Cassidy: The Associate Minister of National Defence (Mr. Dick) seems to think that General Somoza was okay, according to what he is saying.

Mr. Dick: That is not what I said. I said two wrongs do not make a right.

Mr. Cassidy: The American Government and the Canadian Government were complicit in that kind of thing going on. I have yet to hear, in my four years in the House of Commons, my friend, the Hon. Member for Surrey—White Rock—North Delta (Mr. Friesen) say once what I am about to say right now, that I think it is criminal that the United States should have cut off trade with Nicaragua, which had a thriving and effective trade in cattle and other agriculture products with the United States. It was helping to keep Nicaraguans alive and give them a standard of living.

The United States complained about the fact that Nicaragua was trading too much with the Soviet Union, but, of course, it was similar to the Cuban boycott 25 years ago. The United States left Nicaragua with absolutely no choice because it cut off its trade with United States. Even today with the peace process which is working in Nicaragua that has not changed. I call on my hon. friend to do what he can, as I can do what I can, in order to try to loosen up that situation and allow Nicaraguans access to their natural markets in all of North America, including the United States, so that all Nicaraguans can have a reasonable standard of living in peace and justice.

• (1340)

Mr. Heap: Mr. Speaker, the Hon. Member for Ottawa Centre (Mr. Cassidy) has mentioned the trillion dollar debt of these 120 Third World countries. I would like to ask him to comment on what was said by an economist at the conference on Central America yesterday. He said the only way they can pay that debt back is with a trade surplus. If those 120 countries among them have a trade surplus with other countries it means other countries have, according to this economist, a trade deficit. What he asks is which of the lending countries is willing to accept a trade deficit in order to enable those countries to have the trade surplus to repay the trillion dollars. I would ask my hon. friend if he can illuminate that problem.

Mr. Cassidy: Mr. Speaker, I can illuminate the problem. I am not sure that the developed world has really faced that particular problem.

I note that the United States sent 40 per cent of its exports to developing countries in 1981 but that it has lost more than half of these markets. One of the reasons is because the developing countries cannot afford to buy any more. That of course in turn helps to explain a great deal of the American trade deficit which is causing such problems. We are all in this boat together.

I wish to make one other point, too, which is addressed to the Hon. Member for Lanark—Renfrew—Carleton, the Associate Minister of National Defence the Hon. Member for Surrey—White Rock—North Delta and other Members of the Conservative Party. I do not know now why certain among them seem to line up uncritically with every tinpot right wing dicatator who is sapping his less developed country. One does not have to support that kind of thing in order to be a Conservative. A Conservative is quite able it seems to me to advocate Conservative policies without advocating the kind of repression of human rights which exist in those countries

which are often supported by the United States and, unfortunately, which are also often supported by policies which are being advocated by the International Monetary Fund.

I would like to see members of the Conservative Party join with us in expressing concern about the debt crisis rather than lining up on the other side.

Mr. Dick: You're an asshole, Mike. You don't know what you're talking about.

Mr. Cassidy: Mr. Speaker, I rise on a point of order. I believe the Associate Minister of National Defence should withdraw that word which I am sure is unparliamentary.

Mr. Dick: Whatever is the truth I would like to withdraw the word, Mr. Speaker.

Mr. Ernie Epp (Thunder Bay—Nipigon): Mr. Speaker, I appreciate the opportunity to join in this very important debate on Bill C-126. As my colleagues have already pointed out, this debate gives us a very important opportunity to consider the profound problems which have arisen in the developing countries in these last years, problems which began to develop in the 1970s and have during this decade reached tragic dimensions for country after country.

We here in Canada, whether Members of Parliament or so many of our citizens are often insulated from the situation that exists. However, I recognize in my own constituency of Thunder Bay—Nipigon some of the smaller communities, particularly those which are Indian reserves, about which the Canadian Government has done so little, that the Canadian people have failed so badly to recognize the challenges of development. There certainly are areas in Canada of misery. However, what has happened in one country after another of the so-called Third World during these last years is a tragic situation which the proposal of the Government has put before us will do little to resolve. In fact, one might say it will do nothing to resolve it. It may go some little way toward helping. But there is not here in these proposals any kind of a resolution.

After all, the Bill proposes to authorize contributions by Canada to an enhanced structural adjustment facility which will be operated within the International Monetary Fund-World Bank arrangements which date back to the Bretton Woods Conference of 1944. This facility, this pooling of a certain amount of western, industrial financial resources, to make available in the way of concessionary financing at very low interest rates to countries is on the right track. When it is such a limited facility, when it adds to the 2.7 billion in the way of special drawing right units that was put into an earlier facility in 1986, another 6 billion of these SDR units, an addition of some $10 billion, we have only very limited action when we recognize that the debt of the developing countries in fact exceeds $1 trillion U.S. My colleague, the Hon. Member for Ottawa Centre (Mr. Cassidy), has pointed out that it is $1.25 trillion of debt.

We in the Democratic caucus are profoundly concerned about the inadequacy of the arrangement. We are perhaps even more profoundly concerned about the failure of the G-7, the leaders of the industrial countries, including of course the Canadian Prime Minister (Mr. Mulroney), who in June of 1987 at the summit in Venice agreed to deal with the situation that faces us.

I am particularly concerned about the situation because of what has happened in sub-Saharan Africa and perhaps across the whole continent of Africa. We have among us of course people with various interests. My friend, the Hon. Member for Spadina (Mr. Heap), has a profound concern about the Central American and Latin American situation. I had the enormous privilege as an undergraduate student 25 years ago last summer of spending the summer of 1962 in West Africa as an Operations Crossroads Africa participant in a student group of largely American students, with one Mexican student. I was the Canadian in the group as it happened.

The dozen of us spent a month in a work camp in northern Ghana. We spent additional time visiting other parts of Ghana. We also spent a few days in Nigeria as well. I will never forget those experiences, which were among the most formative of my life, in sharpening my perception of the lives and the history of various peoples. It was an enormously exciting time to be in West Africa. Those were the days of independence. The Black Star stood proudly on the tower in Accra and President Kwame Nkrumah anticipated independence in country after country in black Africa. There was such enormous hope about what independence would enable the African peoples to achieve. There was even then some recognition of the economic ties that these countries were still living within. Economic neo-colonialism was certainly one of the concerns expressed in those days. However, there was all the excitement about development in Africa 25 years ago.

We would gather at public events, hold hands in a circle and sing John Donne's *No Man is an Island*. There in the reminder of the unity that a Canadian later on put in the language of the global village was something of the personal experience sharing with Africans in their hopes. John Donne reminds us: "—and therefore never send to know for whom the bell tolls; it tolls for thee". I ask this afternoon in debating this particular proposal whether among us there is much recognition of the fact that the poverty, the distress, the disease, the degradation, the death of thousands, of hundreds of thousands—millions in the cumulative sense—of people around the globe in these various countries, recognition among us that the bell is tolling and that it has its terrible overtones and consequences for us if we fail to recognize that reality.

• (1350)

These countries which looked forward to a great future of development have ended up falling into what can simply be described as debt slavery. The Hon. Member for Spadina spoke of debt peonage which puts it into the language of Central America. Here are whole countries ground down into

slavery under the demands of the western nations, the commercial banks, and that financial structure created at the end of the Second World War in order to bring prosperity to the world. That debt poverty and slavery that grips and grinds down so many of the people of this earth is the final commentary on the failure of the arrangements made in the mid-1940s.

The leaders of the industrial countries are maintaining the demands of the International Monetary Fund that the obligations incurred in the 1970s and the 1980s are met. There has been some forgiveness. The current Government deserves some credit for the forgiveness to the seven poorest African countries. In a large measure there is still the requirement that the payments be made. The payments can only be made if the countries have a balance in their trade in order that they can earn the foreign exchange required to make the payments. Consequently, exports have to be pushed and imports have to be cut back, and there should be a balance available in such circumstances. To some extent a government could decide to follow that course. In the Nkrumah days that Government did limit imports in order to ensure that foreign exchange was available for development purposes. That is not happening these days. That money leaves Africa, or the countries of Latin America, or the Asian countries, in order to meet obligations incurred in the 1970s.

Without spending any amount of time on how that happened, in facing up to the responsibility we have here, we ought to recognize that when the price of petroleum was driven up by OPEC in the early 1970s and the whole western financial system got busy with what it could do with all this money, which could not be digested or absorbed by the OPEC countries, it ended up as deposits in the western banks. Deposits are liabilities. What is wanted are assets, and assets are loans. Banks internationally, as they did in Canada in those years, were pushing loans to build up their assets in a wild rush to destruction. Now the leaders of the industrialized countries, the International Monetary Fund directors, and the World Bank are involved in trying to head off that destruction that follows from that type of activity.

Given our complicity, that of the leaders of the industrialized countries, and the leaders of financial institutions, and what happened in the 1970s and 1980s, surely in the circumstances of loans that were made that could not be repaid in any sensible manner, and loans that were not oriented to development which would not achieve the type of profits required to pay off the debt incurred, it is necessary to take up the need for action.

I will not take the time to indicate in detail how tragic the situation has become in Africa. When we recognize that the debt service has now reached the level of 50 per cent of Gross National Product, one recognizes the type of shackles on African countries. When one contemplates the fact that the level of per capita income fell between 1980 and 1986 by 10.8 per cent, this is the very opposite of development.

For many years, one of the most impressive countries in western Africa was the Ivory Coast. It has been quite impressive in using western financial resource connections with France, particularly to develop itself. From statistics of per capita income, in the 1980s the per capita income in that country has fallen by no less than 23 per cent. That is the personal experience of individuals in those countries in the debt slavery imposed upon them.

Does Canada have a responsibility? Surely the answer can only be yes. Does Canada have the possibility of doing something about it? I would suggest if we return to the origins of Bretton Woods, some Members may wish to look at A.F.W. Plumptre's account of the organization of the Bretton Woods system. At the time Canada played its part between the Americans and the British. John Maynard Keynes was the British negotiator who was pressing for international arrangements that would make it possible for Britain to continue after the war and to continue after the U.S. lend-lease credits were cut off so abruptly when the war ended in Europe. He hoped for the type of assistance for reconstruction that was required, and he did not get it. Canada did all that it could to assist in that. In fact, in terms of lending to Britain in 1946 and 1947, Canada did more than the U.S. by a large measure, in fact to such an extent that Canada ended up in financial difficulties in 1947, which were only resolved by a combination of Canada's getting a share in the Marshall Plan expenditures by the U.S. and developments in the petroleum industry.

The fact is that in 1947 the United States recognized responsibilities for Europe that it had not seen when it was negotiating the International Monetary Fund arrangements in 1944 and 1945. The U.S. recognized the necessity of the Marshall Plan arrangements for European reconstruction. That recognition seems to point the way to what is required now. Canadian recognition of what is needed, and Canadian pressure on the United States to change its policies to recognize, as my colleagues have been pointing out, that orientation to the market, privatization, the imposition of these economic policies that I have been denouncing on one country after another lead not to development, but a grinding down into abject poverty for those countries.

There are proposals on the table that have been put forward as against the proposals of Mr. Baker from the U.S. Secretary of the Treasury which are very limited and piecemeal. What is required is to start with the most fundamental truth for the industrialized countries. If these countries of the Third World around the globe are forced to put all their resources and all their foreign exchange earnings into keeping the western banking structure going, we will end up in depression. As the Hon. Member for Ottawa Centre (Mr. Cassidy) pointed out, the U.S. decline as an exporter through this decade has been based on the fact that if a country cannot export what will happen to its industry?

The first principle and understanding is to recognize that somehow or another we need to take the weight of the western financial system off those countries for our own survival and in

order to ensure that we are able to export, and do not see all the earnings of those countries ending up simply propping up the world banking structure.

I will end my comments at this point for lack of time. It is that type of wisdom that we have not seen from the Government which is so desperately needed for our sake and for the sake of the people of the entire earth.

[*Translation*]

Mr. Deputy Speaker: It being two o'clock, the House will now proceed to the consideration of private members' business.

PRIVATE MEMBERS' BUSINESS--MOTIONS

[*Translation*]

SOCIAL ADVANTAGES

SALARY INSURANCE PROTECTION FUND

Mr. Jean-Guy Guilbault (Drummond) moved:

That, in the opinion of this House, the government should consider the advisability of establishing a special salary insurance protection fund or corporation, responsible for ensuring that workers will get salaries owed to them at the time when the Canadian enterprise where they are employed has declared bankruptcy.

—He said: Mr. Speaker, I want to thank you for this opportunity to present a motion that has been postponed several times, for various reasons, especially since Friday is not a day generally used to discuss Private Members' Business.

Mr. Speaker, I may add that after my motion was put on the Order Paper, there was a great deal of consultation, and the Government reacted favourably, since the Minister of Consumer and Corporate Affairs (Mr. Andre) said in the House this week that he expected to be able to introduce a bill, before the end of the next session, of course.

I would now like to explain my reasons for presenting this motion. First of all, corporate bankruptcies in Canada come under the Bankruptcy Act. This legislation, which came into effect in 1949, is now completely obsolete. Since 1970, various governments have, on six occasions, failed in their attempts to revise this Act. I think you will agree that protection of salaries in the case of corporate bankruptcy or receivership is an area where reform is badly needed, because workers are always hardest hit when factories close down. Any money they do receive is often paid many months later and generally represents only a small percentage of the amount owing.

Often, in cases of bankruptcy, the assets are not sufficient to pay secured creditors, so that there is no money left to pay the salaries of workers.

Mr. Speaker, improvements to this legislation have been in the works for twenty years, and during that time, just imagine how many workers, suddenly were out of a job that gave them a good living, lost their last week's wages!

As it stands today, the Bankruptcy Act ranks wage claims just before unsecured creditors. This means that wage claims rank only fourth and cover only wages due for services rendered during the three months immediately preceding the bankruptcy. The maximum amount of such claims is only $500.

Furthermore, bankruptcy procedures may take a very long time. It often takes months and even years to wind up a bankruptcy. However, the worker who has just been laid off and is unemployed needs those wages more than ever before. Unfortunately, the existing legislation does not provide for any compensation during that period.

Mr. Speaker, the inadequacy of these provisions has been an acknowledged fact for some time. Unfortunately, nothing has been done to remedy the problem. On May 5, 1975, Bill C-60 was tabled in the House of Commons. It proposed to give wages priority over any other secured or non-secured creditors, up to a total of $2,000 per employee. This kind of privileged treatment, known as top priority, would have given wage claims absolute priority, in other words, priority over any and all secured debts.

In its report on Bill C-60, the standing Senate committee responsible for bankruptcy indicated that giving wages top priority would substantially disrupt the business credit system. There are several reasons why the top priority clause is not the best way to protect wage-earners' rights. First of all, the clause would not guarantee absolutely payment of wages owing by a bankrupt business. In fact, the remaining assets of a company might not be sufficient to cover total wage claims. Furthermore, top priority for wage-earners would not necessarely guarantee speedy payment. In fact, it might take quite sometime before wage claims could be paid, since the sale and disposal of the assets of a bankrupt company can be a very lengthy procedure.

Furthermore, the courts would have to settle disputes and solve problems, which would likely prolong the process. A clause giving this top priority would not ensure that the employee could immediately obtain the funds needed to hold out until he finds work. The top priority clause is also very inconvenient, administratively. All money paid to the employee would have to be taken from the amounts owed to secured creditors. They too have deadlines to meet and they want to be paid. Distributing the salary claims payable would require a very complicated formula. For these reasons and many others, the top priority clause, although very attractive at first glance, is not the best way to protect employees of a company that goes bankrupt.

This was admitted by the Senate Committee, which recommended as an alternative the creation of a government-managed fund under the Bankruptcy Act to guarantee payment of wages owed when an employer declares bankruptcy. This proposal of a managed fund seems to have had the support of the Government of the time. The then-Minister of Consumer and Corporate Affairs, who is here today, the Hon.

Member for Notre-Dame-de-Grâce—Lachine East (Mr. Allmand), said, "If it can be shown to be justified, a funded insurance formula would obviously be the most desirable solution." However, nothing was done at the time. Bill C-12, presented in 1980, was another attempt to reform the Bankruptcy Act. In 1981, a committee chaired by Mr. Raymond Landry, now Dean of the Faculty of Law at the University of Ottawa and former Bankruptcy Superintendent, was charged with finding ways to protect employees.

In its report presented in October 1981, the Landry Committee recommended creating an employee protection fund. Despite the recommendations of the Landry Committee, Bill C-17, presented in 1984, contained essentially the same provisions concerning employees as Bill C-12. However, it was later amended to give priority to salary claims. Since Bill C-17 died on the Order Paper, we are still left with this old 1949 law, which, as I already said, protects employees very badly. It is precisely because I feel that this situation cannot continue that I have moved my motion.

In 1984, employees of bankrupt companies lost about $10 million in wages. Can you imagine, Mr. Speaker, how frustrating it must be for a worker to lose not only his job but even the wages earned over the previous weeks?

What impact does this have on the lives of the spouse, the children and the friends? If it's a company which provided a high percentage of the area's jobs, have you thought of the impact on local businesses? If there is no solution in view in that kind of a situation, then anxiety, terror, anger set into people's minds. This is generally what happens, and it becomes a tragedy. Sometimes, workers learn through the media that their business has been forced into bankrusptcy by a creditor. And the same evening the door is locked—no more pay, no more jobs! Sometimes, the misery last longer. A first pay cheque bounces, and as things go at the bank, the second goes through—the company makes promises, they ask for some time, one cheque goes through—two, three or six weeks go by, with every one on eages, and it happens again. What kind of an atmosphere does that create in a home? It must be kept in mind, Mr. Speaker, that we are living in 1988. At any rate, whether employees learn of their plight suddenly or they started wondering a few weeks or a few months earlier, the result is always the same. With the loss of job, the loss of earned income, it is the last straw.

Often the average worker will make small purchases on credit, especially in small towns where everyone knows everybody else, indicating to the store owner he will pay up on his next pay day. And all of a sudden his pay cheque bounces at the bank because the company is no longer solvent. You can imagine what kind of mess that worker finds himself in.

Hon. Members no doubt will recall Maislin Transport's demise in March 1984. That was a very good example of the lack of protection afforded by the Bankruptcy Act in the area of wage claims. More than 1,000 workers at that time went through hard times and sustained substantial financial losses. All the 1160 Quebec and Ontario workers of that company could finally obtain in settlement of their wage claims was a meagre 35 cents on the dollar. To allow the same situation to happen again is simply unacceptable.

Mr. Speaker, the Hon. Member for Laurier (Mr. Berger), on March 21, 1984, said in this House, and I quote: "Recent events surrounding the Maislin bankruptcy settlement of unpaid employee's back salaries poignantly illustrate the immediate urgency for a new Bankruptcy Act providing wage protection for workers".

During the last election, Mr. Speaker, I met people who had suffered as a result of these corporate bankruptcies. In my riding as in all the other ridings in Canada, unfortunately, bankruptcies happen much too often. In the Drummond riding, some workers have incurred great losses. In August 1984, I was advised that a group of workers who had lost their jobs nearly one year before because of a bankruptcy, had received none of the wages they were entitled to. Yet, it was a supposedly prosperous business which had gone bankrupt and lost $5 million.

Mr. Speaker, I should like to emphasize that in the Drummond riding, between 1981 and 1984, over 1,500 industrial jobs were lost because of corporate bankruptcies. I remember that during the last election quite a number of Saint-Cyrille-de-Wendover owners with very large farms had gone bankrupt. As you know, today, our farmers investments are enormous. Each of these farms is worth over $1 million. Between 1981 and 1984, 40 per cent of the farm bankruptcies were in Central Quebec. You will understand that if we add these jobs lost to the 1,500 which I have just mentioned, it is a fairly enormous proportion. How much money do all these salaries lost combined represent? And how much distress was caused because the legislation was entirely inadequate?

You appreciate now the reason why I moved this motion and its importance, Mr. Speaker. A salary insurance protection fund would be a good social policy.

If I may, I should like to refer to only two cases of corporate bankrupcies. There is the case of Sincère Manufacturing Inc., a jeans manufacturer whose 300 employees agreed in 1982 to plow back into their company their vacation pay worth more than $80,000. They thought their gesture would help their company with its debt problems. Despite this, the company went into bankruptcy for some $700,000 and, a few weeks later, the employees lost everything: their money, their job, even their jeans.

The same thing happened in the case of Destel Inc., makers of kitchen-cabinets. After a period of substained growth, the company decided to reinvest more than a million dollars in a major project. The 1982 recession hit hard this industrial sector, and within 15 months, the company went into bankruptcy for 2.5 million dollars. Despite a recovery plan and the involvement of 125 workers, the employees lost their jobs and their money.

Mr. Speaker, the people of Canada, of Québec and of Drummondville should not have to face such situations. The British North America Act of 1867 gives Parliament the right to legislate in matters concerning and I quote, "bankruptcy and insolvency". As I mentioned, however, in this area, the federal Government has only enacted the Bankruptcy Act which, to say the least, is outdated. That is why some provinces, given this legislative void, have tried to protect the rights of wage-earners by enacting legislation concerning receivership and bankruptcy.

In 1975, the *Office de la construction du Québec* set up a fund to guarantee the payment of wages in the event of bankruptcies, insolvencies, disposal of personal assets and proposals of arrangements. This fund is financed by Canadian employers throughout Canada. Considering that there are approximately 12 million workers in this country, a contribution of about $2 per year by both employees and employers would be enough, whatever the industry, to create an insurance fund of some $50 million.

I suggest that there seems to be a consensus throughout Canada concerning this. Already, a number of provincial Governments have taken action, Manitoba and Ontario for instance. This trend can also be found at the international level. More and more industrialized nations have combined their priority status of salary claim scheme with another scheme providing for salary insurance protection for the payment of wages and other claims. Now over 20 industrialized nations have funds of this type.

Are we less civilized or compassionate than France or England? Most other industrialized nations have already taken steps to deal with salary protection in the event of a bankruptcy. Although it has been faced with this problem for a long time, Canada is still far behind, so far in fact that a number of provinces had to somewhat make up for that delay.

Mr. Speaker, I think it is time for us to remedy the situation. The time has come to implement a scheme to protect workers when their employers go bankrupt.

In view of the opinion expressed by several Parliamentary commissions and committees, both federal and provincial, in view of the leadership shown by member countries of the European Economic Community and the trend which already exists at the provincial level, it seems obvious that the best way to provide this protection is through the establishment of a salary insurance protection fund.

That is what I suggested in my motion, Mr. Speaker. This fund could be financed equally through contributions from both employers and employees and to achieve this aim, the amount of theses contributions does not need to be high. Red tape could be avoided by having the Unemployment Insurance Commission administer the fund. The UIC has the administrative mechanisms required to do the job and, as it happens, it already administers the Farm Credit Corporation AGR-3235 program under which a farmer is eligible for a sizeable amount the very day he declares bankruptcy. He also gets assistance, training and counselling provided by a manpower centre consultant. The man goes right back to work and cannot be said to be flat broke, Mr. Speaker.

In conclusion, I believe the establishment of such a fund would make it possible to achieve most of the objectives. Payments would be guaranteed and made quickly, and fund administration would be simple and not costly. In addition, any priority given to wage claims would not really prejudice the availability of credit for Canadian companies.

Mr. Speaker, this problem is harmful to millions of Canadian workers, and it can be solved without upsetting everything. We must dust off our antiquated bankruptcy legislation and give Canadian workers the protection they deserve.

This Government is on the verge of doing whatever is necessary to overhaul the bankruptcy legislation, and I would suggest that my motion is one of the major elements of the reform. I am confident it will rally the support of all Hon. Members.

• (1410)

[*English*]

Ms. Marion Dewar (Hamilton Mountain): Mr. Speaker, I rise to support the Hon. Member For Drummond (Mr. Guilbault) on his resolution. I want to thank him for bringing it forward because it is very important. We are dealing with a very antiquated bankruptcy law one which goes back to 1949. There have been many attempts in the past to try to bring amendments to the law or to revamp the bankruptcy legislation. This has not been done because it always seems to fall between the cracks at the end of a parliamentary session or what have you. Especially in the 1980s many employees have through no fault of their own lost everything. As the Hon. Member has said, social pressures happen to a family when a bankruptcy occurs, which are very serious.

• (1420)

In the last six months, 10 firms in my community have gone bankrupt. There has been absolutely no evidence of any kind of help for the employees involved, and certainly they are lowest on the priority list. There is no guarantee that they will get anything. It seems to me that it would make an awful lot of sense to look at some kind of legislation that would protect salaries.

New bankruptcy legislation should establish some kind of special salary protection fund and compensate workers for wages lost due to bankruptcies. When a company starts going into bankruptcy, the situation in the workplace is not always pleasant and there is a tremendous amount of tension. It becomes impossible for employees to put a little more effort into their jobs because their own worries and anxieties about what can happen to them take away from trying to save the companies involved. If the employees could put all their energies into trying to save the companies knowing that there was protection, it would be a great help.

France and Sweden have salary protection insurance schemes and it does not cost very much. It does not cost very much but it does work. If something like that could be implemented in Canada, I think this Parliament could be very proud of itself.

Canadian legislation does not see working people as a high priority. The bankruptcy law was brought in in 1949 and ignored the needs of the employees when companies went bankrupt.

In my community, major plants have closed, and we are still waiting for the Government to bring forward some kind of legislation that will help older workers. For those who are between 45 and 55 years of age, it is often very hard to get back into the workforce after jobs disappear. We as legislators have to deal with the majority of the people, and the majority of the people in Canada are working people. Certainly our laws should protect those people. We would do this if this resolution were implemented into legislation.

This is something New Democrats have been looking for over the years. In 1980, a Senate committee recommended that kind of legislation. Again, it fell between the cracks. I suppose that the Parliament of the day prorogued and by the time the new Parliament came in, it was no longer a priority.

Again, I would like to commend my hon. colleague for bringing forward what I think is a really important issue and something that should become a priority of this Parliament. It would not be very difficult to implement quite quickly legislation that would protect workers. It would not take very long to get the agreement of all Parties in the House on this. There are some things we do not agree on, but I think we could get agreement on something like this and quickly pass it. We would be leaving a legacy in that for the first time in 40 years, we would bring forward this kind of an amendment. It would not be very difficult to do, but it would change the lives of many working people.

In February of 1987, the Hon. Member for Nickel Belt (Mr. Rodriguez) introduced a Bill to change the priority of payments of claims so that wages and salaries of employees would be protected to a limit of $9,000. This resolution calls for something like a national insurance fund paid for by all employers in Canada. It would not cost very much, and they could get a very good return on this investment. When things get tense in the workplace, employees are more productive if they are secure.

I have read editorials in Canadian newspapers dealing with how antiquated our bankruptcy laws are and how important it is to protect employees. Such legislation, however, still has not come forward. I certainly think that such legislation is long overdue.

I do not think that we would see any major opposition to such a proposal from employers. There have been enough hills and valleys in Canadian business life in this last decade that the employers realize the kinds of risks they take. It is important that they are able to protect their employees. As well, employers can be fairly open with their employees about the risks they are taking if they know that security exists, and it would be easier to build a team spirit which is so often important, particularly for small business.

With such legislation, not only would we help employees but we would reinforce the attitude that people are important, we do not simply treat them as commodities and then toss them aside when companies go bankrupt. We would be saying that our public policy cares about people who work and respects the dignity of work. We think it is important that that kind of attitude should exist.

I see in this resolution something that would have protected many people in my riding. I hope that we do not stop at bankruptcy but look at programs that provide assistance when plants are closed as well. Many plants in my riding have been closed, including Firestone, and now another one. I do not think the workers there will get benefits. Canada Packers in Winnipeg closed as well and the workers' severance pay has been cut off. Again, we have the attitude that the workers are not important, and I do not think that that is a Canadian value. The Canadian value is to treat people with dignity, and we want to make sure that when that work ceases through no fault of their own, the workers can continue on in some way.

Very often, homes are lost, families are dislocated and there is a tremendous amount of social pressure. That is what happens when employment is lost. We need some way to bridge that, and I think the resolution the Hon. Member has put forward is the first attempt to bridge that gap.

On behalf of the New Democratic Party, I want to say that we would support any kind of legislation that would flow from this resolution. It would be a step forward. However, I would ask the Hon. Member to support us when we deal with severance pay legislation and older worker readjustment programs. I see those as part and parcel of sudden unemployment.

Many people in my riding have applied for work, but because they are older, people would not hire them. They have given up and have become social dependents. That is not what we want to see when people have put 30 or 35 years of work into society.

I would conclude by saying that this is a first step in very important amendments to the Bankruptcy Act. The entire Act must be revamped because it is archaic. It was antiquated when it was brought in, and I do not think this Government has to feel responsible for that, but I would certainly like to see it do something about it. This resolution is an important amendment that could be brought in very quickly.

[*Translation*]

Mr. Édouard Desrosiers (Hochelaga—Maisonneuve): Mr. Speaker, let me take a few minutes to congratulate the Hon. Member for Drummond (Mr. Guilbault) who tabled today what I consider to be a very important motion.

You know, Mr. Speaker, that for several years several members from all political parties have addressed the issue and it is well known that the Liberal Party has always turned a deaf ear to the recommendations made in this Chamber.

So, I will not be long, Mr. Speaker, for I know that after a certain time this motion cannot be passed. I will sit down with great pleasure and as the seconder of the motion, I congratulate the Hon. Member for Drummond (Mr. Guilbault), and I wish him luck with it.

• (1430)

Mrs. Monique B. Tardif (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like first to congratulate my colleague from Drummond (Mr. Guilbault) for his motion to the effect that the Government should consider the advisibility of establishing a salary insurance protection fund, responsible for ensuring that workers of a bankrupt business will get the salaries owed to them.

Mr. Speaker, I would first like to say that I agree completely with my colleague, that the present bankruptcy legislation is obsolete giving no adequate protection to the worker whose employer is bankrupt. I agree with my colleague on another point: the absolute priority is not a practical solution for reasons he mentionned.

As to the solution he puts forward today, namely the establishment of a salary protection fund for workers, it is along the same lines as the solution recommended by the Senate committee which examined previous legislation and it is also similar to the solution put forward by the Advisory committee on Bankruptcy and Insolvency in its report published in January 1988, and to what the Government will propose.

Although we can say now that the details concerning the operation of the workers protection fund still needs some refinement, the protection of workers is paramount in the reform of the Bankruptcy Act which the Government is about to table.

Finally, Mr. Speaker, I can say that the Government is not prepared to let the bill end up where the six others did. We are now consulting all interested parties, among others the provincial and territorial governments, the Canadian Federation of Small Business, the Canadian Bar Association, and the ACEF of Quebec. These consultations will enable us to put the finishing touches and, hopefully, the bill will be tabled in the not too distant future.

Mr. Speaker, I might add that the bill the Government has in mind will not be a major overhaul of the legislation, but for openers it will deal with five or six issues which we think are much more urgent, so perhaps I might just mention them: first, protection for wage earners; second, secured creditors and receiverships; trade reorganizations; consumer arrangements and bankruptcies; preferred claims, including those of the Crown and, finally, amendments of a technical nature.

Mr. Speaker, such are the priorities of this Government, and I can say how very pleased I am that the Hon. Member chose to present this motion to the House. I hope the Bill will be up for consideration as soon as possible.

Mr. Deputy Speaker: Is the House ready for the question?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

(Motion agreed to.)

Mr. Deputy Speaker: Is there unanimous consent to call it three o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Accordingly, it being 3 p.m., this House stands adjourned until Tuesday, May 24, at, 11 a.m.

The House adjourned at 2.36 p.m.

HOUSE OF COMMONS

Tuesday, May 24, 1988

The House met at 11 a.m.

Prayers

POINT OF ORDER

ABORTION—PROPOSED MOTION (MR. LEWIS)

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on a question of privilege.

Mr. Speaker: I would like to advise the House, further to the call on a question of privilege by the Hon. Member for Windsor West (Mr. Gray), that I have received two letters. One is from the Hon. Member for Windsor West and the other is from the Hon. Member for Oshawa (Mr. Broadbent). They are with respect to the same matter, that is, the proposed Government House order with respect to the abortion issue.

I want to advise both Hon. Members and the House that I view these as points of order, although there may be a tangential argument on privilege. At the moment, I view them as points of order.

I also want to indicate to both the Hon. Member for Windsor West and the Hon. Member for Oshawa that I have given this matter a good deal of consideration over the weekend with respect to the question of whether procedurally this is the time for the Chair to make a ruling. I want to advise both Hon. Members and other Members of the House that it is the opinion of the Chair that this is not the time to make a definitive ruling on the important matter that is raised here. However, it is to say that this morning I would appreciate it if both the Hon. Member for Windsor West and the Hon. Member for Oshawa would address the Chair giving the parameters of their point, but to do so briefly.

None of what takes place this morning will in any way take away from the full right of all Hon. Members to a full argument on this issue at a later time. I have to point out at the moment that the matter which is complained of may of course never come in front of the House in the form in which it is, or for that matter in any other form. That is why it is premature at the moment.

Rather than take up the time of the House this morning in a full argument, and I do not think as yet I am procedurally in a position in which I should make a decision, I would ask, first, the Hon. Member for Windsor West to address the Chair. As I say, I hope with the co-operation of the Hon. Member he will do so not too extensively. The same applies to the Hon. Member for Oshawa.

Mr. Gray (Windsor West): Mr. Speaker, in my remarks I will pay great heed to what you have just said. I hope that in considering what I say in the context of a point of order Your Honour also will allow me to deal with the matter somewhat more broadly. I respectfully submit we are dealing here not only with a point of order as such but something that deals with the very privileges of this House and of its Members.

Late Friday afternoon of last week the Government tabled a motion with the Clerk. The motion, as I read it, is intended to allow the Government to suspend the ordinary rules of the House, the Standing Orders, and the usual practices of the House so that it can force the House and its Members to deal with a motion on the issue of abortion in the manner the Government desires. This motion was tabled without any prior consultation on it with the opposition Parties. It certainly does not have their consent.

• (1110)

In part the motion states:

> That, notwithstanding the Standing Orders and the usual practices of the House, the motion and the two amendments listed here under in relation to abortion (designated as Amendment A and Amendment B), shall be transferred and listed under Government Business under Government Orders on the *Order Paper and Notices* and shall be deemed to have been moved and seconded and shall be ordered for debate at the next sitting of the House as a single Government Order; and
>
> That, in the debate on the said Government Order, each Member may speak only once, but may speak to the motion and both amendments, for a maximum of twenty minutes, followed by ten minutes of questions and comments, with such time limits to apply to the Minister of the Crown speaking first in the debate; and that no amendment to the motion or Amendment A or Amendment B be receivable following the adoption of this Order . . .

In short, the motion takes the unprecedented step of limiting the number of times a Member can speak on the question of abortion, even before the debate begins on that question, and before there is any indication of how long the debate is likely to go on. It also takes the unprecedented step of taking away the rights of Members to propose amendments to the Government's own motion.

This motion that the Government wants to put forward has nothing whatsoever to do with the matter of a so-called free vote. There is no reference anywhere in the Government's motion to the idea of a free vote. The words appear nowhere in that motion. I also wish to point out that the Standing Orders do not refer to the concept of a free vote. Instead, in the

traditions and practices of the House, a free vote is something decided upon by each Party and its Leader with respect to how they as a group will deal with the question. It is not something to be decided upon by the order of the Prime Minister (Mr. Mulroney), or by a vote in the House. It is a matter of the individual decision of each Party and its Leader.

I submit that, by tabling the motion that I have quoted in part, the Government is not only breaching the rules and the practices of this House, but it is also breaching the fundamental privileges of the House as an institution, and the privileges of all its Members.

It is a result of the far-reaching implications of this matter that I gave notice that I intended to raise it at the first opportunity today rather than at some later point. We are dealing here with the type of matter that is so important that it is dealt with first at the very beginning of our rules in Standing Order 1, which states:

> In all cases not provided for hereinafter, or by other Order of the House, procedural questions shall be decided by the Speaker or Chairman, whose decisions shall be based on the usages, forms, customs and precedents of the House of Commons of Canada and on parliamentary tradition in Canada and other jurisdictions, so far as they may be applicable to the House.

With your permission, Mr. Speaker, I do wish to say a word about the definition of privilege. As we know, Erskine May's classic definition is:

> Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals. Thus privilege, though part of the law of the land, is to a certain extent an exemption from the ordinary law.

Let me also quote Redlich who asserts:

> The particular privileges of the Commons having been defined as: "The sum of the fundamental rights of the House and of its individual Members as against the prerogatives of the Crown, the authority of the ordinary courts of law and the special rights of the House of Lords".

In presenting its Notice of Motion, the Government is not merely attempting to put before the House a motion that is not procedurally acceptable, it is also insinuating a process that is completely foreign to and obnoxious to the practices, usages, and privileges of the House as built up and defined over centuries in both Canada and other parliamentary democracies. In light of Standing Order 1, I say that what the Government is doing is both contrary to the privileges of the House and to the Standing Orders themselves. In its Notice of Motion and in its partisan zeal and arrogance, the Government is attempting to use its overwhelming majority to limit the debating rights of Members of the House, while at the same time proposing to lessen the role of the House by asking it to pass upon unclear propositions which the Government itself defines and insists be the only ones to be voted on by this House.

Another Parliamentary authority cites an old parliamentary maxim which I submit is appropriate to this case, and I quote:

> That nothing tended more to throw power into the hands of Administration, and those who acted with the majority of the House of Commons, than a neglect of, or departure from, these rules—That the forms of proceedings, as instituted by our ancestors, operated as a check and control on the actions of Ministers; and that they were, in many instances, a shelter and protection to the minority, against the attempts of power.

It is bad enough that in its motion the Government attempts to limit the opportunities of Members to take part in this debate before the debate even begins, and before there is any indication that the debate would go on in a manner that Members may decide is undue or excessively lengthy. What is most repugnant about what the Government is attempting to do is that it is attempting, in an uncalled for and unprecedented manner, to limit the right of Members to offer amendments. Erskine May clearly defines the purpose of amendments as follows:

> The object of an amendment may be either to modify a question in such a way as to increase its acceptability, or to present to the House a different proposition as an alternative to the original question.

In contrast to every known parliamentary practice, the Government seeks to limit Members from placing before the House any other alternatives for consideration than the ones put forward in the Government's own motion or, even more contrary to parliamentary practice, to prevent Members from offering amendments that would seek to clarify what, in the minds of some Members and perhaps even many people in the general public, are the rather vague motion and amendments that the Government is claiming defines all the options on this issue of abortion.

It is true that, in recent years, the House of Commons has found it necessary from time to time to temporarily modify its procedures to accommodate certain debates and to provide for the orderly consideration of alternatives. The debate that has just begun on the amendments to the Constitution are a good example. The special order governing that debate was first adopted by unanimous consent of all the Members. Second, and most important, it specifically safeguarded the rights of all Members to offer what they considered to be appropriate amendments.

In this case, that is not what the Government proposed to do. It now proposes to use its majority to force upon the House a procedure that completely prohibits other Members from offering any amendments that they consider appropriate, and thereby inhibits the House from exercising its right and responsibility to attempt to pronounce itself clearly on an important public issue.

As we can see from the government's motion, on this issue the Government is seeking to force upon the House three options which many may consider to be limited and ill-defined, and to claim that somehow this will result in a free and constructive decision by Members. In the process it attempts to stifle free debate and to eliminate the kinds of choices that Members had in the past in this House been called upon to make and have been willing to make. It seeks, unilaterally, to limit free speech while claiming to do the opposite.

• (1120)

The notice of motion which the Government has put forward is clearly contrary to the usages and practices of the House and, therefore, contrary to the Standing Orders as well as to the privileges of the House. I remind you, Mr. Speaker, of the words of Standing Order 1. You, Sir, have the power and, indeed, the duty to refuse to put the Government's motion to the House. Beauchesne's Fifth Edition, Citation 120 reads:

> Foremost among his many responsibilities, the Speaker has the duty to maintain an orderly conduct of debate by repressing disorder when it arises, by refusing to propose the question upon motions and amendments which are irregular, and by calling the attention of the House to Bills which are out of order. He rules on points order submitted to him by Members on questions as they arise. Many powers have been vested in the Speaker by virtue of the Standing Orders.

Citation 424(3) reads:

> It is the Speaker's duty to call the attention of the mover and of the House to the irregularity of the motion; whereupon the motion is usually withdrawn or so modified as to be no longer objectionable. If the motion is of such a nature that objection cannot be removed, the Speaker may refuse to put the motion to the House. He treats it as a nullity.

These citations clearly impose upon the Speaker the responsibility for refusing to permit the Government to proceed with its motion. I say, Mr. Speaker, that the mere submission of the notice of this motion would appear to be both a breach of the rules, a breach of the privileges of the House, and contempt for its rights and immunities.

We are dealing here with a situation where the Government is attempting to override a basic concept of our parliamentary democracy, that is, the House belongs to all its Members. It does not belong simply to those Members who happen to be, for the time being, Ministers. It does not belong only to those Members who, for the time being, are supporting the Government. It belongs to all of its Members. The Members who are in the minority in this House who are in the Opposition have rights which, under the concept of parliamentary democracy, fall upon you, Sir, particularly, to defend and to protect. The Government's concept of democracy is foreign, as it is expressed in this motion, to the rules, to the traditions of this House and of parliamentary democracy.

Mr. Mayer: How can you be against a free vote?

Mr. Gray (Windsor West): If the Government succeeds with this motion, it will rip out the heart and the guts of our parliamentary traditions and democracy.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Chair fully appreciates the importance with which Hon. Members deal with this matter. As I say, I have asked spokespersons for both the Official Opposition and the New Democratic Party to give me briefly the parameters of the issue as they see it. I think the Hon. Member for Windsor West has done that most explicitly, and I would ask him to conclude his remarks.

Mr. Gray (Windsor West): I will conclude my remarks, Mr. Speaker. I want to say that you have a special role to protect the traditions and privileges of this House. You have a special role to protect minorities in this House. You have a special role to make sure that our parliamentary democracy, its spirit and its traditions remain. The Government may be claiming to be operating on a basis of democracy, but what it is doing is following a course of action which, I submit, will leave an outward shell and nothing else. The Government takes great credit for supporting parliamentary reform.

What it is saying and showing through this motion is that the Government really does not believe in parliamentary reform. I do not think the Government really believes in the concept of parliamentary democracy because if it did, it would not attempt, in advance, to limit the Members' rights to speak and the Members' rights to offer amendments.

By way of conclusion—

Mr. Speaker: By way of conclusion.

Mr. Gray (Windsor West): By way of conclusion, Mr. Speaker, I say that what the Government wants to do is clearly contrary to the Standing Orders of this House, particularly Standing Order 1. The traditions and precedents which Standing Order 1 covers are valid, binding and relevant in the operations of this House.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the motion which the Government would like this House to be dealing with, if it should be proceeded with in this House, and I stress that, and debated in a serious way as the Government wants, would be a denial of the most fundamental rights of parliamentary democracy rather than a triumph of parliamentary democracy.

The reality is that this Government is now trying, by using a procedure that has not been used in 105 years, to get away with what it clearly understands is unacceptable in terms of the current rules of the House of Commons.

[*Translation*]

Last week, the Government made a suggestion to the Opposition Parties regarding the resolution on abortion. The resolution was contradictory, and that is why the Opposition Parties did not agree with this approach. Even Government Members are aware that a resolution must be consistent and coherent to be debated in the House of Commons.

[*English*]

Instead of doing what it ought to have done, Mr. Speaker, going back to the drawing-board of the Cabinet room and presenting an internally consistent and coherent resolution that would be acceptable within the rules of Parliament, and instead of using its majority to demonstrate leadership in dealing with a tough issue and presenting it to the House of Commons, the Government is trying to use its majority to trample over the rights of the Opposition in the House of Commons, and that is totally unacceptable.

In my brief comments I would like to say first what is not at issue here. As has already been mentioned, nowhere in this smorgasbord of the resolution which the Government is trying to force Parliament to deal with is there any reference to the words "a free vote". That is not the issue. If the Government had wanted to act courageously in a parliamentary democracy, it could have presented a coherent, logical resolution which would be procedurally acceptable and then make a request, if it so desired, for a free vote. It did this in the case of capital punishment, a motion that we opposed but at least the Government proceeded in a responsible fashion to address a concern that was of some real importance to the people of Canada and to its elected Members here in the House of Commons. The Government could have followed that procedure but it chose not to.

This issue is not about whether there is or there is not a free vote on the question of abortion. Nor is it a question of being able to change the Standing Orders. There has been ample precedent for changing the Standing Orders. We did it in my lifetime as a Member of Parliament back in 1969 when there was heated debate, discussion and a vote. But the point is there were all of those elements. A change in Standing Orders, yes; after a debate, discussion and vote, yes. Again we did it last year, which I think is coming to be the acceptable process in our Parliament in the evolution of parliamentary democracy where all the Members on both sides agreed unanimously to change the Standing Orders. Whether the route of 1969 was chosen or the route of last year when attempting to change the Standing Orders, there are procedures for doing it. However, that is not the issue. What is at issue here is fundamental to the evolution of parliamentary democracy from the 18th century to the present.

• (1130)

I am astounded that this is a Government that calls itself Conservative. It ought to be hypersensitive to the protection of minority rights and the evolution of Parliamentary democracy, both in Great Britain and in other Commonwealth countries like Canada.

We are seeing an attempt to do something by the Government, not simply by individual Members who constitute a majority on the other side of the House, but by the Cabinet. It is attempting not to persuade its Members to have a vote using its majority to change rules after long debate, but we are seeing the executive branch of Government unilaterally suspending the rules of Parliament. Anyone who believes in democracy and who understands our traditions has to understand that that is totally unacceptable in a Parliamentary democracy.

It is not, in my judgment, accidental that the last time this was done was 105 years ago. Surely we have learned a lot from the evolution of democracy in Canada as well as elsewhere about keeping a constant check on the rights of the majority, symbolized by the Cabinet of the day which has its responsibility to that majority of its own caucus but also a responsibility to preserve the rights of minority in opposition. However, this Government has done something, for whatever reason I know not.

Very often, one gets arrogant in the use of power, simply by not thinking about what is going on. One's will is frustrated by using the rules and one simply wants to achieve an end, so one works to get around the rules. We on this side of the House say that the democratic rules as they have evolved in our system have to be respected, not trampled on.

Some Hon. Members: Hear, hear!

Mr. Broadbent: It has already been indicated to you that the first rule in our book, Your Honour, deals with calling upon the Speaker to reach a decision about the acceptability of a proposed resolution, any other rule or any other procedure. This rule indicates that the Speaker's decision shall be based on the usages, forms, customs and precedents of the House of Commons of Canada and on parliamentary tradition in Canada and other jurisdictions so far as they may be applicable to the House.

With the exception of the one precedent 105 years ago, all the other traditions, rights and privileges that have evolved in this Parliament, including the democratic tradition of electing the Speaker of Parliament and the rules that were developed unanimously a year ago, have entailed as a basic presupposition not simply the right of the majority ultimately to make decisions but that the majority has to work within pre-established rules and that those rules have to inherently respect the rights of the Opposition. That is the point.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I want to conclude by making two points. I want to cite for the benefit of Government Members words spoken by the Right Hon. John Diefenbaker, a man who did understand Parliament and its traditions, if any Canadian ever did understand Parliament and its traditions. Mr. Diefenbaker had this to say:

> In order to maintain Parliament as an instrument of freedom, a fearless and determined opposition whose rights are respected is of the essence. To that end rules have to be interpreted fairly, for when the interpretation of the laws of parliament is altered or changed in order to meet the demand of the majority or has the appearance of being so altered, then the rights of Parliament are violated and tyranny is substituted for justice.

I think Mr. Diefenbaker was right when he spoke those words, and I ask you, Your Honour, as I know you will, to give a lot of serious thought, in reaching your final decision, to whether or not this motion has to be taken off the Order Paper. I think that that ought to be the final decision. The Government ought to withdraw it from the Order Paper. We cannot proceed with this kind of motion.

What the Government is attempting to do procedurally today on the question of abortion, if it is permitted today, will allow it tomorrow to do the same thing on the Canada-U.S. Free Trade legislation. Another day it may do so with pension legislation or with any other matter. I urge Members on the

opposite side, Members who are part of that large majority, to think of the implications of the executive branch of Government being able to get away with this. If it is able to get away with this on the question of abortion, we may see the same Government applying the same principle on any other important matter of concern in the future.

Therefore, I urge you, Your Honour, as the officer of this House, one of the highest officers of the land whose obligation is to preserve parliamentary democracy and everything it stands for, to think about the consequences of the Government being able to get away with this. I am convinced that you will say that the majority must have its rights, yes, but in a parliamentary democracy, fundamental to our notion of democracy is minority rights. If the Government proceeds with this, those rights will be trampled, and that, Sir, is not acceptable.

Some Hon. Members: Hear, hear!

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I will, of course, reserve my right to reply in detail to the very capable arguments of my opponents at the appropriate time. I am glad that you pointed out that there is an appropriate time for this to be dealt with.

We are very comfortable with our position, both procedurally and according to democratic principles. During my preparation for that, I will take counsel from the words of my hon. friend from Windsor West, not in this particular debate, but perhaps when he spoke in 1969 when the rules were changed by closure by the previous Liberal administration. I am sure there will be great comfort in the speeches of that time.

I want to point out two things and two things only.

Mr. Mazankowski: Where was parliamentary democracy at that time?

Mr. Broadbent: And what did you say in 1969?

Mr. Mazankowski: What did you say?

Mr. Nystrom: We were here for weeks at that time.

Mr. Epp (Provencher): We listened to you guys, let democracy rule.

Mr. Gauthier: We will bring the experts in, Nielsen and—

Mr. Speaker: I would ask Hon. Members to exercise the appropriate courtesies. For the most part, the Hon. House Leader for the Official Opposition and the Leader of the New Democratic Party were given a careful and quiet hearing. I would ask that that be remembered.

Mr. Lewis: Mr. Speaker, I have two points. I want to point out to the House that there were ample consultations, and I thought reasonable consultations at the time, with the House Leaders of both Opposition Parties. Second, I want to point out that on the one hand, my hon. friend from Windsor West says that there is no reference to a free vote in the motion and on the other hand, he says that the Government cannot dictate that there be a free vote on the motion. We are not. We are simply saying that in the vote on this motion, as a matter of Government policy, every Member on the Government benches will be free to vote according to his or her own conscience or according to the dictates of his or her own constituents.

I want to point out to the House that we have no difficulty, on a sensitive, moral issue such as abortion, with having a free vote. We have no difficulty with that whatsoever. We do not intend to politicize this issue.

Some Hon. Members: Oh, oh!

Mr. Cassidy: Don't be absurd.

Mr. Lewis: If the Opposition Parties feel that they must have a Party Whip on the vote, let them do so, but I say once again that there will be no Government Whip on this very sensitive issue. If the Opposition Parties wish one, that is their alternative. If the opposition Parties want to do that, that is their prerogative.

• (1140)

Some Hon. Members: Hear, hear!

Mr. Lewis: Mr. Speaker, I welcome a procedural and political debate on this issue at the appropriate time and reserve my rights.

Mr. Speaker: I hope Hon. Members will co-operate with the Chair in that at the very beginning I said this is not the appropriate time for the Chair to rule. I took that position this morning after a very great deal of concentration on that particular point over the weekend. I ask Hon. Members to co-operate.

I thank first the Hon. Member for Windsor West for his helpful intervention, as well as the Hon. Member for Oshawa I also thank both opposition Members for co-operating with the Chair and keeping their remarks reasonably brief. I thank the Hon. Minister for doing the same. As I said, there may well be another time when this will be debated more extensively.

In the interests of all Hon. Members and the watching public, I want to recite just exactly what has been going on this morning. First, the motion complained of deals with the various options with respect to the abortion issue. It is not for the Chair to get into the substance of the motion in any way and I most clearly am not going to do so. However, speaking procedurally, notice was given of the motion last Friday. Under the rules of this House, after 48 hours have passed the motion is automatically transferred to what is called Government Orders. If one looks at today's proceedings, one will note that that motion is now Government Order No. 25 dated May 20, 1988. It will also be found on page 37 as well as one other

place in today's Order Paper under the rubric "Government Business".

The important thing that both Hon. Members and the public understand is because it happens to be under Government Business means only that at some later date, if the Government wishes, it can call it as Orders of the day. When that is done the matter is then before the House. It is not automatically assumed procedurally that something that happens to be under Government Business will automatically be called. Many times these matters are not called. Sometimes they are called many weeks or indeed months later.

So that there is no misunderstanding, because I heard at least one Hon. Member saying "What is the appropriate time for the Chair to rule?", the appropriate time for that is of course if the Government takes the next step and moves to bring the motion in front of the House. I hope that is clearly understood by all Hon. Members. I say it is not appropriate to be dealt with now because it has not been called as Orders of the day. Just because it is on the Order Paper does not necessarily mean it will ever be called. That is a procedural matter, but I am bound to proceed according to the procedural rules as they are laid out.

I might well be asked why the Chair listened to some opening remarks at this time. The answer is because it is obviously a very important matter to both the opposition Parties and it is helpful to the Chair to at least have heard some opening remarks with respect to the parameters of debate. That is why I have taken what may seem to be an unusual but I hope useful step in hearing both the Hon. Member for Windsor West and the Hon. Member for Oshawa, as well as the Minister, of course.

I thank all Hon. Members for their courtesy and the interventions, which have been helpful to me.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, in some press reports over the weekend it was suggested that the Government House Leader had consulted with the Table and that this procedure had been tested and proven to be correct. I just want to make sure that is not the truth, the report is wrong, and the Government is not using the Chair as an argument in support of its motion.

Some Hon. Members: Oh, oh!

Mr. Gauthier: I strongly object to the Government using the Table or the Chair to back up a lousy argument.

Mr. Mayer: Get serious.

Mr. Speaker: The Hon. Member is an excellent parliamentarian and when he raises a point the Chair is very much inclined to listen. Let me just dissuade all Hon. Members from one thing to begin with. So far as the Chair is concerned, it is not the place of the Speaker of the House to be saying to the Government, yes, this or that procedure is necessarily right or wrong. With respect to the Table Officers, at least since I have been Speaker, it has been made very clear to them that I want them advising all Hon. Members in this House as to the procedural appropriateness of anything they wish to propose. That includes both research offices of the opposition Parties, and no doubt from time to time the Government as well. The whole purpose of the Table, and I am sure the Hon. Member and others will understand, is to give as much possible procedural information on these matters as we possibly can.

While it may very well be that as your Speaker I have perhaps pushed harder to make sure the Table is available for consultation, I think, and I hope others will support me, that this has been helpful to the House rather than detrimental. Certainly whatever efforts have been made by the Table from time to time for all Members in explaining the procedural rules, so far as I know there has been nothing untoward said or done that would not fit with past practice or indeed be in the general interests of the place. I just want to make that abundantly clear.

I would hope that on that there would be no necessity for debate. If any Hon. Member on either side of the House has any complaint with the Table, then I would ask that the Chair be given some notice of it in advance and perhaps it can be dealt with in that way.

Mr. Gray (Windsor West): Mr. Speaker, I wonder if you could make clear to the House and those watching us that where advice is sought by a Member from the Table on procedure, that advice is not in the nature of an advance ruling, making the step intended to be taken by the Hon. Member, including a government Minister, any more acceptable than if the advice had not been sought.

The reason the Hon. Member for Ottawa—Vanier (Mr. Gauthier) raised the point is that the press reported that the Deputy Government House Leader had attempted to justify to the public the validity of the step he was taking with respect to the motion we have been discussing on the basis that he had checked it with the Table. It should be made clear that while, as you say, Sir, the Table is there to provide advice and be helpful to all Members, having sought and received that advice the Hon. Member acting on it does not have anything in the nature of an advance ruling. If a point of order or question of privilege is raised about that step, you, Sir, are the sole and final arbiter.

Mr. Speaker: The Hon. Member may well have helped to clarify the position of the Hon. Member for Ottawa—Vanier (Mr. Gauthier). The Hon. Member is of course absolutely correct. It would be quite improper for the Chair to indicate to one of the three Party Leaders in advance what kind of ruling it might make on anything. It is certainly sometimes helpful for the Chair to give an indication to all three Party Leaders or to all three Whips at any given time what the Chair's sense of something is. I, of course, have done that occasionally when I thought it was helpful to all three Parties.

• (1150)

However, the Hon. Member for Windsor West makes an excellent point. I am grateful to him for clarifying it and am grateful because I now see more clearly the point that the Hon. Member for Ottawa—Vanier was making.

Mr. Gauthier: That's what I was trying to say, you interrupted me.

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, on the point of order, if I might I would like to go back to the explanation of the Chair concerning the point of privilege raised by my colleague from Windsor West. I believe it did contain some elements of ambiguity which, in the context of this issue, could very much affect public debate.

As I understand the Speaker's ruling, he is suggesting that he is not prepared to entertain full argument on this point until such time as, through government business, the House brings the order forward.

Mr. Speaker: The Chair is saying that certainly at the moment I do not see it as a point of privilege. However, when this matter comes back before the House, if indeed it does, I will, of course, hear full and complete argument on the matter. If I can then be persuaded that there is, in addition to what I think is very clearly a point order, some additional matter to be argued on a point of privilege, I will hear that argument at that time. At the present time I take this matter more as a point of order than as a point of privilege.

However, in arguing a point of order it may very well be that part of the argument is to refer, in general terms, to the privileges of Hon. Members. As I understand the argument that has been put to the Chair this morning by both the Hon. Member for Windsor West and the Hon. Member for Oshawa it is that the House has agreed to a set of orders. The Government is proposing that those orders be changed with respect to a specific matter.

There is the argument, as I understood it, that not only ought this not be procedurally acceptable to the Chair but that it is not acceptable to Hon. Members and it may well get into a question of privilege. At the moment I am not prepared to say that it is but, as I have made clear, I will hear full argument if it is appropriate, under the circumstances, to come back and listen to this again. However, that, as I said, is premature at the moment.

Mr. Broadbent: Mr. Speaker, I rise to comment very briefly on your use of language one minute ago. You indicated that there was objection from our side of the House relating to privileges of Members on the grounds that the Government was proposing to change the rules. I rise to be quite precise about what I said. My objection was that the Government is proposing to suspend the rules. Whatever one might say about the legitimacy of using the majority after debate to change the rules in the House, the point at hand is, in my judgment, fundamentally different. They are invoking a procedure which was last used 105 years ago to suspend the rules of Parliament. That, Your Honour, is the point that I see is involved in the question of privilege.

Mr. Speaker: I will hear the Hon. Member for Windsor West, but perhaps I could respond to that. I will, of course, consider very carefully the words which the Hon. Member used. In trying to summarize a longer and very explicit argument, I do not want to take away in any way the import of those words. I would like to close off this part of this morning's business. I will hear the Hon. Member for Windsor West for a moment.

Mr. Gray (Windsor West): Mr. Speaker, I wish to confirm that the argument I presented to you earlier this morning was with respect to the Government's effort to suspend the rules arbitrarily with respect to one matter before the House rather than an effort by the Government to make an over-all change in the rules after proper debate and, if necessary, a vote.

I am dealing specifically and particularly with the Government's motion which is very clearly for the purpose of suspending the rules and the usual practices of the House when it comes to the one matter that it wants the House to deal with in a way which is not within the ordinary Standing Orders, that is, the question of abortion. My remarks were not aimed in any way at what is appropriate or what is not appropriate with respect to an over-all, permanent change in the rules.

Mr. Speaker: I think I have understood both the Hon. Member for Windsor West and the Hon. Member for Oshawa clearly. While there is a complaint about the Government's Notice of Motion, it is not a complaint that says, in effect, that the Government is trying to change all the rules of this place. As I understand it, whether we say "suspend" or "change" or "suspend and change", depending on the context in which it is used, it is referring specifically to this single motion. That is my understanding and that is the basis upon which I will proceed.

ROUTINE PROCEEDINGS

[*English*]

POINT OF ORDER

TABLING OF DOCUMENTS CITED

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, I rise on a point of order with respect to the section of our Standing Orders which refers to Tabling of Documents. I want to raise again the point of order which I raised on Friday. It has now been possible to look at the actual detailed comments within *Hansard* with respect to the document with which the Hon. Minister for International Trade (Mr. Crosbie) dealt. If I recall that discussion correctly, the question was whether we were dealing with referring to a document, citing a document, or quoting a document.

Mr. Speaker: The Hon. Member for Essex—Windsor (Mr. Langdon) is, of course, relating the issue correctly. I have to say to him with apologies that I have been occupied with some other matters and I am not ready, as of the moment, to respond to the matter that he has raised, but I will try to do so as quickly as possible.

Mr. Langdon: Mr. Speaker, just to put the point, we now have the language in front of us and the language indicates clearly that the Minister for International Trade actually described—

Mr. Speaker: The Hon. Member will, I know, want to co-operate with the Chair. The Chair will carefully read the language. If the Chair feels that there is any necessity to come back and hear further argument from the Hon. Member, I most certainly will do so, but perhaps at a more appropriate time. I know the Hon. Member would want to assist the Chair in that.

* * *

AN ACT TO IMPLEMENT THE FREE TRADE AGREEMENT BETWEEN CANADA AND THE UNITED STATES OF AMERICA

Hon. John C. Crosbie (Minister for International Trade) moved that Bill C-130, an Act to implement the Free Trade Agreement between Canada and the United States of America be now read the first time and be printed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour will say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed will say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

The House divided on the motion (Mr. Crosbie), which was agreed to on the following division:

• (1230)

Before the taking of the vote:

Mr. Gauthier: Mr. Speaker, I would like to raise a very important point of order. The Official Opposition knows and everybody in the House knows that when a Bill is introduced leave to introduce a Bill is usually put to the House and then that being given, first reading follows. In this case, the television cameras were telling us that we were called in to vote on the first reading of this Bill. I inquired of my people why we were not voting on leave to introduce the Bill and I was told by experts in the field that the procedure of leave had not been put to the House because this Bill was based on a Ways and Means motion to which the House gave concurrence last Friday. I am sure everybody recalls that.

My argument is that the Government needs leave to introduce a Bill to spend money. We are not talking about a Ways and Means motion. I could read it to you, Mr. Speaker, but for the sake of brevity, I will not read the Ways and Means motion. It goes to the heart of the Government's authority to impose customs duties, to authorize the imposition of temporary duties and to authorize the imposition of duties for emergency action.

This Bill before us today has a Royal recommendation attached to it. It is entitled "An Act to implement the Free Trade Agreement between Canada and the United States of America". The recommendation reads:

> Her Excellency the Governor General recommends to the House of Commons the appropriation of public revenue under the circumstances, in the manner and for the purposes set out in a measure entitled "An Act to implement the Free Trade Agreement between Canada and the United States of America".

Standing Order 84(11) is very clear on that matter. It talks about the effect of a motion being adopted, namely, a Ways and Means motion. It reads:

> The adoption of any Ways and Means motion shall be an order to bring in a bill or bills based on the provisions of any such motion.

I submit that the Bill before us is not a Bill which meets the requirements of the Ways and Means motion. It is a new Bill, completely different from a Bill that would be based on the Ways and Means motion and, therefore, the House should not pronounce itself at this time on this question without seeking leave to introduce a Bill, a Bill for which the Government has a right to ask and to seek leave but that leave must be put before we proceed with a Bill. I have no argument against the Ways and Means motion procedure, but I argue strongly that for the Government to spend money it must ask authority from the people of Canada represented here in this House.

Mr. Riis: Mr. Speaker, I concur with the previous speaker that leave to introduce this Bill is now the motion which should be put before the House, critical aspect being that this requires Royal recommendation and must receive Royal recommendation. Consequently, having looked at the precedents, I am hard pressed to find a precedent to permit us to proceed with the step that we are now about to initiate. Before we begin, would it not be appropriate to ask you to identify the precedent we are using today allowing us to proceed along this particular avenue.

Mr. Speaker: I understand the points being made by the Hon. Member for Ottawa—Vanier (Mr. Gauthier) and the Hon. Member for Kamloops—Shuswap (Mr. Riis). I have some serious doubt as to whether the position advanced by either Hon. Member is procedurally correct. In the interests of this place and in the interests of moving with some good grace upon these matters I am, for the moment, going to accept the position that both Hon. Members have taken. We will proceed to a vote on exactly that, the introduction of the Bill. We shall proceed with it immediately.

• (1240)

I wish to say that I will consider the matter with care, which I do not have full time to do at the moment, and will give some reasoned comment on this. I just ask everyone not to take this as necessarily a precedent. However, in the interests of moving ahead with the business of the House and in the interests of satisfying at least for the moment the objection raised by the Opposition, we will proceed with the first motion and we shall proceed with the vote on it at this time. That means that if called for, there will be a second vote.

Hon. John C. Crosbie (Minister for International Trade) moved for leave to introduce a Bill entitled An Act to Implement the Free Trade Agreement between Canada and the United States of America.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: We shall proceed with the vote.

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

(*Division No. 365*)

YEAS

Members

Blackburn (Jonquière)	Cooper	Gustafson
Blais	Cossitt	Hamelin
Blouin	Crofton	Hamilton
Bosley	Crosbie (St. John's West)	Hawkes
Bouchard	Darling	Hees
Bourgault	Desjardins	Hockin
Brightwell	Domm	Horner
Cadieux	Epp (Provencher)	James
Caldwell	Fennell	Jardine
Cardiff	Ferland	Jelinek
Champagne (Champlain)	Forrestall	Joncas
Clark (Yellowhead)	Gervais	Kempling
Clark (Brandon—Souris)	Girard	Kilgour
Coates	Gormley	Kindy
Collins	Gottselig	Lanthier
	Graham	Layton
	Grisé	Lewis
		Lopez
MacDonald (Kingston and the Islands)	Nickerson	Thacker
MacKay	Nowlan	Towers
Martin	Oberle	Tremblay (Québec-Est)
Mayer	O'Neil	Turner (Ottawa—Carleton)
Mazankowski	Oostrom	Vankoughnet
McCain	Peterson	Weiner
McCrossan	Pietz	Wilson (Swift Current —Maple Creek)
McCuish	Plourde	Wilson (Etobicoke Centre)
McDermid	Price	Winegard
McDougall (St. Paul's)	Redway	Wise—97
McInnes	Reimer	
McKenzie	St. Germain	
McKinnon	St-Julien	
McKnight	Scott (Victoria—Haliburton)	
Minaker	Scowen	
Mitges	Shields	
Nicholson (Niagara Falls)	Sparrow	
	Speyer	
	Stackhouse	
	Stevens	

NAYS

Members

Allmand	Gray (Windsor West)	McDonald (Broadview—Greenwood)
Althouse	Grondin	Murphy
Angus	Guilbault (Saint-Jacques)	Nunziata
Axworthy	Heap	Nystrom
Blaikie	Henderson	Orlikow
Broadbent	Hopkins	Ouellet
Caccia	Hovdebo	Parry
Cassidy	Isabelle	Penner
Copps	Jewett	Prud'homme
de Corneille	Kaplan	Riis
Dingwall	Keeper	Robichaud
Finestone	Langdon	Robinson
Foster	MacLellan	Rodriguez
Fulton	Manly	Rompkey
Gagliano	McCurdy	Young—47
Garneau		
Gauthier		

Mr. Speaker: I declare the motion carried.

Mr. Crosbie moved that the Bill be read the first time and printed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the yeas have it.

And more than five Members having risen:

Mr. Speaker: Order, please. The Chair, of course, is prepared to dispense with the bell, but that will take consent. Is there such consent?

Some Hon. Members: No.

Mr. Speaker: Call in the Members.

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

(*Division No. 366*)

YEAS

Members

Andre
Blackburn (Jonquière)
Blais
Blouin
Bosley
Bouchard
Bourgault
Brightwell
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Clark (Yellowhead)
Clark (Brandon—Souris)
Coates
Collins
Cooper
Cossitt
Crofton
Crosbie (St. John's West)
Darling
Desjardins
Domm
Epp (Provencher)
Fennell
Ferland
Forrestall
Gervais
Girard
Gormley
Gottselig
Graham
Grisé
Gustafson
Hamelin
Hamilton
Hawkes
Hees
Hockin
Horner
Jacques
James
Jardine
Jelinek
Joncas
Kempling
Kilgour
Kindy
Ladouceur
Lanthier
Layton
Lewis
Lopez
MacDonald (Kingston and the Islands)
Martin
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall (St. Paul's)
McInnes
McKenzie
McKinnon
Minaker
Mitges
Nicholson (Niagara Falls)
Nickerson
Nowlan
Oostrom
Peterson
Pietz
Price
Redway
Reimer
St. Germain
St-Julien
Scott (Victoria—Haliburton)
Scowen
Shields
Sparrow
Stackhouse
Stevens
Thacker
Towers
Turner (Ottawa—Carleton)
Vankoughnet
Weiner
Wilson (Swift Current —Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise—93

NAYS

Members

Allmand
Althouse
Angus
Axworthy
Blaikie
Broadbent
Caccia
Cassidy
Copps
de Corneille
Dingwall
Finestone
Foster
Fulton
Garneau
Gauthier
Gray (Windsor West)
Grondin
Guilbault (Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Isabelle
Jewett
Kaplan
Keeper
Langdon
MacLellan
Manly
McCurdy
McDonald (Broadview—Greenwood)
Murphy
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Penner
Prud'homme
Riis
Robichaud
Robinson
Rodriguez
Rompkey
Young—46

• (1330)

Mr. Speaker: I declare the motion carried.

When shall this Bill be read a second time? At the next sitting of the House! The Hon. Member for Kamloops—Shuswap (Mr. Riis) on a point of order.

Mr. Riis: Mr. Speaker, I rise on an important point of order in relation to the consideration of this particular stage of this trade Bill. You will be aware, Mr. Speaker, that it has become customary over the years for the Speaker, at this point, to put the following question to the House: "When shall the Bill be read a second time?" The Speaker then answers this question with: "The next sitting of the House".

Almost invariably the House agrees, and that is the end of the matter. However, in rising on this point of order, I wish to indicate to you, Mr. Speaker, that, in my opinion, there is another course of action that this House may decide to take.

It ought to be remembered, Mr. Speaker, that what you are really doing here in procedural terms is substituting this pro forma question: "When shall the Bill be read a second time", for a motion by the Minister himself. The motion which, over the years, has fallen into disuse is: "That the Bill be read a second time at the next sitting of the House". It is not uncommon, Mr. Speaker, for this motion—

Mr. Speaker: I am only interrupting the Hon. Member for Kamloops—Shuswap to indicate first, that I have his point of order; second, I will hear him fully on this after the close of Question Period this afternoon. I will hear the Hon. Member further at three o'clock.

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

At 1.32 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S. O. 21

[*English*]

LABOUR CONDITIONS

NEED FOR OLDER WORKERS' ADJUSTMENT PROGRAM

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I rise again today to urge the Government of Canada to proceed with a plan for older workers' adjustment. Members will recall that some time ago the Government terminated a plan of the previous administration which provided financial assistance to older workers.

The Government promised, in financial statements by the Minister of Finance (Mr. Wilson) and in others, that the

Government would reintroduce a new plan in order to assist older workers. Unfortunately, Mr. Speaker, that has not materialized. What we have had were discussions between the Government of Canada and the provinces with no clear resolution of this particular problem.

In my own province the Cape Breton Building and Trades Council has submitted a proposal to the Government of Canada as well as to the Government of Nova Scotia but to date it has not received a favourable response from either level of government.

I would urge on behalf of its members and, indeed, all older workers in this country, that the Government of Canada announce clearly and forthrightly the terms and conditions of its older workers' adjustment program so that various provinces can take advantage of those schemes in order to put in place suitable incomes for older workers who are in need of financial assistance at this time.

* * *

ABORTION

USE OF FETAL TISSUE IN SURGICAL OPERATIONS

Mr. John Oostrom (Willowdale): Mr. Speaker, fetal tissue is fast becoming a prominent material in surgery for there is evidence that fetal tissue implants in the brain and in other organs will allow cell regeneration in the recipients. This process poses very seriously implications to human life. Fetuses will be harvested like common commodities. A black market will undoubtedly develop where women will become pregnant with the sole purpose of aborting.

It has been shown that fetuses in the 16 to 24-week stage are the best in providing usable tissue. The 16 to 24-week stage is a fully developed baby.

Life must be respected and held sacred above all other rights. If our society is to continue to be civilized, Parliament must ensure that life is protected from conception and that the exploitation of innocent life for any situation is severely punished.

* * *

EXTERNAL AID

ETHIOPIA—RED CROSS ORDERED TO REMOVE FOOD AND MEDICAL SUPPLIES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, since 1984 Canadians have responded with compassion and generosity to famine victims in Ethiopia. Until now Canada has had good co-operation with the Ethiopian Government. Now, under pressure from the military struggle in Eritrea and Trigre, the Ethiopian Government appears to have abandoned this co-operative approach.

Early this spring it barred foreign relief workers except for United Nations staff, from working in these northern provinces. But Canada continued to provide assistance and only last week provided for two Hercules transports to fly food into the area under dispute.

Now the Ethiopian Government has given the International Red Cross only 50 days to remove its food and medical supplies. Diplomats see this as a preliminary to seizure of these stocks by Ethiopian authorities. Canadians still want to help, but more and more they ask how effective their help can be when the Ethiopian Government seems intent on placing short-term military objectives ahead of international co-operation designed to keep Ethiopian people from starving.

* * *

THE LATE LAZARUS SITTICHINLI

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, during early 1932 the attention of North America was riveted on the manhunt for one Albert Johnson, the notorious Mad Trapper of Rat River, who had murdered several persons, including an RCMP officer. This was one of the first occasions that aircraft and wireless had been extensively used for police work.

Albert Johnson was killed at the shoot-out at Eagle River on February 17, 1932, and is buried in a graveyard at Aklavik, Northwest Territories.

Last Friday former Special Constable Lazarus Sittichinli, who had played an important part in the manhunt and who, after a lifetime of service to the RCMP, the Anglican Church, and his community, died in his ninety-eighth year, was buried in Aklavik just a few feet from the man whom he had brought to justice over half a century ago.

* * *

SOVEREIGNTY

HIGH ARCTIC—RETENTION OF CANADIAN SOVEREIGNTY

Mr. Alan Redway (York East): Mr. Speaker, 25 million Canadians live north of Point Pelee, Ontario. Only 75,000 Canadians live north of the 60° parallel in Yukon and the Northwest Territories, and just 250 Canadians live permanently in two small communities, Resolute Bay and Grise Fiord in our High Arctic. Yet the French are doing television commercials in our High Arctic.

• (1405)

There are more Japanese, American, Chinese, British, Russian, Australian and French tourists than there are Canadian, and the U.S., the U.S.S.R., Britain, France, and

China all have nuclear submarines capable of using our frozen High Arctic waters 12 months of the year.

There is a lesson here. Let's start to use it before we lose it.

* * *

[*Translation*]

YOUTH

NEW CANADIAN IDENTITY

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I did not intend to make a statement today, but considering what was said by the previous speaker, I feel I should. He said that just about everybody is running around Canada's North except Canadians, and he is right, but I hardly think the young people visiting us today would be thrilled to know how many billions of dollars this will cost, and as for Hon. Members who have trouble with the Official Languages Bill, I think they should take a leaf from the book of the young people visiting us today, who at the age of 12 are perfectly fluent in French, English and the language of their grandparents, which happens to be Greek. They speak all three languages very well, and I am referring to pupils of the Socrates Schools in Montreal. I therefore want to take the opportunity I was given by the previous speaker to draw the attention of the House to their presence and to their feeling for the new "Canadianism" that is developing in Canada.

* * *

RADIO-CANADA

DEMANDS OF COALITION FOR DEFENCE OF RADIO-CANADA FRENCH SERVICES

Mr. Guy St-Julien (Abitibi): Mr. Speaker, the *Coalition pour la défense des services français de Radio-Canada* demands the following from the Government and Canadian parliamentarians:

1. That the Broadcasting Act recognize the distinct identity and special needs of the CBC's French network, Radio-Canada.

2. That the votes in the Main Estimates allocated for French-language radio and television broadcasting be debated and voted on separately from those allocated for English-language radio and television public broadcasting.

3. That the budget for the CBC's French network be administered, managed and controlled separately from the CBC's English network.

4. That annual public financing of Radio-Canada be significantly increased so as to guarantee Canada's Francophones the same quality of programming, broadcasts and services available to Anglophones through the Canadian Broadcasting Corporation.

Mr. Speaker, Radio-Canada must not forget its French-speaking audience in remote and outlying areas.

* * *

[*English*]

AGRICULTURE

DROUGHT IN WESTERN CANADA—EFFECT ON LIVESTOCK PRODUCERS

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, late May and early June rains can save the grain crops of western Canada. However, livestock producers are suffering from the double impact of no grass and, even more important, dry water holes.

Some provincial and federal Government pastures will be unable to take cattle as they normally do at this time of year because they have absolutely no water. There is ample time to formulate and develop a contingency plan for grain producers, but for livestock producers we are now at the eleventh hour.

This Government has, in the past, created programs to deal with specific problems, and will once again provide assistance to livestock producers who are facing water and feed shortages, in order to maintain this essential part of western agriculture. Farmers can count on a federal government program with financial assistance as they have in the past.

* * *

CHALLENGE '88

SUMMER STUDENT EMPLOYMENT PROGRAM

Mr. John Parry (Kenora—Rainy River): Mr. Speaker, the Government's cut-backs to the Challenge '88 Summer Student Employment Program are hurting many small organizations, particularly in the non-profit and social service sectors.

The 20 per cent cut-back in the allocation to Ontario combined with an increase in numbers of applications, and the Government's continued emphasis on increasing allocations to the private sector, have led in many cases to non-profit organizations having their summer programs halved or even eliminated. This has happened despite increasing need in some areas, and despite the fact that many non-profit and voluntary organizations need paid summer employees to meet seasonal increased demands for service.

Challenge '88 must be redirected to ensure that its primary clients, Canadian students, are better served in terms of both quantity and quality of work opportunity. It must not become a mere disbursement fund for private sector employers.

BANKS AND BANKING

CHARTERED BANKS—THREATENED CLOSURE OF $400 ACCOUNT

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, I continue to receive examples of incredible actions by banks. Allow me to quote from a bank's letter dated December 2, 1987:

> We hope you have not forgotten your blue chip account—with a balance of $438.81 which has not been used for some time. As your banker we value your business—unfortunately, in the event that we do not hear from you within 4 weeks from the date of this letter and as a last resort, your account will be closed and the funds retained by the bank in payment of service charges. Of course we would prefer to have you bank with us.

While the letter was dated December 2, one of the four weeks was used before it was even posted by the bank. In any case, surely any suggestion of retaining $438.81 in payment of service charges is absurd.

These types of high-handed, insensitive actions by banks need to be curtailed.

* * *

• (1410)

CANADIAN NATIONAL RAILWAYS

CLOSURE OF RECLAMATION PLANT IN TRANSCONA SHOPS

Mr. Bill Blaikie (Winnipeg—Birds Hill): Mr. Speaker, a couple of weeks ago I rose in this House to register my objections to the fact that CN was considering shutting down its reclamation plant in Transcona and consolidating those activities in London, Ontario. That has now happened because CN announced it last Friday.

I would like to register again my strong objection to this move by the railway and the effect it will have not only on the people who work at the reclamation centre but on many other economic activities in Manitoba related to the reclamation of scrap metal by CN.

In the same vein, Manitobans continue to be irritated, frustrated, and angered at the way in which Manitoba is being under-funded by the Western Diversification Program. There was new evidence last week to the effect that most of the money is going to the other western provinces and Manitoba continues to be penalized by the Progressive Conservative Government for some reason which is more and more mysterious every day.

It seems even Gary Filmon, the new Premier of Manitoba, has finally caught on to what his federal cousins have been doing to our province for the last few years. We will continue to raise it in this House until Manitoba finally gets a fair deal.

S. O. 21

NATIONAL PARKS

ESTABLISHMENT OF GRASSY ISLAND NATIONAL HISTORIC PARK AT CANSO, N.S.

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Mr. Speaker, I have worked with the people of Guysborough County since my election. For more than 20 years the people have pushed for park development. I was honoured to have been the one to respond.

Friday, May 20, was a happy day for the people of Guysborough County. As one who was raised there, it was also a happy day for me. On that day the Hon. Minister of the Environment (Mr. McMillan) joined with me to announce approval of construction of the Grassy Island National Historic Park at Canso. This development has historical as well as economic significance. I want to thank the Minister for his help, and congratulate my constituents upon this important achievement.

In addition, $3.5 million is being spent on upgrading Highway 16 to Canso. It all helps. We look forward to achieving even more in Guysborough County. Friday, May 20, was an important beginning.

* * *

CANADA POST CORPORATION

RURAL POST OFFICES

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, in the last few days we heard announcement of the closure of a rural post office in the Maritimes, the Dominion Post Office. This makes public what we have been bringing to the attention of this House for some time now, that the Conservative Government has a deliberate policy of closing rural post offices all across Canada.

Mr. Lewis: Nonsense.

Mr. Keeper: The Government has been saying things like I heard just now, "nonsense", but the facts are clear. The closure of the post offices has started.

It is time for the Government to stop attacking the messenger, start hearing the message, revise its policy, and pay some attention to rural Canada instead of attacking it and pulling out one of the services which is essential to good rural life in our country.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—VANCOUVER STUDENTS' STUDY

Mrs. Mary Collins (Capilano): Mr. Speaker, today is an historic day. Introduction of the legislation to implement the

Canada-U.S. Free Trade Agreement also introduces a new era of opportunity for Canada's young people.

Young people like the Grade 11 students at Handsworth Secondary School in North Vancouver, British Columbia, recognizing the importance of the agreement to their future, have just completed a six-month study of its impact and implications. Their research included meetings with spokespersons on all sides, attending parliamentary hearings and meetings and forums, and surveying 1,300 households. Finally, they produced a report of their findings which they proudly presented to the Prime Minister (Mr. Mulroney) during his recent visit to Vancouver.

These students are a fine example of the seriousness with which all Canadians, young and old, should consider the merits of this agreement and prepare to take advantage of the opportunities it provides to ensure a more prosperous future for all Canadians.

• (1415)

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—OPPORTUNITY FOR CANADIANS TO GIVE THEIR OPINION ON AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the absence of the Minister for International Trade I would like to put a question or two to the Deputy Prime Minister.

[*Translation*]

In that case, my question is directed to the Deputy Prime Minister. The Prime Minister stated he was against free trade when he was running for the leadership of the Conservative Party. He never mentioned this issue during the last election campaign. He kept Canadians in the dark for two years while negotiations were under way, and now he is trying to avoid a general election before the agreement is ratified.

The Minister for International Trade stated yesterday that public hearings were held on the trade agreement across this country, and that consequently, it was unnecessary to hold further hearings. This is absolutely false, Mr. Speaker.

My question for the Deputy Prime Minister is this: When were Canadians given a chance to express their views on the Canada-U.S. Free Trade Agreement on the basis of the text of the agreement to which the Minister referred yesterday? The Minister alluded to last fall's hearings, but the committee did not have the text. How do we explain this failure to give Canadians across the country a chance to express their views on the basis of the actual text of the agreement?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think the Right Hon. Leader of the Opposition will agree that the extent of consultation with regard to this initiative has been unprecedented. There have been more than 10 First Ministers' meetings respecting this very important initiative. There have been a number of bilateral meetings between the Ministers of Trade of the provinces and the Government of Canada. Private sector groups have been set up to deal with this issue. There have been a number of debates in Parliament. There have been committee hearings.

This proposal is put before the House in response to the protectionist tendencies in the United States and will serve to enhance trade, secure trade, and enshrine it in law in such a manner that Canadians and Canadian industry can plan with some degree of certainty and can build for the future.

In short, Mr. Speaker, this initiative is good for all the provinces, all the regions, and all Canadians, and it is good for Canada.

TEXT OF AGREEMENT—COST OF PROMOTIONAL CAMPAIGN

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Deputy Prime Minister has still not explained to the country why a deal of this importance has not been available to Canadians, professional groups, business groups, and labour unions right across the country to deal with the text.

Despite a few cosy meetings with the premiers, some of whom have told me that those meetings have not been fulsome at all, there has been no opportunity for the people of Canada to comment on the actual text of this agreement.

So far, $30 million of taxpayers' money has been spent on the trade negotiator's office. More than an additional $12 million of taxpayers' money has been spent on a propaganda campaign to sell this deal. We now learn that the Prime Minister and the Minister for International Trade have set up yet another propaganda team under John Laschinger, the former organizer for the Minister of Trade during his quest for the leadership of the Conservative Party.

Will the Deputy Prime Minister confirm the existence of this new propaganda team? Will he describe what its role is to be? Will he give us an estimate of what its cost is going to be? Will he tell us whether the taxpayers of the country or the Conservative Party will be paying for this propaganda?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Government, under the leadership of the Prime Minister, was elected to lead and it has led. We campaigned during the last election on the importance of enhancing international trade, securing trade with our best trading partner to the south, and expanding trade opportunities in all parts of the world. We have kept that promise, we have responded.

If the Hon. Member continues to fight the issue, that is probably the best campaign in favour of the free trade issue in Canada. For a gentleman who wants to promote growth, jobs, and opportunity, to suggest that he has no alternative but to tear the deal up is, I think, really copping out.

• (1420)

EFFECT ON INVESTMENT IN ENERGY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we on this side of the House do not believe that it is a trade deal at all. We believe that it is the "Sale of Canada Act". That is why we are fighting the deal.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): One of the aspects of the deal on which we never received a satisfactory answer in the House is the extent of the sell-out of energy. The deal has now been introduced by way of first reading. According to page 246 of the so-called free trade agreement, the Prime Minister and the President have agreed to exchange letters between them explaining what the limits will be on the extent of investment in energy across the border. According to the wording of the deal itself, those very important letters were to be exchanged before either country began to implement the deal, the process of which began this morning by the introduction of the omnibus Bill at first reading.

Since the Minister has now introduced legislation, will the Deputy Prime Minister be good enough to produce the letters between the President of the United States and our Prime Minister relating to how the purchase of energy and the transfer of energy investment are to be regulated under this deal?

[*Translation*]

Hon. Marcel Masse (Minister of Energy, Mines and Resources): Mr. Speaker, the chapter "Energy" in the free trade agreement is a chapter that is favourable to Canadians and Canadian producers, because it assures them of a market in the United States.

I also think the Leader of the Opposition and the Leader of the New Democratic Party ought to remember that nothing in the Canada-U.S. Free Trade Agreement obliges a Canadian to sell Canada's energy if he is not satisfied with the competitive pricing under free trade.

The agreement provides for an organized market. What it does not do is what the previous Liberal Government did when its National Energy Policy brought the West to its knees and undermined the credibility of Canadians on the energy market.

[*English*]

WATER RESOURCES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in the absence of the Minister for International Trade, my question is directed to the Deputy Prime Minister. The Deputy Prime Minister and all those who were in the House last Wednesday heard the Minister for International Trade inform the House, as reported at page 15577 of *Hansard*:

> Water is not even the subject of a provision of the U.S.-Canada Free Trade Agreement.

Yet item 22.01 on page 86 of the Tariff Schedule of Canada refers explicitly and clearly to water under the trade deal. Therefore, will the Deputy Prime Minister explain to the House why, in the view of the Minister for International Trade, water is not part of the trade deal?

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the short answer to that question is because it is not part of the trade deal. That was explained by the Minister in the House very clearly last week, and by the Minister of the Environment very clearly in his statement last November, I believe.

The only exception to that, which the Hon. Minister mentioned last week, I believe, was non tariffs on bottled water such as Perrier and the like being sold across the border, which is a product that is produced here in Canada and sold. However, the large scale diversion of water in this country is a no-no.

REFERENCE TO WATER IN TARIFF SCHEDULE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, water is referred to in the Tariff Schedule attached to the trade deal. If the Parliamentary Secretary can read it, he will see waters are referred to very clearly and very specifically.

If the Government found it necessary and desirable to exclude beer, unprocessed fish, and logs, why did the Government not exclude water in order to avoid any misinterpretation? Does the Parliamentary Secretary not realize that a clear reference to water makes a mockery of the federal water policy which promises a legislative ban on water resources and water exports?

• (1425)

Mr. John McDermid (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, again, I repeat, that statement has been made very clear by the Minister of the Environment and by the Minister for International Trade. The mention of tariffs within the bottled water section is explained very clearly.

I want to say that if the Liberal Party's policy is not to allow the industries that have developed in Quebec, especially in terms of bottling water, to export bottled water, to the United States, then members of the Party should stand up and say so right now.

REQUEST THAT ELECTION BE HELD

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Deputy Prime Minister on this proposed legislation.

In 1983 the Secretary of State for External Affairs, who is presently a member of Cabinet, opposed this type of deal. The Minister of Finance, who was here just a moment ago, opposed this deal, and the former Secretary of State, who is not with us, opposed this deal. The Prime Minister himself said in 1983 that he would have nothing to do with such a proposal because the sovereignty of Canada would be affected.

My question is very straightforward. Instead of proceeding before the election with an Act that goes against everything these Ministers said in 1983, will the Government not do the right thing and resign now and have an election on this important issue?

Some Hon. Members: Hear, hear!

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if there were better alternatives than the one that has been proposed—and we certainly do not hear them from either of the opposition Parties—then we would certainly consider those alternatives. The fact of the matter is that we know what they are against, but we do not know what they are for.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the Government does not know what other people are for because it gave up listening to Canadians a long time ago, whether in the House or anywhere else.

Some Hon. Members: Hear, hear!

[*Translation*]

FREE TRADE—REQUEST FOR GENERAL ELECTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, if we look at the Province of Quebec, the *Association des consommateurs québécois* is against the agreement, the *Union des producteurs agricoles* is against the agreement, Quebec's workers are all against the agreement. Why not call an election right away on this very important issue?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Hon. Member says that the Government has stopped listening to Canadians. The Hon. Leader of the NDP is not even prepared to listen to the free vote of his own Members of Parliament. He is standing up here in the House today condemning the Government for bringing in a proposition that would allow all Members to express themselves freely. Why the hypocrisy?

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

POSITION OF GOVERNMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, as is usual, when the Government gets a question it does not like on one subject it changes the subject instead of answering the question. That is typical.

The day that this Government will deal in a straightforward way with the question of abortion as it did with capital punishment, then it will get the response of my Party. But instead of abiding by the rules of Parliament this Government wants to break the rules. That is what the Government is doing.

Some Hon. Members: Hear, hear!

Mr. Speaker: The focus of the question seems to have shifted. Perhaps the Hon. Minister would respond.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the principles remain the same even though the subject matter may differ. All I am asking the Leader of the New Democratic Party is to apply the same principle to one issue as he does to another.

As a matter of fact he said we should do the same thing we did with capital punishment. We had a free vote on capital punishment, and we will have a free vote on abortion.

* * *

CONSUMER AFFAIRS

COST OF DRUGS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. On January 25 in the House the Minister said:

> —in Canada all senior citizens are covered by drug plans. In Canada, no one goes without drugs for lack of money. Everyone on welfare receives drugs.

I have a letter here from a lady in Cochrane, Ontario, who states:

> I am a fifty-five year old woman with angina . . . I'm not supposed to work; but had to take a part-time job to pay for my pills. When I started to take "Cardizem", the price was a little over $44.00; now the price is $93.89—soon . . . I won't be able to pay for them with what I make.

• (1430)

Who, Mr. Minister, will pay for this lady's life-saving drugs?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I may be wrong, but I was of the opinion that the Government of Ontario did have medical health support programs for its citizens. I would presume that the Liberal Government of Ontario would try and ensure that none of its citizens went without life-saving drugs.

Since the Hon. Member mentions Cardizem, it should be pointed out that the medicinal value of that drug is saving the lives of approximately 5,000 Canadians a year, is a result of research conducted in Montreal by Canadian researchers.

Bill C-22 is designed to ensure that we have more of that research, in order that there are more of those life-saving drugs available to citizens of Canada.

PRICE OF PRESCRIPTION DRUGS

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister. A typical response from the Minister is to abdicate his responsibility and to point the finger at other individuals.

This Minister will know that he has given an undertaking to the House on no less than eight occasions that the prices for prescription drugs would not rise beyond the inflation rate. He has also stated in the House that they would not rise by one cent.

Would the Minister explain that rationale to those Canadians and senior citizens TO whom I referred earlier who are having to pay two and a half times the price for prescription drugs?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I have said before, and the Hon. Member will know when he has an opportunity to face up to it honestly, that there is nothing in Bill C-22 that caused the price of a drug to rise. The Hon. Member knows that is true.

The Hon. Member also knows that the price of drugs is determined in the Province of Ontario. It is established by formulary, usually every six months. That formulary is established by the Government of Ontario.

If the Hon. Member has a complaint about the price of drugs in Ontario he should talk to his friends at Queen's Park.

* * *

TRADE

CANADA-U.S. FREE TRADE AGREEMENT—IMPLEMENTING LEGISLATION AMENDING 27 STATUTES

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, we all remember the spectacle in the House back in 1982 when the present Deputy Prime Minister became apoplectic in the Chamber in opposition to the national energy policy that was being introduced because, he said, it contained amendments to 15 different statutes. As a result of that opposition the House of Commons was hijacked for two weeks.

At that time the Deputy Prime Minister said that that incredible abuse of Parliament had to be conducted because the legislation was amending 15 different statutes.

The legislation that was tabled a few hours ago contains amendments to 27 different statutes.

I wonder if the Deputy Prime Minister could explain why he was so concerned about the abuse of Parliament and the introduction of an omnibus Bill that changed 15 statutes, and why the Government has changed its mind now when it amends 27 different statutes.

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, it is a different situation altogether.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: The federal Government has the responsibility to negotiate treaties with other countries, and in order to make them effective they have to be legislated. All that is happening here is the legislation simply legislates a free trade agreement with the United States.

There have been other agreements in previous times such as the Auto Pact, and Canada's entry into the GATT, which were done in the same manner, I presume. I find it strange that the Hon. Member is attempting to compare apples and oranges.

GOVERNMENT POSITION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, the point I am attempting to make is that the Deputy Prime Minister in opposition said that it was totally unacceptable for Parliament to consider amending 17 different statutes in a single omnibus Bill, and consequently hijacked Parliament for two weeks. I am saying if the Government had that attitude—

Mr. Andre: Order!

Mr. Riis: Quiet, Harvie!

If the Government had that attitude then, why has it now taken on this rather hypocritical position saying that it is all right to amend 27 statutes?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, quite frankly a free trade initiative is quite different from an energy security Bill.

EFFECT OF AGREEMENT ON GRAPE GROWERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. Over the weekend, press reports stated that the free trade disease is devastating grape growers. There are approximately 850 in the Niagara region, approximately 16,000 jobs, and a comparable large number in British Columbia. Property values are reported to have dropped by 50 per cent. Many farmers cannot obtain the line of credit that they normally receive for operating their vineyards.

Alvin Danyluck, a grapegrower in Niagara who has been in the business for 19 years, has always been able to obtain an operating loan. This year he cannot because of the free trade deal. Can the Minister of Agriculture advise what Mr. Danyluck and other grape growers who are being refused operating loans should do in the face of this challenge to their

livelihood, their farming operations, and the continued viability of their farming operations?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member will realize that this is not the first time that similar questions have been raised by members of the Opposition. The Hon. Member should also realize that we recognize that there will be some difficulties in the grape and wine industries, not only as a result of the bilateral trade arrangement but more particularly as a result of the GATT ruling.

The Hon. Member knows that the grape industry is having difficulties today as a direct result of provincial pricing markups and provincial trade barriers. He should also know that, in the interest of assisting from a federal Government's point of view, we convened a first meeting of a cross-section of the industry and the provinces as early as December 4. Those task forces have worked very diligently since that period of time. They have presented a proposal to us. We are going through the process of consultation with the industry and other Departments.

Very shortly we will be in a position to make an announcement with respect to that particular problem which comes about as a direct result of GATT.

REQUEST FOR FEDERAL ASSISTANCE

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister knows that the former Minister for International Trade indicated that the GATT ruling would be phased-in over 10 or 12 years. In fact, last year she promised the grape growers she would do that. Now they lose half their price differential in the first year.

We are talking about a real situation now where property values have dropped in Niagara and in British Columbia, where loans cannot be obtained, and where farmers are being forced into bankruptcy. What assistance will the Minister give, and when will it be made available? The Ontario Government has quoted as high as $30 million a year for many years.

When will the Minister make this financial assistance available to those farmers who are being forced off their lands, or who are being threatened with pulling out their entire vineyards this fall? When will the assistance be provided?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, the Hon. Member should realize that we have worked diligently on this particular project. He knows that it takes time when one is breaking new ground with an adjustment package of this nature. We will take the time to ensure that we get the package correct. As I indicated before, we should be in position very shortly.

There are some provincial responsibilities here as well. We would expect that the provincial governments would be prepared to provide a fair degree of assistance. The Hon. Member mentions the provinces' interest here. The message that I have been receiving from the provinces is the fact that they are not even prepared to enter into a surplus purchase program. We indicated our willingness to enter into that project this year as early as December 4.

* * *

• (1440)

CONSUMER AFFAIRS

PRESCRIPTION DRUG PRICES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. Last Friday, Statistics Canada released figures which showed that the price of prescription drugs went up three times the rate of inflation; 12.4 per cent was the increase in prescription prices as compared to 4 per cent for inflation.

Can the Minister stand up in this House and tell Canadians what he intends to do in exercising his responsibility as Minister of Consumer Affairs specifically with respect to protecting Canadian consumers from the rip-offs by the multinational drug companies?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, Bill C-22 contains in it provisions for a patented medicine prices review board and the powers for that board to ensure that prices of drugs do not rise above the rate of inflation except in extraordinary circumstances which must be justified to the board.

That organization would have been in operation last January and would have been able to prevent the price increases indicated had not the Opposition delayed the Bill's passage for so many months.

Appointments have been made to the board. Regulations are being drafted and very soon the board will be in operation. I expect the Board will perform as Parliament has instructed it. Why the board has not done so retroactively—the fault rests with the Opposition for having delayed passage of the Bill.

POWER OF DRUG PRICES REVIEW BOARD

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my supplementary question is also for the Minister of Consumer and Corporate Affairs.

On November 18, 1986, the Minister said:

> The price of drugs will not increase by one cent, not those on the market, not those coming on the market, no drugs are going to go up.

In light of the fact the Minister has also in Bill C-22 given the multinational drug companies retroactive protection on their patents, is he prepared to make sure that he writes into the Act that the Drug Prices Review Board will have retroactive power to reduce prices, prices for which Canadians have been ripped off over the last year?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, if the Hon. Member quotes me I wish he would quote me completely and accurately. I stated then, and I state again, and the Hon. Member would have to admit if he were being honest, there is nothing in Bill C-22 which would cause the price of an existing drug to go up by a penny. His Leader admitted that in the House on one occasion.

An Hon. Member: That wasn't the question.

Mr. Andre: That was the accusation. Bill C-22 did not cause the price of a drug to increase by a penny. The question is can we now go back and reopen Bill C-22 and bring forward amendments—

An Hon. Member: No.

Mr. Andre: —to put in place some retroactive—

Mr. Rodriguez: Retroactive power.

Mr. Andre: The Hon. Member is shouting from his seat that I should take unto myself powers not granted by Parliament. Would he extend that to other areas of responsibility as well?

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IMMIGRATION

REFUGEE STATUS ADVISORY COMMITTEE—REVERSAL OF DECISION—MINISTER'S LETTERS

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Secretary of State for External Affairs. It concerns the extraordinary interference by the Minister in the independence of the refugee determination system in the case of Mr. Santokh Singh. Following a unanimous ruling in favour of refugee status by the three distinguished members of the Refugee Status Advisory Committee, the Minister wrote two secret letters to the then Minister of Immigration and asked for and received an immediate reversal of this decision.

Can the Secretary of State for External Affairs inform this House why he intervened with the then Minister of Immigration and asked that the decision, which was independent and unanimous based on refugee advice from refugee experts, be overturned? What were the reasons that motivated the Minister's actions?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as is unfortunately too often the case with the Hon. Member, the facts that he has put upon the record of the House of Commons are not correct. They are not the facts.

What I was doing in that case was conveying to my colleague, as it is my duty, information that might have been relevant to the decision of that colleague. It may be that in the Liberal Government a Minister, who had information relevant to a decision another Minister was taking, would not pass on that information. That is not the way we act in this Government.

Mr. Marchi: Mr. Speaker, the trouble with the Minister is that he is offering no facts at all. That is simply not good enough for this House nor for Canadians, nor for the integrity and the independence of the system.

POSITION OF SECRETARY OF STATE FOR EXTERNAL AFFAIRS

Mr. Sergio Marchi (York West): Mr. Speaker, in one of the Minister's two letters to the then Minister of Immigration he said and wrote:

> Indian authorities have made strong and repeated representations for his return to India.

Given that both the Foreign Affairs Minister for India and the Indian High Commissioner to Canada have said that they have never put pressure on Canada, that they never sought extradition and never suggested refusing him status, and said, "As of now, there is no case", can the Minister explain again to this House this glaring and very serious contradiction? If the Government received a clearance from both CSIS and the RCMP in terms of security, what were the motivating reasons underlying such an unprecedented interference by the Minister in the running of refugee matters by the Minister of Immigration?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, first, I may have done an injustice to the Liberal Party and I certainly would not want to do that.

The practice that I followed in this case of communicating information to the Minister of Employment and Immigration, when that information came to my attention as Secretary of State for External Affairs, is the same practice that was followed by the Hon. Jean Chrétien when he held this portfolio, in correspondence with the then Minister of Employment and Immigration, and followed by the Opposition House Leader in the other place when he held this portfolio in terms of cases that were then before our colleague, the Hon. Member for Winnipeg—Fort Garry, in his capacity as Minister of Employment and Immigration. That has just been confirmed from his place by the Hon. Member for York Centre.

Mr. Turner (Vancouver Quadra): What was the reason for the intervention?

Mr. Clark (Yellowhead): The practice has been in place for some time, Mr. Speaker. I followed that practice. When information becomes available that is relevant to a decision being taken by a Minister, information that comes to me in my official capacity, information by its nature that should be conveyed secretly, then I convey that information.

Oral Questions

AGRICULTURE

DROUGHT IN WESTERN CANADA—MEETING OF FEDERAL-PROVINCIAL MINISTERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of Agriculture. Last week in the House the Prime Minister indicated to my colleague, the Hon. Member for Humboldt—Lake Centre, that the Minister of Agriculture would be meeting on an urgent basis with his western counterparts regarding the drought.

Has the Minister personally been in contact with any or all of the western agricultural Ministers to discuss special federal drought assistance? If so, can he tell the House when he will be meeting with them and when we can expect the details of a relief program?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am sure the Hon. Member knows that we are in constant contact with our provincial counterparts as well as at the Deputy Minister level. If the meeting date is suitable to all provincial counterparts we have arranged a meeting a week from today hopefully in Calgary.

REQUEST FOR ASSURANCE OF FINANCIAL ASSISTANCE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, not knowing if or when support will be available causes the greatest stress to farmers and cattlemen. Can the Minister give us some assurance that funds will be available, and that the conservation funds which are totally inadequate will not be the basis of any help or relief program?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I think that if one wants to be fair one should examine the record of this Government with respect to initiatives taken on behalf of the agricultural industry. This should be done not only on a day-to-day basis. For example, our budget increased by 400 per cent. That speaks for itself. There were some 585 initiatives delivering over $9 billion, which I think speaks for itself. That is on an ongoing basis. Unfortunately we have had some experience with adverse weather conditions. We responded in 1984. We responded in 1985. There is no question about—

Mr. Speaker: The Hon. Member for Glengarry—Prescott—Russell.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—HIRING OF JOHN LASCHINGER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, my question is for the Deputy Prime Minister. It also concerns the John Laschinger sweetheart deal.

• (1450)

The Deputy Prime Minister will know that no less than $12.7 million was spent on free trade brochures, pamphlets and so on, much of which ended up as toilet paper.

How can the Deputy Prime Minister justify hiring Mr. John Laschinger, a Conservative Party organizer, cheered in this House by Tory Members of Parliament? Can he tell us how many other Tory hacks, flacks and bagmen will benefit from the Government's sweetheart deal?

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that question hardly deserves the dignity of an answer, but I will take it as notice and ask the Hon. Minister for International Trade to respond when he is in the House.

[*Translation*]

FORTHCOMING ELECTION CAMPAIGN—REQUEST THAT JOHN LASCHINGER NOT SERVE PROGRESSIVE CONSERVATIVE PARTY

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have a supplementary for the Deputy Prime Minister and his Government which has launched a free trade campaign directed by John Laschinger, former campaign manager for the Minister responsible for International Trade. Will the Deputy Prime Minister give the House the assurance that Mr. Laschinger will not be working for the Conservative Party during the next election campaign, because Canadians want to have the assurance that taxpayers' money will not be used for the Conservative Party? Could he give us that assurance right away?

[*English*]

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I think that is the same question in the other official language and the same answer applies.

* * *

[*Translation*]

INDIAN AFFAIRS

BUILDING OF SCHOOL FOR CREE CHILDREN OF WASANIPI—MINISTER'S POSITION

Mr. Guy St-Julien (Abitibi): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. Further to my question of November 30 in this House and to several meetings held by Canada's negotiators with the Waswanipi Cree of Abitibi under the James Bay Agreement, about the urgent need to build a school, could the Minister confirm today whether the Government of Canada will share, with the Government of Quebec, the cost of building a school for Cree children in Waswanipi?

[*English*]

Hon. Bill McKnight (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am pleased to inform the Hon. Member that, because of his representations, his repeated representations, and again on the recommendations of the mediator on the James Bay Agreement, the Government of Canada will be pleased to contribute $3.8 million to the Waswanipi school. I want to say that that will bring to $20 million the contributions to school facilities for the James Bay Cree in the last five years.

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[*Translation*]

CANADIAN NATIONAL RAILWAYS

CN WORKSHOPS AT POINTE-SAINT-CHARLES—CAR RENOVATION CONTRACT—MINISTER'S POSITION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of Transport and concerns the CN workshops at Point St. Charles in Montreal and VIA Rail's $85 million contract for refitting its railway cars. Will the Minister admit that the jobs of 485 employees, one-third of the work force at the shops, will be threatened if the VIA Rail contract is not awarded to the shops, and that the economy of southwest Montreal will be dealt another severe blow?

Does the Government intend to maintain the shops at Point St. Charles which has the infrastructure and the human resources? If so, what does the government intend to do to ensure VIA Rail awards this very important contract to the CN shops?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the question is much longer than its content warrants. VIA Rail has called for bids on a contract for refitting some of the company's equipment. Bids have been called. As is usual for Crown corporations, Via Rail will evaluate the bids it receives and will award the contract to the company that meets its requirements. I don't think it is necessary to start some kind of big debate on the situation of CN in Point-St. Charles. We will simply wait and see what VIA Rail decides to do, and I imagine it will follow the standard procedure.

IMPORTANCE OF KEEPING WORKSHOPS OPEN IN MONTREAL

Mr. Mike Cassidy (Ottawa Centre): Is the Minister aware of the fact that one-third of the work force at the shops in Point St. Charles will be affected, depending on whether or not the contract is awarded to the CN shops? And does he also realize that employees are very upset about the Government's decision to let CN close its shops in Moncton? Could the Government give the House the assurance that it intends to maintain the shops at Point St. Charles or does the Government intend to let the shops in Montreal be closed down as they were in Moncton?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, I understand that bids have been made by companies with workers in Quebec and in Ontario. I also understand it is typical of the New Democrats to say just about anything off the top off their heads. In fact, the matter is very straightforward. The company will award the contract to a business that has employees in Canada, in Quebec or Ontario. I suppose that if they decide to award the contract to CN workers in Point St. Charles, two days from now the Hon. Member will rise in the House to ask why the contract wasn't awarded to the workers at Bombardier, in Saint-Anne-de-la-Pocatière. I don't think this makes an impression anymore.

* * *

[*English*]

BANKS AND BANKING

CHARTERED BANKS' SERVICE CHARGES—EFFECT OF COMPETITION ACT

Mr. W. Paul McCrossan (York-Scarborough): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs. I would like to thank the Minister for agreeing that his officials would not prohibit banks from agreeing to minimum consumer service and disclosure standards. However, David Makin, head of the financial markets at the Competition Bureau, alleged last week that by agreeing to offer certain basic banking services for free, banks could be charged with price fixing.

Is the Minister seriously suggesting that if all banks agree to charge nothing for a basic banking service, the bankers could be fined or jailed for price fixing?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, absolutely not. The Competition Act is there to help consumers, and I was objecting last week to what appeared to me to be the bankers' association hiding behind the Competition Act or using it as an excuse not to act in the consumer's benefit.

There are provisions under the Act whereby the banks could get an advance ruling from the head of the Competition Bureau if they have a plan in mind and if they have questions about whether it is allowable under the Act. Further, if in fact through some technicality, they might be precluded from acting, I would certainly be more than willing to recommend that my colleague change the Bank Act or to bring forward changes to the Competition Act to make sure that could happen. I would like to see those service charges reduced, and I do not think there are obstacles in the law to the banks acting to reduce them now.

Oral Questions

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—LOBSTER EXPORTS

Mr. George Henderson (Egmont): Mr. Speaker, my question is for the Minister for International Trade. Last Friday in his response to the Right Hon. Leader of the Official Opposition regarding the amendment proposed by the U.S. Senate Finance Committee that would ban the import of any Atlantic lobsters that did not meet the American minimum size, the Minister said, as reported at page 15667 of *Hansard*:

> An industry-government meeting was held in Charlottetown on this subject on May 15 with respect to the impact of these regulations on the Canadian lobster fishery. Governments were represented, as were industry and the fishermen. All provincial government representatives, with the exception of the Quebec representative, supported a carapace size increase.

I have checked very carefully with industry representatives from the Province of Prince Edward Island, and they categorically deny ever supporting such an increase or ever being asked to support such an increase.

I ask the Minister today if he still stands by the statement he made in this House on Friday last.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I think I just heard the Hon. Member say that he had consulted industry representatives and they stated that they never supported such an increase. I never said that industry representatives had.

My information is, and a report about the meeting states, that all provincial government representatives, I am advised, with the exception of the Quebec representative who could not attend, supported a carapace size increase. If that is incorrect, then any Government that did not support it, of course, only has to say so. However, that is the information that I was given.

EXPORT OF LOBSTER PARTS

Mr. George Henderson (Egmont): Mr. Speaker, I checked with the Government officials in Prince Edward Island who attended the meeting, and that was also confirmed, incidentally, to me, by the Department of Fisheries personnel who were at that meeting. I am not talking just about industry, I am talking about the Government of P.E.I. I am glad that the Minister cleared that up.

My second question is with regard to his answer to the Right Hon. Leader of the Opposition on Friday when he said:

> I might further point out that the P.E.I. industry is largely a canner fishery which is not affected by the U.S. regulations.

• (1500)

The proposed amendment would prohibit entry into U.S. Customs territory of any whole lobster or parts of such a lobster. Therefore, can the Minister confirm that canned lobsters, as he stated in the House on Friday, would not be affected, or lobsters in brine, or lobsters under the 3 and 7/32 carapace measurement, packed in brine, or indeed lobster tails, frozen, or lobster claws, frozen, because the amendment refers to any parts thereof? Can he confirm that his response on Friday was correct and these parts of lobsters will not come under this new amendment?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, what I will confirm is that in our firm opinion the U.S., if it amends the legislation as proposed by the Senate Finance Committee, would be in violation of the free trade agreement. We have brought this to their attention and I am hoping and expecting that the final legislation will not contain such a clause. We have protested against it, and no matter what part of the lobster is affected, we are still protesting against it and believe any such action would be a violation of the FTA. In any event, it would be a non-tariff barrier which, in my view, would be contrary to GATT as well.

Mr. Speaker: Single question, the Hon. Member for Thunder Bay—Atikokan.

* * *

AIR SAFETY

CHECKING OF BAGGAGE OF AIRLINE EMPLOYEES

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, my question is directed to the Minister of Transport. Will he confirm that an airline employee travelling from Ottawa to New York City was allowed to send her luggage through to New York even though she did not possess a valid ticket to that destination? If he does, will he indicate what action he is taking with all Canadian airlines to make sure that his Government's regulations are enforced?

Hon. Benoît Bouchard (Minister of Transport): Mr. Speaker, the company, CAIL, was advised that under the new regulations effective May 1, 1988, it should not stamp any luggage which was carried by one company and transferred to another airline if the employee concerned was not a member of that company. In other words, it could not be done as of May 1 and the company he is referring to was so advised. It was not only advised, a fine was imposed because it did not respect the rule of the new legislation.

Once again, that just started May 1 and we believe perhaps that is the reason why the company was not aware of it.

Mr. Speaker: This will be the last question of Question Period. The Hon. Member for York East.

HOUSING

SITUATION IN TORONTO—REQUEST FOR REINSTATEMENT OF REGISTERED HOME OWNERSHIP SAVINGS PLAN

Mr. Alan Redway (York East): Mr. Speaker, my question is directed to the Minister of Finance. As a Member of Parliament from Toronto he is aware of the serious housing crisis in Metropolitan Toronto. He is also aware of the fact that even a family earning an income of $60,000 a year can no longer afford to buy a home in Metropolitan Toronto.

Will the Minister not agree that the rationale used when the Registered Home Ownership Savings Plan was dropped from the Income Tax Act, that it caused people to postpone their decisions to buy homes, no longer applies since no one can afford to buy a home? Therefore, will he now undertake to the House that he will give serious consideration to reinstating the provisions of that plan in the Income Tax Act?

Some Hon. Members: Hear, hear!

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has put a very precise focus on a problem in Metropolitan Toronto and suggests that we put in place a proposal which would apply on a nation-wide basis. I think that type of solution is not appropriate. There are problems with housing in Toronto that must be dealt with in a focused way.

My colleague is fully aware of the approach we have followed in tax reform, which is to allow us to get tax rates down on a broad basis by removing some of the tax preferences which have been in place, so that everybody benefits by the lower tax rates rather than a limited number of people on specific tax preferences. That is the philosophy we have followed and I believe that is the direction we should continue to go.

* * *

POINT OF ORDER

TIMING OF SECOND READING MOTION

Mr. Nelson A. Riis (Kamloops—Shuswap): Mr. Speaker, just before we adjourned for lunch you had put the question which normally occurs at that time in the consideration of a Bill. In this case it was the trade Bill. You said: "When shall the Bill be read a second time?" The Speaker normally answers this question with: "The next sitting of the House." Almost invariably the House agrees and that is the end of the matter. However, in rising on this point of order I want to indicate that in my opinion there is another course of action that the House may decide to take at that point.

It must be remembered that what you are really doing in procedural terms is substituting this pro forma question, "When shall the Bill be read a second time?" for a motion by a Minister, in this case the Minister for International Trade

(Mr. Crosbie). The motion, which over the years has fallen into disuse, is "That the Bill be read a second time at the next sitting of the House." It was not uncommon for this motion to have been put to the House in the past and for the House to have divided on it.

I can find no ruling, no precedent or any other evidence to suggest that the ability of Members to force a division at this stage of the Bill has, over time, been extinguished. In fact, after consulting a number of procedural authorities, it is my contention that not only is it proper form for Members to demand a division at this point, it is also possible to amend the motion so that a precise day can be affixed for consideration of the Bill at second reading.

Let me begin by drawing to your attention Citation 722 of Beauchesne's Fifth Edition, which states:

> When the House has agreed to the first reading of a bill, the Speaker at once proceeds to ask: "When shall the bill be read a second time?" The answer is generally: "At the next sitting of the House." The bill is placed on the *Order Paper*, in its proper place, for a second reading at a future time.

Beauchesne's does not say that the answer is always "At the next sitting of the House", but merely generally, therefore implying that this need not always be the case. There is little question that to request a division on this question is rarely used. In fact, in my reading I can find no instance of such a division in modern times, not even during the infamous Pipeline Debate of 1956. However, if we refer to Bourinot's Parliamentary Procedure, Fourth Edition, we are provided with clear guidance on this point. At page 508 Bourinot states:

> When the house has agreed to the first reading of a bill the speaker at once proceeds to propose the next motion. He asks "When shall the bill be read a second time?" The answer is generally "At the next sitting of the house"; and the bill is thereupon placed upon the order paper in its proper place for a second reading at a future time.

That is almost word for word what is contained in Beauchesne's Fifth Edition and is undoubtedly the source for Citation 722. However, Bourinot goes on to state at page 508:

> This motion passes almost invariably—as it is a purely formal motion, proposed with the object of placing the bill on the orders for a second reading, when all discussion can most regularly and conveniently take place; but though it is unusual to raise a debate on the merits of the bill on such a motion, yet it is perfectly in order to divide the house on the question as at any other stage of the measure.

I think that is the relevant comment, that it is in fact in order to divide on this question as we do at other stages.

Here, then, we have an explicit assertion from Bourinot, a long-standing and well-respected procedural reference, that although perhaps uncommon, it is perfectly in order to force a division at this point. In fact, there are several precedents to corroborate this position.

On March 21, 1877, we find the following entry in *Journals*, page 160:

> Mr. Ross (Middlesex) moved, seconded by Mr. Smith (Peel), and the question being put, that the Bill from the Senate, intitled, "An Act for the Relief of Mary Jane Bates" be read a second time tomorrow; the House divided; and it was resolved in the affirmative.

Similarly, if you check *Hansard* for April 21, 1879, at page 1375 one can see that there was a division on this similar point with regard to the Supreme and Exchequer Court Acts Amendment Bill. I suspect that you will have almost memorized that Bill by now, Mr. Speaker.

• (1510)

On April 3, 1876, *Journals*, page 245, records another such division on a Bill to amend the Insolvent Act of 1875.

There might be those who argue that, because the precedents cited are from a period when the question that was put to the House reflected a specific date for second reading, these precedents are not valid today. This question was changed, as you know Mr. Speaker, to alleviate the problem of having to go through the Orders each day standing under Government Business and passing motion, to have each put over for another day so that they would not be dropped.

The motion that is moved today, as was noted in Brunette's is "When shall the Bill be read a second time?" which is then answered "At the next sitting of the House". This simply allows Bills to stand over under Government Orders from one day to the next without the risk of being dropped.

However, the questions are exactly the same in that their intent or purpose is to place the Bill on the Order Paper for future consideration. This is why Bourinot asserts that even after the original motion moved by the Minister, that the Bill be read a second time at some future date, fell into disuse, it was still possible to force a division on this question because the question was whether or not the House should, at that particular moment, assign the Bill a place on the Order Paper for future consideration.

This is why, Mr. Speaker, it is my contention that the precedents I have cited, in conjuction with the clear and unequivocal quotation from Bourinot's, indicate that it is proper form to force a division at this stage in the Bill.

My second point, Mr. Speaker, relates to my contention that the motion to affix a date for second reading is also debatable and amendable. During the course of my argument I will cite several precedents to support this position.

I would first like to return to the passage from Bourinot's, Fourth Edition, page 508, which I cited earlier. It states:

> This motion passes almost invariably—as it is a purely formal motion—but though it is unusual to raise a debate on the merits of the bill—yet it is perfectly in order to divide the house on the question . . .

Note, Mr. Speaker, that Bourinot does not rule out a debate at this stage but simply says that it would be unusual. I put it to you, Mr. Speaker, that we do many things in this House which are procedurally unusual. Forcing a division at this stage is surely unusual but it is not, I hope I have shown, out of order.

The last phrase in this excerpt, which reads, " . . . it is perfectly in order to divide the house on the question as at any other stage of the measure" is also important in that Bourinot implicitly recognizes that the putting of the motion to assign the Bill an order for consideration is a distinct stage or separate step through which the Bill must traverse on its passage through the House.

This, of course, is clearly at variance with Beauchesne's Fifth Edition, citation 713 which reads:

> The first reading of a bill, the order for printing and the appointment of a day for second reading are taken together as one formal stage.

Yet, there is no precedent or ruling cited upon which to base this assertion. It is simply an editorial comment with no procedural foundation, or at least none is given in Beauchesne's.

I also draw your attention to Erskine May, Twentieth Edition, page 527, in which it states:

> The various stages through which a bill progresses—are intended by the practice of Parliament to provide so many opportunities not only for consideration, but also for reconsideration . . . Though the stages are thus treated as inter-connected portions of a single process of consideration, each stage is regarded as having its own peculiar function and to a certain extent its own more or less limited range of debate.

Erskine May also states, on the same page:

> Upon this principle, it is laid down by Hatsell, and is constantly exemplified, "that in every stage of a bill, every part of the bill is open to amendment, either for insertion or omission . . . "

Let us consider again the purpose of the motion in question. It is unquestionably to assign an order for consideration of a Bill at some future date. Cannot we understand this process as arranging the proceedings of the House?

I draw to your attention, Mr. Speaker, Standing Order 56 which lists all those motions which are debatable. Standing Order 56(1)(p) specifically includes:

> —such other motion, made upon Routine Proceedings, as may be required for the observance of the proprieties of the House, the maintenance of its authority, the appointment or conduct of its officers, the management of its business, the arrangement of its proceedings, the correctness of its records, the fixing of its sitting days or the times of its meeting or adjournment.

There are those who might argue that, with the revision of the Standing Orders in 1913 and the reclassification and limitation in scope of debatable motions, the opportunity to debate and amend the motion affixing a day for second reading was actually lost. However, it is my contention that this was not lost. It is my interpretation of Standing Order 56(1)(p) that such a debate is indeed in order and that in fact the motion is debatable and amendable.

Historically this has been done on many occasions. I mentioned the division on the motion to set the date for second reading of the Supreme and Exchequer Court Acts Amendment Bill on April 21, 1879. Actually there were two divisions. The first division, as shown at page 1375 of *Hansard* for that day, was on an amendment to postpone the commencement of the second reading debate for three months.

Again, on April 3, 1876, the motion to affix a date for the second reading of the Insolvent Act of 1875 was amended and *Journals*, at page 245, indicates that a debate on the motion

and the amendment ensued. The amendment was later withdrawn but clearly the opportunity to make the amendment and engage in debate existed. I guess that becomes self-evident.

This House of Commons is a forum for debate and a forum for decision. There may be those who would wish to restrict our freedom as Members to debate and decide on questions that come before this House, but surely the burden of proof is on them to show that in circumstances such as the one with which we are faced now this freedom simply does not exist.

I believe that I have shown, both in the procedural references that I have quoted and the precedents which I have cited, that the House may divide on the motion to affix a day for second reading and that in fact this motion is also debatable and amendable.

I believe that I have raised this point of order at the appropriate time. Beauchesne's Fifth Edition, citation 237 states:

> A point of order against procedure must be raised promptly and before the question has passed to a stage at which the objection would be out of place.

I submit, Mr. Speaker, that before we can proceed any further on the Bill presently before the House it is incumbent upon you to rule on my point of order as to whether or not you are convinced that the House can force a division at this time and, second, whether I have convinced you that the motion is debatable.

Perhaps you may wish to reserve a decision, Mr. Speaker, until you have reflected upon this question and had consultations with the Table. In the interim, I would suggest that we should perhaps proceed with the next item of business until the question before us is resolved.

I thank you, Mr. Speaker, and the Members of the House for your patience in hearing this rather lengthy point of order.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to offer some comments on this point of order, although I will do my best to keep my remarks down to a reasonable compass. In saying that I am not suggesting that my hon. friend did not keep his remarks down to a reasonable compass, but I just want to assure you that on my own part I will attempt to do so.

Mr. Speaker: I can say to the Hon. Member for Windsor West (Mr. Gray) that I will expect assistance from him, naturally. I would also point out that that the Hon. Member for Kamloops—Shuswap (Mr. Riis) has made a very succinct argument and came very well prepared for it. I did not feel that he was speaking off the top of his head. I have been listening very carefully. If the Hon. Member for Windsor West has anything of assistance, I will certainly hear it.

Mr. Gray (Windsor West): Mr. Speaker, I do want to confirm that Bourinot's Fourth Edition does make it clear that a division is entirely in order when it comes to a motion as to when a matter is to be next looked at after first reading has been approved by the House. There are a number of examples which my hon. friend from Kamloops—Shuswap has put on the record. I do not intend to repeat them.

It is interesting that Beauchesne's Fourth Edition, which was produced some 40 years after Bourinot's Fourth Edition, asserts that the matter is purely formal and done without any vote, but offers no annotation. Beauchesne's Fifth Edition merely lists the citation from the Fourth Edition of Beauchesne's. There is, therefore, no indication whether the House ever made a conscious decision to prevent a vote at this stage, certainly in modern times.

I do want to confirm that my own inquiry into this matter confirms that there are precedents for divisions being held on a motion of the kind we are discussing, but certainly without any support for the position taken in the two most recent editions of Beauchesne's which assert that the matter is merely formal. I repeat that this is not supported by Bourinot, who gives specific citations showing how such votes have been taken.

• (1520)

Having said that, I know you will want to reflect on this important point. If you do want to rule that a vote can be taken on such a motion, I hope I can reserve my right to make further comments as to whether such a motion is debatable and, if debatable, whether it is or is not amendable.

Hon. Doug Lewis (Minister of State and Minister of State (Treasury Board)): Mr. Speaker, I appreciate the opportunity to address the comments made by my hon. friend, the Member for Kamloops—Shuswap (Mr. Riis). I am somewhat amused that earlier this day his Leader argued that the only precedent for a motion which we intend to put forward on the issue of abortion was 105 years old when they are now trotting out precedents that are 120 years old. I suggest that what is sauce for the goose is sauce for the gander.

I think it is self evident that there are precedents which help us to ease the business of the House, which, after all, is the purpose of the rules. In my experience, there has been no time when the House has divided on this question as to when the business shall be called again. I submit that the comment made by the Speaker is more of a rhetorical question. It is not a motion.

Normally, the Speaker puts questions to the House which are moved and seconded by individuals. This particular question has not been moved and seconded. I suggest that this whole issue must be dealt with in the context of the Standing Orders of the House today. It is possible to quote precedents from earlier days, but those precedents must be examined in terms of what were the Standing Orders of the House in those earlier days. Therefore, if it was standard procedure in those earlier days to fix a day for the second reading of a Bill, that is fine. However, if there is provision, as in Standing Order 111 to which I will refer in a minute, for when something shall be read another time, I think we must follow what the Standing Orders and the precedents say today.

Point of Order—Mr. Riis

Last week, in the interest of democracy there was a vote on concurrence on the Ways and Means Motion. While I appreciate that the Chair has reserved on this matter, there were two earlier votes on the question of whether or not leave was required or whether concurrence made it a direction to the House to consider it. We also had a vote on the key question as to whether or not the Bill should be read a first time and printed. The essence of the question to us on that day was whether or not it was printed. I suggest to you that that has been done. However, Citation 378 of Beauchesne, Fourth Edition, states that the words are:

> ... purely formal and proposed with the object of placing the Bill on the agenda ...

According to the precedents, it is seen as a mere formality.

In conclusion, it is the business of the Government to call the business of the House. Standing Order 111(1) states:

> Every bill shall receive three several readings, on different days, previously to being passed. On urgent or extraordinary occasions, a bill may be read twice or thrice, or advanced two or more stages in one day.

I suggest that the comment: "When shall the Bill be read a second time?" is a question to the House as to whether or not there has been consent to proceed to second reading today. If that consent exists then the Speaker is, in effect, asking if there is that consent or willingness to proceed today. If not, it seems to me that according to Standing Order 111 it must automatically be the next day or the day thereafter.

I suggest that in the context of today's Standing Orders and the way this House runs, when you ask the question: "When shall the Bill be read a second time?", it is really a question as to whether or not there is consent to proceed to second reading that day. Failing that consent, according to Standing Order 111, it shall not be today but a second date.

It is a very interesting argument and I appreciate that my hon. friend is trying to find every way he can to delay debate on this very important issue. I appreciate that it is part of his role as Opposition House Leader, but I suggest the Standing Orders are clear. You have asked whether there is consent in the House to proceed today. Failing that consent being given, we then fall back to Standing Order 111 and it shall be tomorrow or a succeeding day in the Business of the House.

Mr. Speaker: First, I want to make it clear to Hon. Members exactly what has occurred here. The Hon. Minister of State (Mr. Lewis) has pointed out that there was a vote on concurrence on the matter of the trade Bill and today there were two further votes, one for the introduction of the Bill and a second for first reading.

It is also quite accurate that in the first vote the Chair gave what I could refer to as the benefit of the doubt to the Opposition in the interest of order in this place and in the interest of effective procedures. However, I think I pointed out that that was not necessarily a precedent.

The Hon. Member for Kamloops—Shuswap (Mr. Riis) has raised a matter that I must say had not gone unnoticed by the Chair some days ago. Therefore, I have had a chance to consider it with care. Let me say, however, and with some degree of admiration, that the argument put forward by the Hon. Member for Kamloops—Shuswap was thorough and rooted deep in history. It was succinct and a credit to the Hon. Member, and of assistance to other Hon. Members who wish to respond to it.

The Hon. Member for Windsor West (Mr. Gray) has added somewhat to that argument and I am indebted to him for his remarks. Of course, I appreciate the comments of the Hon. Minister of State.

I was able to scribble a few notes during the noon break, I believe in anticipation of most of the argument of the Hon. Member for Kamloops—Shuswap. I shall refer partly to these notes in the interest of clarity.

First, I might say that the Hon. Member for Kamloops—Shuswap has raised a matter which one could say has rarely been raised in many, many years. I should point out to the Hon. Member that while I have looked carefully at the passage in Bourinot, the cases upon which that passage is based go back well over 100 years. The Hon. Member for Kamloops—Shuswap has made that very clear.

When I say that it has rarely been raised in many, many years, it is because I have not been able to find any instance of it being raised, save one single instance a few years ago. I bring that to Hon. Members' attention.

This occurred on January 19, 1984, when Speaker Francis was in the chair. He was responding to a matter raised by the then Hon. Member for Yukon. He commented on some argument that had been put forward. He then went on to say, with respect to Citation 722 of Beauchesne's, which, as Hon. Members will remember, takes a different position from the Bourinot citation of many years before:

• (1530)

> The Chair has, however, relied on Citation 722 of Beauchesne's, which reads—

I am now quoting what was read by Speaker Francis:

> Appointment for Second Reading
>
> When the House has agreed to the first reading of a bill, the Speaker at once proceeds to ask: "When shall the bill be read a second time?" The answer is generally: "At the next sitting of the House." The bill is placed on the *Order Paper*, in its proper place, for a second reading at a future time. It is purely formal and is proposed with the object of placing the bill on the agenda for a second reading at which time all discussion can more regularly and conveniently take place.

I quote that not to say that it is an observation with extensive reasoning to it. It is not. However, it is the only citation that I have been able to find which indicates in contemporary times what any Speaker of this place has thought with respect to the distinction between Bourinot and Beauchesne. There at least is some guidance. Clearly, Speaker Francis at that point is making the point that the procedure is purely a formal one.

The Hon. Member for Kamloops—Shuswap (Mr. Riis) made several observations in the course, as I said, of his excellent argument in which he said that just because this practice as enunciated by Bourinot has not been followed for many decades is no particular reason that it ought not to be followed today.

I am reminded of Dean Swift when he said that lawyers are a race of men among us who believe that anything that has been done before may legally be done again. I think it is always important not to get caught up in that adage too closely.

However, certainly the Hon. Member for Kamloops—Shuswap starts off on sound ground because he cites precedents. I have not been able to go back to look at those precedents in the context. What I think is common ground here is that whatever the practice may have been then, and I think that the Hon. Member for Kamloops—Shuswap acknowledged this, as he said, it has fallen into disuse. He also said that there is no precedent that extinguishes the right of a Member to force a division or, indeed, to go on to proceed during a debate and then to amendment.

It would seem, at least at the moment, that what the Hon. Member says is so. However, the difficulty of the Chair in a case such as this is that if a practice has so fallen into disuse that it is not in the minds and in the contemplation of Members on either side of the House when the particular form—and that is of course what Beauchesne says it is—is followed, then the question is whether it is a better course of wisdom for the Speaker to reach back too far to pick something out of the mists of time to say that suddenly, without any particular expectation, it applies. I must say that that is a practice that I would not want to take part in unless I had some very clear direction from all sides of the House that, indeed, some ancient practice ought to be reinstituted and ought to be part of the consideration of the House at all times.

I have to say to the Hon. Member for Kamloops—Shuswap that to proceed to take the Bourinot quote and apply it, to leap-frog it, if I can put it that way, chronologically, ahead of and in a position of greater importance than the Beauchesne quote, especially when we have at least a nod toward Beauchesne on the part of a recent Speaker of this House, would not be in the interests of procedural wisdom in this place.

However, it is one of those arguments which is of great interest. It may well be that Hon. Members may wish to discuss it further. It may well be that Hon. Members might want to agree together that some change may be made. In the absence of a very clear direction from this House I do not think it would be appropriate today under these circumstances to apply what may well be a ruling that was appropriate over 100 years ago to the matter that is in front of us today.

I thank very much the Hon. Member for Kamloops—Shuswap and those who may have assisted him in his argument. I thank the Hon. Member for Windsor West (Mr. Gray), and I thank the Hon. Minister of State (Mr. Lewis).

GOVERNMENT ORDERS

[*English*]

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

Hon. Don Mazankowski (Deputy Prime Minister and President of the Privy Council) moved that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee.

He said: Madam Speaker, it is with a great deal of pleasure that I enter this debate, and I remind Hon. Members that on April 12, I advised the House of the Government's intention to introduce legislation to permit all Canadians, and particularly Air Canada employees, to participate directly in the ownership of Air Canada.

Bill C-129 was introduced last Thursday. I am pleased that we have the opportunity to commence second reading debate here this afternoon.

The overwhelming support and reaction to this April 12 announcement by Canadians in general and by Air Canada employees in particular was not unexpected. Air Canada wants and has earned the chance to fly independently after 51 years in the public sector. The 22,000 people on the Air Canada team and the millions of Canadians who were served by the airline are all well aware of the benefits which public participation will bring, and all want to participate in that broad-based ownership.

Without being repetitive, let me briefly review the rationale behind the Government's initiative. I referred to this briefly in the House when I made my April 12 statement. The Canadian airline industry has come a long way since Trans-Canada Air Lines started operations in 1937. The industry has matured. It has come of age. What we are doing here today is a natural evolution of that process.

In 1984 Hon. Members will recall the Government began a process of economic regulatory reform, *Freedom to Move*, which culminated in a new National Transportation Act which was proclaimed on January 1, 1988. I am pleased to say and to acknowledge that this was a lengthy process, a consultative process, wherein the industry, the users of the transportation system but, more particularly, all Members of Parliament had an opportunity to participate, both in the hearing process before the legislation was brought in and during the legislative process itself. I think it was an excellent example of the consultative process working, of democracy in action. It clearly reflects parliamentary reform which has been the hallmark of this Parliament.

The airline industry responded to this new open environment. In so doing it shifted its focus from that of satisfying a regulatory agency to responding to the needs of the public, in this case the travelling public.

Competition and innovation have produced in a relatively short time two major national air carriers: Air Canada and the Canadian Airlines International, with national, regional and local services provided by themselves and/or their partners. In addition, Wardair is rapidly emerging as a third national carrier to offer additional choice to the travelling public both at home and abroad.

All airlines, including Air Canada, continue to serve important public services. But state ownership is not necessary to carry this out. Indeed, the airline industry's record in Canada since economic regulatory reform was initiated clearly shows that competition and the freedom to move has provided better, safer and more competitive services through market forces than it did under government edict.

• (1540)

For example, since 1984, weekly scheduled domestic departures across Canada increased by almost 50 per cent by the end of 1987. The figure rose from roughly 6,200 departures per week to 9,300 departures per week. This means that more communities in Canada are getting a greater frequency of service. Therefore, the public is obviously being served better than was the case before.

For its part, Air Canada has grown with the industry and has expanded services. Here, too, the figures are very interesting. For example, departures have increased by 90 per cent since 1984 with the integration of the alliance carriers from 2,369 departures per week in 1984 to 4,489 in 1987. Therefore, there is a situation where Air Canada, with its integrated alliance partners, is providing more services to more communities integrated, and it is certainly all being carried out under the flagship of Air Canada.

As it prepares to enter the 1990s, Air Canada has an aging fleet, and the airlines management must be able to maintain its leadership position and make its own decisions on equipment, financing, and operations with the same options and opportunities as its Canadian and international competitors. The legislation before the House, Bill C-129, will provide Air Canada the freedom it needs to respond quickly and effectively to the demands of its customers, unfettered by the administrative controls and procedures which must apply to Crown corporations.

I would now like to turn to some of the provisions of the legislation itself, and hopefully in the course of doing so demonstrate to the House how closely it follows the commitments that I made in the April 12 statement.

First, within the legislation there are strong provisions to ensure that no more than 25 per cent of issued shares are owned by non-residents of Canada. In this respect, the same restrictions are placed on all transportation agencies under the provisions of the National Transportation Act. Furthermore, no more than 10 per cent of issued shares can ever be owned or controlled by one individual or associated interests.

In other words, the fears raised by some that Canadian carriers such as Air Canada will soon be owned by a United States or foreign airline are simply unfounded. It cannot happen. To remind some Members of the House who seem to have forgotten, the free trade agreement does not affect the Government's right to impose these restrictions in any way.

In addition, the legislation puts the force of law into the Government's commitment to maintain the airline's operational and overhaul centres in Montreal, Winnipeg, and Mississauga. While the legislation guarantees that these operations will be maintained, the same sound business reasons that they were established there in the first place will be the best guarantee that they will not only remain, but grow and expand with the airline and the country.

[*Translation*]

Third, the Bill provides that Air Canada's headquarters will remain in Montreal. Air Canada has played a major role in providing services to Canadians in this country's two official languages. This provision guarantees that the Official Languages Act will continue to apply to Air Canada.

[*English*]

As for the other provisions that I announced on April 12 which serve as conditions for this initiative, Government will continue to work with Air Canada's board and management. I want to assure the House that no shares will be sold to the public by the airline, or by the Government, until we are satisfied that the following conditions are met.

We want to be assured that as many Canadians as possible will have the opportunity to participate in the ownership of the airline through an innovative and broadly based distribution plan. We also want to be assured that an attractive employee share purchase plan, financed by Air Canada, is in place to give Air Canada's 22,000 men and women the chance to become part of their great company. We also want assurances that Air Canada's employment policies will be continued.

Once these and other financial regulatory conditions are met, the Government will permit Air Canada to issue to the public up to 45 per cent of the shares in the corporation. The Government will retain the additional 55 per cent of the shares for a period which will depend upon market conditions and the orderly transition of Air Canada from a state-owned entity to a publicly-held Canadian business.

Mr. Cassidy: That's not what the Prime Minister (Mr. Mulroney) promised.

Mr. Mazankowski: I am sure the hon. gentleman wishes to speak in this debate, Madam Speaker, and I will certainly give him the courtesy of listening to him. I would expect that he would extend the same courtesy to me.

I suspect that the demand for shares from Canadians and Air Canada's employees will be so positive that the Government will be under pressure to allow more people to participate sooner rather than later.

I have been rewarded time and again since April 12 with kind words and support from ticket agents, flight attendants, baggage handlers, receptionists, and ramp workers as I have travelled across the country on Air Canada. One such comment stands out in my mind. It came from an employee who, only days after the announcement, came up to me as I was boarding an Air Canada flight in Toronto. He happened to be a ramp attendant and when I asked him, "How are you doing?" He replied, "Great. But we will be even better when we will be working for ourselves. Thanks!"

To a large extent that comment reflects how the rank and file feel about the privatization initiative. That comment, and many like it that I have received since April 12, are the reasons for Bill C-129. Those people have pride in their jobs, pride in their company, and hope and confidence in their future. They want to be able to challenge that future on their own as direct participants in the success of their own efforts.

This is an important day for Air Canada, and I am pleased to lead off the debate on Bill C-129. I do so on behalf of Air Canada's management and its employees. I am talking about the ramp attendants, the pilots, the flight attendants, the ticket agents, the supervisors, and all those loyal employees who have served the airline so well. Just as important, I do so on behalf of all Canadians who would like the opportunity to participate directly in the ownership of a great company that they know and respect.

Accordingly, I urge all Members of the House to consider the importance of this initiative, and the importance in moving this legislation ahead in order that Air Canada can build for the future, a future based upon a solid 50 year history, eager to meet the challenges of the next 50 years.

Mr. Russell MacLellan (Cape Breton—The Sydneys): Madam Speaker, I have a great deal of difficulty with this Bill, not only because I and my Party oppose the privatization of Air Canada, but because the Bill that has been presented to this House is severely deficient. It is not complete. There are a great many things that the Government said it was going to do that are not in the Bill. I would be remiss if I did not mention to the Deputy Prime Minister (Mr. Mazankowski), that we expected a great deal more, even if we had been in favour of the Bill, than is actually in the Bill. I would like to talk about that and mention some of the shortcomings of the Bill and some of the reasons for my Party's position with respect to Bill C-129.

It is clear to me and my colleagues in the Official Opposition that the Government has not thought this Bill through. There is so much that the Government has left unsaid. There are so many bases that the Government has not covered. It is this hell-bent-for-leather approach and this determination to sell this corporation at any cost that is forcing the Government to move so quickly, really too quickly. Air Canada deserves much better. The Canadian public deserves much better. I think the airline industry deserves much better. I think the employees deserve much better. I trust the Government will take into consideration some of the points that I hope to make here this afternoon.

• (1550)

As I mentioned, we are opposed to the privatization of Air Canada and believe there are better ways than privatization to resolve the financial issues facing the corporation. We believe that Air Canada should remain wholly owned by the Government of Canada.

In 1977, the then Liberal Government proposed and Parliament approved the Air Canada Act under which the corporation now operates. That Act was in response to the observations and recommendations of the Estey Commission of Inquiry. The commission, in essence, proposed that Air Canada be given the legal and corporate structure, the flexibility and financing to operate on a commercial basis and on the same footing as its competitors in Canada and abroad. Air Canada was refinanced in 1977 with a debt equity ratio equivalent to other major North American airlines.

Following that, it was split off from Canadian National, as stipulated in the Act, and given its own Act that used the Canada Business Corporations Act as a model and a reference. This new Act admonished directors and officers to conduct the business affairs of Air Canada with prudence, diligence and "in the contemplation of profit". In other words, Madam Speaker, in 1977 Air Canada was placed on a commercial footing with a clear arm's length relationship with the Government. As you see, we do not need privatization. What the Government says it wants has already been achieved in 1977 with the Air Canada Act if the Government will only allow it to happen.

The Liberal Party does not dispute the fact that Air Canada requires financing to modernize its fleet. Air Canada finds itself in an extremely difficult position needing billions of dollars to finance new aircraft, probably needing in the immediate short term approximately $300 million to get this purchasing of aircraft started. The reason for the haste is the Government, which has been in power for almost four years, has done absolutely nothing. It has postponed the decision to assist Air Canada in purchasing new aircraft. That is the reason the Government is up against the wall right now saying the decision must be made immediately and that we do not have any time to waste on this important question.

Why has the Government panicked and allowed itself to be held hostage by Air Canada's financing requirements? Is the Government being stampeded into privatization? Is this privatization treating the symptoms of the problem rather than the disease itself?

In 1977, presented with a similar situation, the then Liberal Government made the necessary management changes, or saw to it that changes were made, and recapitalized the corporation. We contend that the same should be done in this instance. We believe Air Canada has played and continues to play an important public policy role in ensuring air service to all

regions of Canada. That public policy role could be jeopardized by privatization when, according to the Minister's own words, Air Canada will be "market driven". This Government's deregulation initiative in air transportation has led to significant corporate concentration through the mergers of acquisitions by national and regional carriers. With Air Canada we now have three principal carriers in Canada and many regional airlines which are affiliated primarily with two of the three major carriers.

In the United Kingdom there were two major carriers, British Airways and Royal Caledonian Airlines. Now there is but one. This leads to the first concern that we have with privatization, namely, that there is no stipulation that Air Canada is either not going to be purchased by one of the major carriers or will not subsequently purchase one or the other major carriers, thereby further concentrating the airline industry in Canada. At a result, competition deteriorates very quickly, as was the case in the U.K. This is something we do not need, Madam Speaker. If we are going to have a healthy airline industry in Canada, we have to maintain competition, not follow the lead of the U.K. and reduce our air services to one major carrier.

A government-owned Air Canada would act as a bulwark against such increased corporate concentration in air transportation and ensure at least a level of competition. Let us be very clear about the Government's motives behind this privatization. The Government is not motivated by ideology nor is it motivated by some grand scheme or strategy to enhance efficiency in the air transportation sector. The Government's motivation is money, purely and simply. The Minister of Finance (Mr. Wilson) and the Government have decided that the Government cannot or will not provide the financing necessary for Air Canada to modernize its fleet. The Government will shift that burden to the Canadian public. This amounts to Canadians being asked to pay for the shares of a company they already own.

In January, 1985, the Prime Minister (Mr. Mulroney) stated:

> There may be some persuasive arguments in the case of Air Canada that some people can make in regard to the disposition of equity. I'll take a look at it. But Canada needs a national airline.

Well said, Mr. Prime Minister.

Mr. Mazankowski: Now we have three.

Mr. MacLellan: Let us not forget that the "persuasive argument" that swung the Prime Minister's support behind this privatization was money. There was the Government's resistance to providing Air Canada with the money it needed. Knowing this, the Government, by its own inaction, and the management of Air Canada, with some deliberate but adroit manoeuvring, forced the issue with the Government and, as a result, we have Bill C-129 for the privatization of Air Canada.

Let me turn to the Bill before us today. In 1984 the Liberal Government brought forward Bill C-24. It was passed by Parliament and now forms Part XII of the Financial Administration Act. One of the changes made through Bill C-24 was a requirement that any acquisition or divestiture of a Crown corporation had to be approved explicitly by Parliament. In reviewing committee testimony and debates on this matter there is no question in my mind that this requirement was imposed, not only to ensure that Parliament's approval was sought for privatization, but also that Parliament's approval was sought for the method, structure and details of the privatization.

The record also shows that the Conservative Opposition at that time strongly supported this section. I contend that Bill C-129 violates at least the spirit of this requirement in the Financial Administration Act. Bill C-129, if passed in its current form, gives the Minister a virtual *carte blanche* for how and when the Government will privatize Air Canada. In effect, Bill C-129 is asking Parliament to buy a pig in a poke. We all know how the Conservatives would react if the shoe were on the other foot and we were asking them to accept this at face value.

• (1600)

I find it remarkable that the Government has said more in its press releases and in public statements about Air Canada's privatization than it has said in this Bill. I contend that if the Government says it intends to sell only 45 per cent of the shares at this time, it should say so in the legislation. It should tell us about the timing for the future share issues.

It is also significant that we do not see protection for the employees in the legislation. I understand there is a surplus of millions of dollars in the employees' pension funds. What happens to this surplus after privatization? The Government has said that employees will participate in this share offering and that policies governing salaries, pensions, benefits, relationships with unionized workers and employment equity will be continued.

The Government has made a great deal of employment guarantees in its public statements. If these guarantees are so important, and we on this side agree that they are tremendously important to Air Canada's 22,000 employees, why not put the guarantees in the legislation?

To establish an arm's length relationship which we contend already exists and has existed since 1977, the Minister has said that he will instruct the Air Canada board to act "in accordance with the majority of the public shareholders". Surely that is important enough to put in the legislation. If, as the Minister says, he is interested in getting good participation from the private sector in the 45 per cent share offering that his Government intends to place on the market, it would be important to state in the Bill just exactly how this will take place and who will vote these shares. However, it is not there.

I could go on to mention other points, but I think I have made my point in that regard. With a Crown corporation of

this size, with the importance of Air Canada and the sensitivity and national prestige of Air Canada, for it is truly a corporation of tremendous national importance, I think that parliamentarians, the employees of Air Canada and the people of Canada have a right to review in detail all the commitments the Government has made and to ensure that the Government is in fact committed to putting them into legislation.

We should not be asked by this Minister and by the Government for a blank cheque to deal with Air Canada as, when, and however the Government sees fit. It is important that these criteria and stipulations be placed in the legislation itself. Only then can we have assurances that the statements of the Government will be followed through at a particular time as set forward in the legislation.

Let me turn to major mistakes the Government is making in this privatization, mistakes with which subsequent Governments, Air Canada employees, management and shareholders and the Canadian public will have to live. In the late 1960s and the early 1970s, Canadian Governments began to experiment with what we called mixed enterprises. They were supposed to herald a new day of government-business partnership and co-operation. At least that was the theory, and we know what happened. Those mixed partnerships really did not last too long. They were a combination of the private sector and the public sector, and of course they are now either all private sector or all public sector.

This form of mixed corporation, a combination of public and private involvement, has never really been successful in attracting private investment. Why is this? What is wrong with it? The answer is very simple.

The private sector investor looks, quite legitimately, to the maximization of profit and will buy or sell shares if he can get a better return somewhere else. The Government as shareholder has a number of public policy objectives in mind, including promoting employment, generating research and development, serving outlying areas in the case of transportation, promoting bilingualism and, in many cases, the promotion of regional economic expansion. In short, a lot of the Government's objectives are non-commercial.

In such a situation, management is caught in the middle, trying to mediate between the private sector's aim to maximize investment and the Government's attempt to develop its public policy objectives. I think Government should have public policy objectives, and that is why, of course, 51 years ago, Trans- Canada Air Lines, the forerunner of Air Canada, came into being.

Air Canada will not work as a mixed corporation. It should not even be attempted. Air Canada should remain a purely publicly owned corporation.

Under the Government's stated plans, Air Canada will be at least for a time, and I think quite a time, a mixed enterprise. Bill C-129 manifests the inherent conflict to which I have referred. It says that government shares will be voted in accordance with the wishes of the majority shareholders, though that is not stated very clearly in the Bill. Then again, very little is stated clearly in the Bill, because the Bill was rushed in. The Bill was not properly thought out. It does not contain all the information we would like to see.

The Bill provides, for instance, for a restriction on foreign ownership, yet it does not go to the extent to which Bill C-121 regarding Eldorado Nuclear and Saskatchewan Mining Development Corporation went. It does not ensure that in any vote of the company, there will be only a certain percentage of foreign interest voted at a particular annual or other major meeting of shareholders of the company.

As I have said before, this Bill was rushed in, and it was not properly developed. We in the House have to deal at this time with a Bill that was not only built around the wrong premise of privatizing a Crown corporation that should not be privatized but one that does not deal fully with what the Government intends to do.

In its single-minded haste to privatize this national asset, the Government is willing to abrogate its responsibility to the people of Canada as a major shareholder in Air Canada. The Government has said how it will vote its 55 per cent, if that is actually what will happen. The Bill certainly is not clear on that but the Government has stated in its press releases that that is what will happen, so let us assume that the Government will retain 55 per cent of the shares of Air Canada, and it will vote that 55 per cent in accordance with the majority of the 45 per cent that will be sold to the private sector.

Let us just picture future question periods. The Government will be asked why Air Canada has laid off, say, 250 employees, and of course, we will get the answer from the Minister that the Government could not do anything about it because 23 per cent of the private shareholders thought that it was the right thing to do for commercial reasons. Or, what if Air Canada were to invest in a shoe factory in Argentina? You would get the same answer: "We couldn't do anything about it because 23 per cent of the private shareholders thought it was the right thing to do for commercial reasons". What if Air Canada were to invest in South Africa, contrary to explicit government policy? The same answer. "We cannot do anything about it because 23 per cent of the private shareholders thought it was the right thing to do for commercial reasons."

• (1610)

This is not the fate Canadians want for a corporation which has served this country well and been a part of our heritage for 51 years. If the Government feels so callously about the future of Air Canada and the interests of this country, if it feels so callously about its transportation policy, why is it holding on to any shares at all? Does it realize what it is doing or going to be doing? Does it have any conception at all of how it wishes to proceed? It is certainly not the private sector that is asking the Government to hold on to 55 per cent of the shares.

Given the current state of equity markets, the level at which airline company stock is trading, taking into consideration the coming election and the likelihood of a change in Government, Air Canada could be stuck in the position of being a mixed enterprise for some time to come. That would be a tragedy because it would be left out there in limbo. It would be a continuation of the uncertainty which has beset Air Canada since the Government took office in 1984 with its on-again off-again privatization policy. All this when Air Canada is trying to recoup market share in response to the stronger competition and the forces of deregulation. Given that, the Government has placed Air Canada in the weakest possible position.

I am also concerned that the anticipated major offering of Air Canada shares will act as an overhang in the equity markets and this will not help other airline companies. It may actually hurt them because of competitive share issues with which they may not be able to deal, at least in the short run. They will of course need financing for their own capital acquisitions and to meet the competition under deregulation.

There have been strikes at Air Canada, but I would agree most whole-heartedly with the Deputy Prime Minister in that Air Canada has an excellent workforce. Some are in favour of privatization, others are opposed. However, I think it is unfair for the Minister to use the figures he has used in this respect because, frankly, the 22,000 Air Canada workers should not be used as pawns in this privatization action. If the Government is planning to privatize Air Canada, then it should be able to stand up in the House and do so without using the employees of this very important and renowned company as a crutch. The Government will, after all, have to take full responsibility for this privatization if it goes through. If Air Canada suffers, it is going to be the Government that will bear the brunt of the public denunciation and humiliation.

As I said earlier, it is a question of money. The Government wants money to buy planes for Air Canada. It will need as much as $2.5 billion and that is a lot of money. The Government feels it needs approximately $300 million in the short term for the first payment on these planes. It is worth noting that the Government expects to obtain somewhere between $300 million and $500 million for the sale of the first 45 per cent, enough for the down payment on those planes. What is the Government going to do for the rest of the money? Certainly the receipts from the sale of all the shares of Air Canada are not going to be enough to pay for the planes. It could very well be that we will have a position where the market is not going to be responsive to this share issue, either the first 45 per cent or the second 55 per cent. The shares will then not be sold for what the Government hopes. Of course, there is, as I mentioned earlier, the cost of the balance of the airplanes. The Canadian public is still not going to be able to pay for the planes and the Government is going to leave everyone in a short-fall situation.

Of course, if the equity infusion is insufficient even after selling off all the shares, Air Canada will be no better off than it is today. The privatization will have achieved nothing but will have cost Canadians a great deal.

The privatization of Air Canada is hasty, ill-conceived, and is being mounted for no good reason. The Government has no mandate, no right and no need to privatize Air Canada. The company has been in business for 51 years, it is operated well and profitably, and has been a credit to this country. The Government is not treating it as though it were the proud and important corporation it is. It is treating it more like a booth at a county fair.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mrs. Champagne): It is my duty, pursuant to Standing Order 66, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Cape Breton—East Richmond (Mr. Dingwall)—Tax Reform—Ways and Means Motion—Prime Minister's Statement/Prime Minister's Statement; the Hon. Member for York Centre (Mr. Kaplan)—Presence of Convicted Terrorist in Canada/Request for Explanation of Procedure Chosen by Government; the Hon. Member for Swift Current—Maple Creek (Mr. Wilson)—Canada Pension Plan—Eligibility for Disability Benefits.

GOVERNMENT ORDERS

[*English*]

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, this Bill has not been brought forward because there is a pressing desire for privatization of Air Canada, or a need either by the people of Canada or the company itself. Air Canada is just one example of the many publicly owned corporations established by Governments in Canada since we became a country. These publicly owned Crown corporations have been established not by Governments opposed to free enterprise. Very few of the Crown corporations we know at the federal or provincial level were established either by CCF or NDP Governments. Rather, they were established by Governments and Parties which

believed in the free enterprise system. They believed in competition. Those Governments were headed by Liberal, Conservative, Social Credit or the Parti Québecois in Québec.

Let me just give you a few illustrations of Crown corporations established over the years. Let me begin with the first important corporation established with the help of a Canadian Government, a Conservative Government which was headed by Sir John A. Macdonald. I am talking of course about the CPR. It is not quite correct to call it a Crown corporation because what the then Conservative Government did was to give to the leaders of private business of that day grants and loans and the right to ownership of millions of acres of land worth at that time hundreds of millions of dollars. At today's rates that would be the equivalent of billions of dollars.

• (1620)

Why did the then Conservative Government follow that procedure? It did so because it realized that without a railway stretching from the Atlantic to the Pacific there would be no Canada. It was obvious to them, and should be obvious to us today, that the economic lines on this continent run north and south rather than east and west. If the Government of that day had not pushed for the quick establishment of a railway, this country would not have survived and would now exist. It is largely because of the building of the CPR that we have a Canada today.

Let us look at another example. Ontario Hydro was established by a Conservative Government led by Sir Adam Beck. Ontario Hydro, as a publicly owned corporation, has provided industry and consumers in cities and on farms with electric power at as cheap a rate as possible. It has permitted the growth and expansion of Ontario and has enabled Ontario to compete with industries south of the border which were and are, to a large extent, almost exclusively served by private power.

In my own Province of Manitoba we have a publicly owned telephone system established by a Conservative Government which has consistently given the consumer, the homeowner, the farmer, and the businesses of Manitoba cheaper rates for telephone services than have the privately owned systems such as Bell Telephone.

The Canadian Wheat Board was established by a Conservative Government headed by the then Prime Minister, Mr. Bennett. We have the Canadian Broadcasting Corporation established as a publicly owned system by the Conservatives under Mr. Bennett. They did this because they realized that if Canada was to exist, to prosper, and to have its own identity, a publicly owned radio system was a necessity.

Air Canada, the change of which we are debating today, was established by a Liberal Government under the direction of the then Minister of Industry, Mr. C. D. Howe. He realized that with an airline we could move the mail and passengers from one end of Canada to the other in a way in which the railways, the trucking system, and the bus system could not.

We have publicly owned hydro systems. In Quebec it was established by the Parti Québecois Government. In British Columbia it was established by a Social Credit Government. These Governments did not proceed to establish these publicly owned corporations because they were opposed to the free enterprise system or because they did not have confidence in the initiative and determination of private investors, but because they realized there was a need for each of these corporations to provide a service as there was for the hundreds of other Crown corporations, federal and provincial, which had been established over the years.

They did this because they knew that at the time these were established as publicly owned corporations the private sector was not interested, it could not see at the time that profits could be made. That is not a criticism of the private sector. The main reason private investors establish businesses is to make a profit. If they cannot see that a profit can be made at the time, they are not going to establish a business, they are not going to meet the needs of the public. That is why Air Canada, like other Crown corporations, was established.

Why are we proceeding with this change in Air Canada? Is there a need for it? Has Air Canada not done a job? Has it not met the needs of the people? Has it not been efficient? No, there is no evidence of anything like that. In fact, not very long ago the present Prime Minister (Mr. Mulroney) opposed the sale of Air Canada. In *The Globe and Mail* of January 15, 1985, he is quoted as saying: "Some people want to buy the CBC. The CBC is not for sale. Air Canada is not for sale".

What has changed since January of 1985? Do the people of Canada want Air Canada privatized? There is no evidence of that. In fact, the evidence is the exact opposite. In March of this year two polls were conducted. People were asked whether they wanted Air Canada privatized. According to the Environics poll, as reported in *The Globe and Mail*, 51 per cent of people opposed the sale and only 31 per cent supported it. Similarly, in March, 1988, *The Toronto Star* reported on an Angus-Reid poll which asked the same question. He reported that 53 per cent of Canadians opposed the sale of Air Canada and only 35 per cent of the people supported it.

Why do we have this Bill, why this flip-flop on the part of the Government? We have this Bill, not because it is needed, not because the people of Canada want it, but because the Government is committed to a philosophy of private ownership. The Government believes that the private sector can do anything better than the public sector. The Government is, therefore, committed to the sale of Crown corporations whether or not they serve a need and whether or not they have been operated efficiently. We oppose the basic and fundamental principle which the Government seems to have adopted.

We do not believe that everything should be publicly operated and publicly owned. We know that for the foreseeable future we are going to live, as we have for many years until now, in a mixed economy, an economy which will be partly operated by private ownership, partly by public

ownership, and partly by co-operative ownership. We believe that the needs and requirements of the people should be met in the best and most efficient way.

The Government wants to privatize Air Canada because it wants the company to make money rather, we say, than to meet the needs of the country. Privatization obviously necessitates competition. When we talk about transportation, particularly air transportation, competition inevitably means hiving off marginal routes. That means concentrating on traffic between the major centres in Canada which will inevitably lead to poorer service for the smaller cities and towns of this country and for the relatively isolated areas of Canada, such as the North.

• (1630)

This Bill not only satisfies Conservative doctrine, it satisfies the incorrect claim of competing airlines that Air Canada has been subsidized until now.

Why do we in the NDP and so many people in Canada support public enterprise? It is because public enterprise can provide a range of service to the community. The private sector either cannot provide to a fair and universal standard of service or will not provide it because it is not profitable to do so.

Public enterprise can promote and protect our national interest in a way that companies seeking profit cannot do.

One just needs to look at what this determination to show a profit is doing in the field of postal service to rural areas of this country. Rural post offices are being closed one after another as quickly as the Government can do so without antagonizing everyone. Look at the cut-backs in service to the new suburban areas in our cities, where, instead of door-to-door service which has been provided in our cities for generations, they are having foisted upon them these supposed community supermailboxes which they reject completely. The publicly owned corporation can help promote regional equality and provide models for good labour relations and equal employment practices.

The private sector, by its very nature, pursues profit, not the needs of the people. Pursuit of profit is not bad and has a rightful place in our economy, as I have already said, but if Canadians want a compassionate society that provides full employment, a high and rising standard of living, equitable distribution of income and wealth, equal access to vital services, then public enterprise is an essential method to achieve it. Air Canada has helped do all these things.

The Economic Council of Canada did a study of Air Canada. We disagree very strongly with that study which suggested that Crown corporations are not efficient. We say that Crown corporations have often provided services to the public at cost or less because the service, such as health care, highway maintenance, air and sea rescue services are provided on a universal basis. They are important. Private industry's preoccupation with competition and profits means that socially useful objectives like these are not priorities.

One need only look at what competition in the airlines will do in the drive to get customers. Rates for travel between major cities will be cut in an attempt to get an increased percentage of the business. The loss of revenue by providing that cheap service will be made up by poorer service to less fortunate areas with smaller population or by increased rates for them.

It is argued that private enterprise is intrinsically more efficient. Every day we hear of bankruptcies in the private sector and companies in financial difficulties. In many cases Governments, federal and provincial, have ended up bailing out these companies because the service or jobs they provided were believed to be essential to the communities in which they operated.

Efficiency in the private sector is often achieved at the expense of social or economic factors. The ability to provide goods or service at a lower cost may have less to do with efficiency than the fact that the private sector can avoid a unionized workforce or may be willing to sacrifice some quality in the pursuit of profit.

One only has to look at the reports which are coming out weekly, if not daily, on the kind of difficulties we see in the airlines in the United States. This was brought on to a large extent by their need to compete with one another. They were brought on to a large extent by deregulation.

Privatization has social as well as economic implications. It means decisions on investment and jobs are made on the basis of profitability. It removes the decision-making from a public-accessible forum to company boardrooms where decisions are private and hidden. Decisions about Canadian jobs and Canadian national resources may well be made outside of Canada.

We believe privatization means that economic decisions are made behind closed doors, inaccessible to public scrutiny. In the long run, the public will have less input in economic decision-making which directly affects their lives.

The Deputy Prime Minister (Mr. Mazankowski), in introducing this Bill, quoted some employees of Air Canada whom he met and told him how happy they were about this proposal of the Government to privatize Air Canada. The fact is that unions representing 85 per cent or more of the employees of Air Canada have made it very clear publicly on numerous occasions that they oppose the privatization of Air Canada. They do it for very good reasons. They have worked for Air Canada and know its history. They know its experience.

Let me spend a few moments putting on the record that experience. Air Canada commenced operations in 1937 as Trans-Canada Air Lines. It was set up by a Liberal government at the suggestion of the then Minister, Mr. Howe. Its purpose was to develop an east-west air transportation

infrastructure. Its first function was to move the mail. Then, as time went by, it evolved as a passenger air travel service, moving people from Atlantic to Pacific.

It is now suggested that this is no longer a valid role for Air Canada. We disagree and the employees represented by the unions disagree. In fact, they argue that the case for a public carrier is stronger in a deregulated environment into which we have been pushed, first as a proposal of the formal Liberal Government and now by the Conservative Government. We say that public ownership is more necessary than ever in a deregulated environment where certain services are vulnerable.

We believe Air Canada should have the responsibility of providing equality of service, not just between Montreal and Toronto, or Toronto and Winnipeg, or Vancouver and Halifax. We believe cities such as Sault Set. Marie and London, Ontario, are entitled to high quality service. We believe that Whitehorse and Yellowknife are entitled to high quality service. With competition will come diminution of the quality of service for these smaller cities and towns.

• (1640)

It is suggested that we need to privatize Air Canada because Air Canada needs larger amounts of money to buy new aircraft, and that if we do not privatize Air Canada then the purchase of new aircraft by Air Canada, publicly owned, will add to the national debt. The fact is that that would not happen.

In 1986 Air Canada reported a profit of over $40 million. Its rate of return on equity was a respectable 9.1 per cent. That figure ranked it among the best of Canada's top corporations.

Over the long term Canada has performed very well. In the past 10 years it has reported profits in all but two years. Over this period pre-tax profit exceeded losses by $379 million. Its cumulative net income was $243 million.

Air Canada has not received a direct infusion of government subsidies in 25 years. In fact, it has not received any new equity since 1978 when Air Canada was finally separated from Canadian National. Air Canada has been more profitable than competitors such as CP Air, Eastern Provincial and Nordair. It has done so while continuing to meet its public policy responsibility.

It has been suggested that Air Canada needs to be privatized in order to compete. Proponents of this theory point to the imminent passage of transportation deregulation legislation to support their view. There is no evidence that any Government interfered in the day-to-day operations of Air Canada. We know that the existing DC-9 aircraft need to be replaced, but there are many ways to raise investment capital. Issuing shares is only one. There are many options which have been used in the past and which could be used to a greater extent.

The traditional way for closely-held airlines to finance their fleets is by issuing long-term bonds. CP Air, as a unit of Canadian Pacific Limited, took this approach in 1985. CP Air had a debt to equity ratio higher than Air Canada's current ratio of debt to equity. Or, there are leasing arrangements. An innovative way to arrange fleet expansion to avoid high capital costs is third party leasing arrangements. Here, a consortium of banks and other financial intermediaries own the aircraft and lease them to the carrier for a fixed term.

PWA pioneered this approach with its 1986 resale and leasing of its 737 fleet. Air Canada has experimented with lease-back arrangements on some of its DC-9 fleet recently.

Or, there is financing by manufacturers. As the world market for commercial aircraft becomes more competitive the manufacturers have turned to financial packages as a way to make sales. For example, several years ago Mcdonnell Douglas offered favourable financing to sell its new MD-80 aircraft to both American Airlines and Trans World Airlines. Given the competition between Mcdonnell Douglas, Boeing and now Airbus, the European consortium, there is no question that leasing arrangements and financing by the companies that build aircraft could be arranged.

Or, if further equity is required, the Government should issue it. Air Canada, we say, has proven to be a good public investment. A case could be made for the first equity issue in 10 years.

It has been argued by some that Air Canada should be privatized because it would be more efficient. We say that there is no proof that Air Canada has not been operated efficiently as a Crown corporation.

Let us look at some of the examples of Air Canada efficiency. In terms of broad measures of efficiency that is,passenger load factor, revenue passenger miles per employee, and revenue tonne miles per employee, Air Canada was in the late seventies just above the median of a profile of the North American airline industry. Fuel expenditures for Air Canada at the end of the 1970s was 20 per cent of operating expenditures compared to CP Air's 25 per cent. With respect to revenue yield per revenue passenger and safety record, Air Canada's yields over the past two decades have been consistently better than the record of CP Air. These facts were brought forward in a study done by Mr. Langford and apply to the 1960s and the 1970s.

With respect to air safety, in a study covering the years 1960 to 1975 it was shown that Air Canada tied for first place with seven other airlines as the "safest among 40 international carriers".

As I have indicated, the unions representing the vast majority of Air Canada employees have expressed their opposition to this privatization. They have explained their reasons. They believe that the national airline, publicly owned, continues to serve an important public policy role. This policy basically needs to be strengthened and not diminished. Air Canada continues, they say, to meet this objective within the constraints since 1978 of operating a commercially profitable

business. It faces a challenge to rejuvenate its fleet. However, as I have indicated, there are ways of doing that without privatization.

What the employees are worried about is that with privatization we will see the cut-back of existing jet air links which we have had. Deregulation may increase the number of short haul turboprop flights, but there is no substitute for direct or non-stop jet service. The latter offers numerous advantages including speed, reliability and performance in less than ideal weather conditions.

Jets also offer superior cargo capabilities, better access for persons with disabilities, and other important services like air ambulance. We have had an example of what doing away with jet service means in my own province. The people of Brandon are to say the least, angered by the fact that they no longer have jet service. They do not have jet service because of the decision of the Government, first considered by the former Liberal Government, that what we need in the air industry is competition.

Today there are several non-stop jet services which are marginal and which the private carriers have either ignored or served inadequately. Among these, the unions point out, are Victoria, Saskatoon, Sudbury, Sept-Iles, and Sydney, Nova Scotia.

What we will see with the privatization of Air Canada is that following the merger of CP Air with PWA we now have only two integrated national airlines: Air Canada and the new Canadian Airlines International. Wardair does offer limited scheduled services between major cities but has nowhere near the fleet service or destinations of the two major carriers. We can see from what has happened in the United States what deregulation has done—that in a country which has 10 times the population that Canada has.

A publicly owned Air Canada would guarantee that service would be continued, particularly service to remote areas. Marginally economic flights would be given a second chance. Pricing practices can be monitored. Above all, a Crown corporation such as Air Canada is at the present time accountable to Parliament, and ultimately to the Canadian public. This public policy window on the industry, we believe, is as important to Canadians as Petro-Canada is in the energy sector.

• (1650)

The public policy window on the industry will serve more than competitive objectives. It provides a way to monitor adherence to safety standards. It can assist in tracking airline standards in less tangible areas such as inflight service, and bilingual and multilingual capabilities. It can ensure access to airline services for persons with disabilities, those in need of emergency medical treatment, and cargo services.

Finally, a publicly owned airline can be an integral part of a national aerospace industry policy. Through procurement and off-set policies we could shape the future direction of this key industry in ways that would benefit all of Canada.

We are told by the Minister that what this privatization will do is to permit partial employee ownership as a preferred alternative to the full or partial sale of Air Canada. There is a small group of Air Canada employees who really want to see improvements in the management of Air Canada. They think that privatization is a way to do it. No one should be deluded into believing that this will give the employees control or even a say in how the company is run. Typically, companies use share purchase plans to put a block of shares in friendly hands in case of a hostile take-over attempt or a stock market run. Listening to the concerns of these employees does not rate high on the list of priorities which we should be considering.

In this Bill is a proposal for a partial privatization. Partial privatization is a prelude to full privatization, which we believe is the real objective of the Government, and which this legislation will provide for. Even if the Government continues to own its shares, the Government has made it clear that it will be the private shareholders who will call the tune on the basis of what they consider to be their own commercial interest. The statement that Air Canada facilities will be maintained in Winnipeg, Toronto, Montreal, or anywhere else is a sham. The private shareholders can and will likely decide to cut back on Air Canada facilities in Winnipeg or any other place, if it suits their needs.

Mr. Epp (Provencher): It is in the Bill, David. How do you change it?

Mr. Orlikow: My friend, the Minister of National Health and Welfare (Mr. Epp), states that it is in the Bill. Yes, it is in the Bill. But the fact is that the industry and the private investors have made it very clear that partial privatization will not work, is not in their interests, and is not acceptable. Therefore, partial privatization will only lead, in the not too distant future, to complete private ownership.

In *The Globe and Mail* business section on Saturday, May 21, there is a fairly lengthy article by Cecil Foster which deals with this question. The heading of the article is "Industry Cool on Air Canada sale". The article states:

> The behind-the-scenes presence of the federal Government will likely scare investors away from a partly privatized Air Canada, leaving the airline no better off than it when it was totally Government owned, industry observers say.
>
> Also, the imposition of conditions of service on the airline could eventually saddle it with extra costs and remove its flexibility for long-term planning, the industry watchers said.

What are they talking about? They are talking about those provisions in the Bill which will require Air Canada, when it is partially privatized, to maintain its facilities in Winnipeg, Toronto, Montreal, or in other cities.

The article further states:

> This means the Government will probably have to sell Air Canada's shares at low prices to avoid the political embarrassment if they do not sell quickly.

Air Canada, in that case, would not raise enough money to alleviate its debts. And because of its mixed public and private ownership, it could also have difficulty raising additional money from lenders confused about who is really in charge.

Air Canada says it needs new planes to remain competitive. It has been estimated that that will cost somewhere between $3 and $6 billion. The Government proposes that the sale of shares would bring in somewhere between $300 or $400 million. That is certainly not enough to meet the needs of Air Canada.

The article goes on to state:

Critics think that because of its heavy demands for capital, it is unlikely Air Canada will pay shareholders any dividends for a long time.

If shareholders do not see dividends from their investments, why will they invest? As this article states, that is why the shares will have to be offered at a relatively low price.

There is a requirement in this Bill that Air Canada maintain its facilities. The article points out that none of the private sector competitors face these conditions which the Government is imposing on the company, because the Government knows if it does not do that it will incur the wrath of the employees and the people in the cities in which Air Canada has those facilities. What are these conditions? In the article it states:

The conditions include: Keeping free maintenance bases in Winnipeg, Toronto and Montreal; keeping the company's head office in Montreal; and maintaining its bilingual status. In addition, Ottawa wants the shares to be broadly held, with no one owning more than 10 per cent.

The article further states:

Steve Garmaise, analyst with First Marathon Inc. of Toronto, said Air Canada's problems will be compounded by the fact that, in the current market, "you can't convince anyone to buy airline stock".

While meeting the conditions would provide no immediate difficulty to Air Canada's management, they would remind investors they were risking money in a company that was neither fully Government owned nor fully in the private sector.

The article quotes William Stanbury, a Professor of Regulation and Competitive Policy at the University of British Columbia who stated: "This would be a factor in the investors' minds no matter what the Government says about not exercising any control over the airline." He went on to say: "Politicians can do strange things when they get into heat for votes".

The article further states:

The critics would have preferred that Ottawa sold the airline in one go, a move similar to those by the British and Singapore Governments when privatizing their national airlines.

Why did the Government not do that, Madam Speaker? It did not do it because it was not prepared to take the political flak and the political opposition which it knows it would face if it had proposed a total privatization of Air Canada.

The article goes on to state:

"You have to start from the position of whether there is a public policy role for the airline," said an adviser to the Government on the privatization.

"If there is no public policy role, then you get out, not go half way", said the adviser, who asked not to be identified.

He faulted Ottawa for not privatizing all of the airline and for not having the political courage to sell the shares last summer when stockmarkets were booming.

I have indicated why we oppose this Bill, and why we oppose the partial privatization of Air Canada. This Bill has been criticized by the employees. It has been criticized by many public-interest groups. It has been criticized as a poor business deal by precisely those people the Government hopes to get involved in purchasing part of Air Canada—

• (1700)

The Acting Speaker (Mrs. Champagne): It is with deep regret that I must interrupt the Hon. Member. The time allotted to him has now expired.

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

PRIVATE MEMBERS' BUSINESS--BILLS

[*English*]

HERITAGE RAILWAY STATION PROTECTION ACT

MEASURE TO ENACT

Mr. Gordon Taylor (Bow River) moved that Bill C-205, an Act to protect heritage railway stations, be read the second time and referred to a legislative committee.

He said: Madam Speaker, I have great pleasure in moving second reading of Bill C-205, an Act to protect heritage railway stations. I hope eventually this Bill will be referred to a standing committee in order to proceed to completion.

This Bill was actually presented first on November 26, 1984. The Bill had originally been written by the then Hon. Member for High Park in Toronto. He was not re-elected in 1984. I was preparing a Bill at the same time and consequently when the Member was not re-elected I stopped my preparation and adopted his Bill. Second reading of the Bill took place on April 29, 1985 and it was referred to a committee. Unfortunately, the Bill never came out of committee. The committee was probably swamped with work or otherwise. The Bill was referred to the Standing Committee on Fisheries and Oceans, a very strange committee for this particular Bill to be sent to. I hope the next committee the Bill is sent to will not be the Standing Committee on Fisheries and Oceans because that committee has no connection with the Bill whatever.

Bill C-205 is primarily to protect heritage railway stations. A great number of stations were built in the early days of the railroad right across Canada. Many were representative of that particular era. A great number of these have already been destroyed. Consequently it is necessary, I believe, to have legislation protecting those that still remain. I cannot give the

particular number but it is not large. Undoubtedly there are heritage railway stations in every province of Canada that should be preserved for all time. This Bill simply sets up the mechanism for doing that. I want to go through it now so Hon. Members will know exactly what the Bill does.

The Bill if passed means that no railway company or any other company shall remove, destroy, sell, assign, transfer or otherwise dispose of a heritage railway station. You will notice, Madam Speaker, that the Bill says "heritage railway station", not any old unused station. Clause 3 reads:

> No company shall remove, destroy, sell, assign, transfer or otherwise dispose of a heritage railway station owned by it or otherwise under its control unless otherwise authorized by an order of the Governor in Council.

In other words the Cabinet. It continues:

> Any company that acts in contravention of subsection (1) is guilty of an offence and liable to a fine of not less than $50,000 and not more than $1 million.

Another clause of the Bill provides that if a company plans to remove, destroy, sell, assign, transfer or otherwise dispose of a heritage railway station owned or controlled by it it must file an application for authorization. Again this is required if it is a heritage railway station. It must file this application with the Minister in accordance with the regulations prescribed by the Governor in Council.

The Minister of course is named by the Prime Minister (Mr. Mulroney) as any other Minister is. After having given public notice of its intention, the company files notice with the Minister. Concurrently with the said filing, the company shall submit to the Minister a profit and loss statement of its estimated annual losses for preserving the said station and of any other expenses the company would likely incur in future years as a result of the application being refused. We put that particular protection in the Bill so there will not be a frivolous attempt on the part of an intervener to force the company to go through this procedure when the station is not really a heritage station at all.

Any person who objects to an application for authorization shall, within the stipulated time in the Bill, serve notice on the Minister setting out the reason for the objection and any relevant facts. This way the general public has an opportunity to say why a station should not be destroyed, sold, et cetera. Upon the expiration of the stipulated time in the Bill, the Minister refers the matter to the Historic Sites and Monuments Board for a hearing and report which is set up for this very purpose. Consequently, it is simply making use of a Board already there. The Board then holds a hearing as soon as possible after publishing notice in at least one newspaper in each official language in general circulation in the municipality in which the station is located. This occurs if there is an objection registered by any individual or group across the country. The board must grant all interested persons a reasonable chance to appear before it to make representations. After the representations have been heard, the board must, within 30 days, submit a report, not only to the Minister in charge of the particular Bill but also to the Minister of Transport (Mr. Bouchard) setting out its findings and recommendations together with the reasons for them.

You will notice, Madam Speaker, that there is a second Minister brought in to make sure that the railway will not be mistreated or put to extra expense and to make sure the station is really a heritage station. This occurs only if the Historic Sites and Monuments Board is of the opinion that the station is a heritage one. That is an excellent point because it brings a second Minister in to review the whole thing. The report will not rest with the one Minister but the Minister of Transport will be brought in as the picture unfolds.

Within 30 days after receipt of the report, the two Ministers shall transmit to Cabinet or the Governor in Council their recommendations along with a copy of the said report, the application for authorization, the estimated annual costs and notice of objection. The two Ministers must reach a decision and take that decision to Cabinet. Again, there is protection to make sure nothing will be frivolous. The two Ministers must make a recommendation to Cabinet. If they say the station is not historic, they can simply give the decision to the railway to dispose of it, burn it down, move it or whatever. The Cabinet may authorize the company to alter the station owned by it. After Cabinet receives the report, if it is unfavourable, Cabinet can authorize the company to do whatever it wants with the station, or the company may be authorized to remove it, destroy it, sell, assign, or otherwise dispose of it. In other words if Cabinet does not accept the recommendation of the Ministers, the railway station can do what it wanted to do in the first place. The authorization required by the company is in addition to and not in substitution for any other authorization or legislation. There will be nothing slipshod about it. It will be thoroughly reviewed.

• (1710)

This is the gist of the Bill which I thought I should outline to Hon. Members of the House. The Bill will actually provide efficient mechanisms which allow concerned citizens to make timely objections to the destruction, removal or sale of stations of historic or cultural value to ensure their conservation in the public interest.

The reason I am interested in this Bill, and why I decided to write such a Bill in the first place, is that of something happened in my home town. There was a station built in the early days of the railway by the CNR in what is now the City of Drumheller, then a coal mining town. When the railway going through that area was abandoned, almost overnight the station was destroyed. The town council was not advised, no one was advised. That historic building that could have been used for many, many years, an excellent building which was well constructed and represented another era, was simply destroyed overnight. Thousands of people felt very badly about this.

On the other hand, some stations have not been destroyed. For instance, in the Town of High River, the CPR in this

particular case contacted the town council and the council and the town wanted to make use of that station, not to tear it down. Today that station sits there as a relic of the history of the railway and is used as a museum. Hundreds of people go through it and enjoy that station and will enjoy it for many, many years.

In the Village of Beiseker, again the railway contacted the council and gave it an opportunity to see what it wanted to do with the station. The council wanted that building. It did not want it destroyed, so the council agreed to take over the building. It was completely turned around because it was facing the railway and the council wanted it facing the main street. It was made into the town office, and not only the town office but the town library as well as a little place where they sell heritage items made by the people of that area. Again, this station will sit there for many, many years as a relic of an era that has passed by.

I could mention one other instance of this, and that is in the Town of Okotoks. The railway gave the town the opportunity to use the station. The railway is not using it, but the people of Okotoks, along with their town council, have made it into an arts centre. Now the artists and those who want to study drama have a place to go. Even public meetings are held there. I have held public meetings there personally. It is always a pleasure to go into that building and see the art that is being presented and made by the people of that area. Again, the station is being used to good advantage.

I have mentioned a few examples, but a great many stations have simply been torn down, destroyed or burned because the railway had no further use for them. It is a crying shame that we should lose those buildings.

I am not asking for a lot of expenditure on the part of the railways. That is why this Bill is not all inclusive. It does not say that the railways have to do any of the renovating, moving or decorating. That will be looked after by the people who want to preserve the stations and conserve them for future use. That is why the Bill is not all-encompassing.

A station may have to be moved, as the station in Beiseker was, completely put up on jacks and turned around, or it may have to be moved to another location. That will not be an expense borne by the railways or the Government. That will be an expense borne by the people who want to preserve the station, if there is such an expense involved. Consequently, the cost of this will not be on the shoulders of the taxpayers of Canada or the shoulders of the railways themselves.

There is another railway station sitting there waiting for something to happen to this Bill, and that is the one in the Town of Claresholm. The people want to use that station. The railway is through with it and it has been good enough to leave it there at the request of the town council which wants to use it as a heritage station and a museum. The townspeople are fixing up the grounds around it, and again, it will be used by the people for many, many years, as a representative of that era.

The Bill also provides that the Governor in Council will make regulations. This Bill sets out the skeleton and the regulations will be the meat on that skeleton, the meat that will enable any community with a heritage station to make sure that consideration is given to its preservation before anything happens to it. The railway companies will be obliged, when it comes to stations built in the early years, to notify the historic site boards that they plan to destroy or remove any stations.

The railways will also estimate the costs involved, so that the Minister and the Minister of Transport will be able to ascertain if it is fair to the railways to have these stations made into historic sites. That is almost the same as what is done with almost any building in any city that people want to preserve for future generations. They have to go through a certain mechanism, and the historic sites Board is well aware of those conditions and look after them.

I think this Bill is one for which many people are waiting. One other point I would like to mention is that when this Bill was before the House previously, I contacted various provincial Governments and I found that there is tremendous interest in this particular Bill provincially. As a matter of fact, one or two Ministers wrote to say that they had been waiting for a Bill like this for a long time because they want to preserve the railway stations in their particular provinces.

I cannot say how many railway stations will be affected, whether it would be many or few, but they are virtually limited to the railway stations that still exist and were built in another era, a time that has long since gone by, a time that will never come again. If we destroy these heritage stations now, they will be destroyed forever. If we preserve them now, they will be there as a monument to the past and as a useful instrument for many purposes in the future. I urge Hon. Members to support this Bill.

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, I appreciate the opportunity to make a few comments on Bill C-205 regarding heritage railway stations. I appreciate the fact that the Hon. Member for Bow River (Mr. Taylor) brought this Bill forward, and I want to indicate my support for it in principle and my hope that today we can refer it to committee where it can be looked at in some detail.

As a member of the Fisheries and Oceans Committee, I noted the comment that the previous Bill had been referred to that committee. I agree with the Hon. Member that perhaps the Fisheries and Oceans Committee is not the appropriate forum in which to debate this issue.

The Bill provides a mechanism by which private citizens or indeed community interest groups could object to railway company plans to sell, move, destroy or alter railway stations. It gives citizens or community groups the opportunity to have those plans referred to the Historic Sites and Monuments Board to determine whether or not the station should be declared a heritage railway station or if any feature of it

should be declared a heritage feature, in which case the company would only be able to proceed with its plans after an Order in Council made by the Government.

We all recognize, I think, the importance of railway stations in Canadian history and in the history of Canadian communities. Often the railway stations were the first buildings seen and experienced by new arrivals to communities, sometimes the places where they would be met by friends or relatives. It was a time when they were welcomed to a new community. Sometimes the railway station was the place where they realized for the first time that they were literally on their own, strangers in a strange land.

• (1720)

I was impressed by a picture in a book on the experience of prairie women. Probably other Members have seen this as well. It was called *A Harvest Yet to Reap*. It has a series of pictures of some of the women who came to our Prairies, and there is one picture that speaks more eloquently than any of us will speak today about the immigrant experience. It is a picture of an immigrant woman surrounded by a group of children sitting on a railway platform with their few worldly goods in trunks and suitcases beside them. All around them stretches the bald prairie which has not yet been inhabited by colonists. It speaks of the desolation these people experienced. Its focus, of course, was the railway station.

Railway stations are the place from which young people go off to college or a job in another part of the country. They are the places from which our young men and women went off to serve in the Army, and the places to which they returned to be received by their families. When we talk about these heritage stations, and I am sure the Hon. Member would agree with me, we are not simply talking about architectural heritage. Some stations do have a certain quality like that which needs to be protected, but others are simply good buildings, soundly constructed, with a real central place in the community's heart and soul.

In that regard they are something like community post offices. I simply want to emphasize again the sorrow of many Canadians and many small communities that Canada Post, following the orders of the Conservative Government, seems intent upon a policy of closing down many of those small community post offices across Canada. For some people in the Government, as well as in Canada Post, all that matters is the bottom line, and Canada Post has been ordered to follow policies that will lead to that bottom line, never mind the impact upon local communities.

I know the Hon. Member for Bow River has a concern for small communities. That was obvious in what he was saying this afternoon and what he has said before. He is speaking up on behalf of heritage railway stations for local communities, and I hope he does the same with respect to community post offices. They are an important part of our community heritage, too. We are not just talking about relics of the past, we are talking about enabling the community to exist as a place where people can meet and act and work together.

When we talk about preserving historical and heritage railway stations we need to remember that some of them need to be preserved in decent working condition as railway stations. Some will be converted to other use, but some have to be maintained as working stations. On Vancouver Island a few years ago we had a disgraceful situation where VIA and the E & N Railway had kind of decided that neither one of them had any real responsibility for maintaining the quality of our railway stations. The stations had become completely disgusting, dirty, uncared for, cold, and often inaccessible because they were locked up. That situation has improved somewhat, but let us remember that railway stations are supposed to be places where people can meet and wait for the train where there are still trains running. That should go without saying but, unfortunately, as I pointed out, that is not the case.

When all or part of these buildings are no longer needed as railway stations, then I think there are many innovative and imaginative things that community organizations can do to preserve them as an integral part of the community. In my constituency a number of small towns have taken action like this. There are two communities, Duncan and Lake Cowichan, where the railway station has become a museum. They have other uses as well, but the central parts are to be museums. The Ladysmith Railway Historical Society is interested in the railway station there because it hopes to operate a historical railway so people can come and see the way railroading used to be. Of course, the station is an integral part of that. Or, we can just go a few blocks from here in Ottawa where the former railway station is now the Conference Centre. It has maintained many of the architectural features that made it interesting. The other railway station in Ottawa, I understand, is part of the market downtown.

Finally, I simply want to make the point that we need to remember that railway stations did not exist by themselves. They existed as part of a transportation network, as part of the link between different communities. The Hon. Member referred to the fact that when branch lines are closed down the companies often wish to tear these railway stations down as well. We have to emphasize that many of these communities not only look to the railway station as part of their heritage, they look to the railway itself as a living part of their heritage. It was left to them from the past and is something for which their forefathers paid a great price. The abandonment of rail lines is something we have to be very concerned about. Again, in my constituency we see actual rail line abandonment approved by the Railway Transport Committee between Youbou and Cowichan Bay. A lifeline to a community is being eliminated.

In conclusion, I support the intent of the Hon. Member's motion. I hope it will be accepted by the House this afternoon and that it will be referred to committee where the details can be examined and any wrinkles can be ironed out.

Mr. Blaine A. Thacker (Parliamentary Secretary to Minister of Transport): Madam Speaker, I am honoured and delighted to be able to say a few words with respect to my good friend's and colleague's Bill C-205. I would like to thank him for presenting this Bill, an Act to protect heritage railway stations.

The object of the Bill, preservation of these heritage railway stations, is praiseworthy. I know the Minister of the Environment (Mr. McMillan) is anxious to have the views of all Members of the House on this Bill because it contains many good points. In general, though, it will take co-operation and goodwill to save our heritage railway stations. At present the mandate for doing so is divided and uncertain. The Bill does us a great service in bringing this to our attention. The Minister of Transport (Mr. Crosbie) and the Minister of the Environment have an interest in this issue, as well as CP Rail, CNR and VIA Rail. There are many heritage organizations with an interest as well.

My friend from Bow River referred to the number of heritage railway stations. I think it is something like 23 or 24 which have actually been designated as such. I note his Bill restricts itself to those stations which have already been declared heritage railway stations. There are many thousands of other railway stations across the country which have not been so designated, and a good many of them have been preserved by virtue of public interest, usually a local group, individual, or organizations such as Kiwanis, Lions Club or Rotary Club. This has often resulted in agreement between the local municipality and the provincial Government or federal granting agencies. Some 23 stations have been declared to be of national significance by the Historic Sites and Monuments Board.

• (1730)

To arrive at the goal of preserving these heritage railway stations the Bill would forbid a railway company from destroying or in any other way disposing of a heritage railway station owned by it or under its control unless authorized by an order of the Governor in Council to Cabinet.

A company would have to apply for a permit for such a demolition, and the decision for granting such a permit would be made by the Historic Sites and Monuments Board of Canada, which reports to the Minister of the Environment through the Canadian Parks service. I note that the fines would be not less than $50,000 and not more than $1 million. Therefore, the Bill has some real bite, as I am sure the Member for Bow River (Mr. Taylor) intended.

The Bill under consideration would add to the Historic Sites and Monuments Board of Canada's already substantial responsibilities the further task of actually preserving Canada's heritage railway stations. While I fervently agree that the stations are worthy of preservation and that action needs to be taken to protect them, there is a legitimate question raised by the Historic Sites and Monuments board as to whether the best way to attain this goal is to give responsibility to an already heavily burdened Historic Sites and Monuments Board.

There is no doubt that the Board has a strong interest in preserving heritage railway stations and, indeed, in the preservation of all redundant railway properties having heritage value. The board is well aware of the heritage value of some of the early railway stations and has considered many submissions concerning railway stations. Some 23 or 24 have already been declared to be of national historic or architectural significance.

Historically the board's role has been a purely advisory one ever since it was set up in 1919. The board's mission, which it has fulfilled in an excellent and exemplary fashion for almost 70 years, has always been to identify persons, places, and events of national historical significance and to advise the federal Government on appropriate ways to commemorate them.

The Bill would require that the board hold hearings and prepare reports on the future of all heritage railway stations—be they of local, regional, or provincial interest—that are in any way threatened or scheduled for renovation, restoration, or repair.

The main concern which has been raised with the Minister by the officials and the members of the board is whether or not it should be turned into a form of an administrative body rather than a purely advisory body. As a result of this Bill, some real thought is being given to that now within the Department of the Environment.

It is true that heritage railways stations are close to the hearts of many of us. Certainly Members of Parliament can all recount several stories from our ridings. I know that the railway station in the City of Lethbridge is of historic significance. Many of our pioneers got their first introduction to the Lethbridge area at the railway station.

I hear many poignant stories of war brides coming over after World War II. Their first introduction to Lethbridge was the railway station where they met their husbands. They sent them off from Britain wearing very nice and fancy uniforms, and they were met by the same gentlemen at the Lethbridge railway station in bib overalls and straw hats. They wondered whether they were at all the same men who had kissed them goodbye in Britain. Nonetheless, they picked up their lives and marriages and made enormous contributions to Lethbridge and southern Alberta. I could give many other examples of how the local people believe that the railway stations are important to the historic continuity of our community.

My friend from Cowichan—Malahat—The Islands drew an analogy to the Post Office. He was trying to make the political point that the Government is somehow damnable because it is permitting post offices to close. The truth, at least in my riding, is that the Post Office is almost the last building to disappear from the smaller towns. This was a government

service provided at enormous cost to taxpayers. Rather than operating it as a Post Office paid for by the taxpayers in general, the Government is now trying to move it into the local grocery store or the little hardware store, which is sometimes the very last building in these little towns.

The reason these little towns are closing down is that the people themselves are speaking with their cars and their feet, so to speak. They are driving off to larger centres which are usually 30 or 40 miles apart now, rather than eight or nine miles, which was the configuration when we had railways and very poor highways. Now we have super paved highways and people want to use them. They simply drive to the larger centres to buy their groceries and clothes. Because of that the businesses are closing down, including the post offices.

In many ways that is the same with the railway. The early steam engines required stations every eight or nine miles primarily to get water. That is no longer the case. Diesel engines could go much greater distances. With the great superhighways farmers could haul their grain into larger centres and a lot of these railway stations were no longer needed.

Over the weekend my wife and I had the privilege of travelling to Stratford. We went up through Goderich and down through Great Bend and a number of small towns in Ontario. Since the history of Ontario dates back 150 years there is no doubt that there are some magnificent railway stations which deserve to be kept. In the West there is a fewer number of railway stations which are of tremendous historic significance in the sense that they can be structurally preserved for all time. Some of them will disappear, and quite properly so. However, there are a certain number which are architecturally and historically significant enough to be preserved. I think my friend's Bill will go a long way toward leading us in that direction.

I am anxious to hear what other Members have to say. I can assure the Member from Bow River that the Minister is monitoring this debate carefully. I am sure the House will make the proper decision at the proper time.

[*Translation*]

Mrs. Anne Blouin (Montmorency—Orléans): Madam Speaker, first of all, I would like to say that my colleague, the Hon. Member for Bow River (Mr. Taylor), is to be commended for his abiding interest in protecting heritage railway stations. I would also like to comment briefly on the subject matter of this Bill.

Stations have been disappearing at a steady pace for many years. They are first closed down, and then, if no one buys them, they are often destroyed.

Madam Speaker, I think all Members will agree this is most unfortunate. In addition to being a reflection of our past, our old railway stations are often representative of an architectural style that is typical of North America. They bear testimony to the expansion of our country and are a heritage that cannot be replaced.

Why are heritage railway stations disappearing?

As far as the railways are concerned, many stations have fallen into disuse because of major changes in the infrastructure of transportation services during the last 20 or 30 years. The increasing popularity of highway and air transportation caused a decline in the number of passengers. At this point, CN and CP started to concentrate on freight transport which, over time, became their main source of revenue. Later on VIA Rail was added to the network, many lines were abandoned, and intermodal transport systems appeared.

Because of these developments, the stations lost their *raison d'être* and were gradually forgotten by the railway companies which were not interested in keeping them operational.

Madam Speaker, we realize that the railway companies had other priorities, including keeping pace with the development of this country, and we can hardly blame them for the fact that these stations have been all but forgotten.

However, when we hear that despite the joint efforts of municipalities and members of the community, some stations were destroyed, that is a sure sign something must be done to protect them.

In 1976, the Historic Sites and Monuments Board recommended declaring some 20 stations as being of national historic significance. The minister at the time accepted the Board's recommendation, and in some cases commemorative plaques were put in place. In Quebec, for instance, commemorative plaques were installed at the stations in Lévis, Isletville, Saint-Jean-d'Iberville, Acton Vale, Berthier and at Windsor Station in Montreal. However, this measure was far from adequate, considering the desired goal.

In fact, when the Historic Sites and Monuments Board submits recommendations for having certain buildings declared of historical value, this does not put any obligations or constraints on private or public owners.

The growing public awareness of our heritage in recent years is a sign of the good will of all concerned.

There are a number of examples, including the situation in Acton Vale, Quebec. The station in Acton Vale, no longer in use, could thus be preserved and become a source of pride for the entire community.

There are hundreds of railway stations in Canada that could still be preserved. Their historical role should not be forgotten, and in fact, they are very much a part of the memories of many Canadians. At a time when railway tracks are disappearing, they are the last vestige of the conquest and settlement of this country. They represent important milestones in the building of our railways. They are part of our national dream.

They were the focal point for the departure and arrival of thousands of families on their travels across this vast country they had come to settle. These stations have always brought back memories for those who go back to the places they came from. I imagine many of us in this House have felt the same way.

The Hon. Member for Bow River had a chance to introduce this Bill, and he was right to do so. The purpose of this Bill is to prevent any changes that would diminish the value of these stations. It provides that a station may not be altered without obtaining the authorization of the Governor in Council, an assessment by the Historical Sites and Monuments Board and a joint recommendation by the Minister of the Environment and the Minister of Transport.

This Bill seems to fill a vacuum. It would oblige railway companies to apply for specific authorization before destroying or altering a station. The Governor in Council would in each case be responsible for issuing an appropriate order, on the joint recommendation of the Minister of the Environment and the Minister of Transport, after public hearings by the Historical Sites and Monuments Board of Canada.

Implementation of the legislation would be largely incumbent on the Board, which, however, does not have the basic skills required to carry out such a specialized task. Furthermore, because of its main mandate, the Board might have a conflict of interest, since it would be asked to chose between the operational imperatives of a railway company and those of preserving our cultural and historical heritage.

The same argument is used in reverse by the National Transportation Agency, which would prefer not to see evaluating our railway heritage added to its main mandate. The crux of the problem is the conflict of interest that exists between policies and regulations governing the transport function and those governing the heritage and historical dimension. The federal Government must find a way to reconcile the divergent requirements of these two spheres of activity.

I earnestly hope that this discussion will be instrumental in finding a lasting solution to this problem. I know the Minister of the Environment (Mr. MacMillan) is now looking at other options for protecting our heritage railway stations.

Once again, I would like to thank the Hon. Member for Bow River (Mr. Taylor) for his interest in this subject. I am sure that all Members share my view and will do everything they can to find a way to preserve our stations.

• (1740)

[*English*]

Mr. Lawrence I. O'Neil (Cape Breton Highlands—Canso): Madam Speaker, it gives me great pleasure to speak to Bill C-205. This Bill is designed to provide efficient mechanisms to allow concerned citizens to make timely objections to the alteration, removal or demolition of railway stations that are of historical or cultural value, and to ensure that their conservation is in the public interest.

First, let me congratulate the Hon. Member for Bow River (Mr. Taylor) who introduced this Bill to the House. As his constituents and Members of the House will know, the Hon. Member has a long history of support for this and other heritage issues.

This is a worth-while goal because the railway has played an important part in Canada's history. It has linked the regions of this country and has carried new citizens of Canada to their ultimate destination.

The railway system opened the West and formed a critical part of our economy. While its importance has declined somewhat, it still remains an integeral part of the Canadian way of life and the Canadian economy.

In my riding there are two railway stations that are strongly supported by community groups. In the most recent case, the Orangedale station has begun a process of rehabilitation. The Government of Canada is participating through the Canada Jobs Strategy job development component by providing the community group with funds to assist in the rehabilitation of this facility. As well, VIA Rail has contributed $20,000 to assist in the process.

It is an example of a tremendous corporate and community effort by the people from Orangedale who have come together to bring to fruition a process which has gone on for a couple of years. While there is a lot more to be done on the Orangedale station, we expect to accomplish the work in the next year or two.

I take personal pleasure from this project because my mother worked at the Orangedale station as a despatcher during the war. Although it was not traditional for women to work for the railroad as despatchers, as a result of the war there were not a lot of men to do this kind of work and women were asked to participate. It is of personal significance to me, therefore, and of great significance to the community that this project is going on. It is a fine example of how the community and corporate sector can work together to preserve part of our history not only for us but for future generations.

• (1750)

Also in my riding we have a station in Antigonish. Just last week I met with the historical society which is interested in working with VIA Rail to ensure that the station remains intact in order to utilize part of the station as a museum. I have sent letters to VIA Rail supporting the request of the historical society. I am hopeful that we will have the same success with the Antigonish railway station as we had with the railway station at Orangedale.

We sometimes drive by these stations and do not fully appreciate their significance. With the passage of time they fall into the ground and are removed. That is not the case with these two stations. I know that there are other facilities which

communities are keenly interested in preserving for future generations.

I wish to be brief because I know there are other of my colleagues who would like to speak in support of this measure, particularly the Hon. Member for Sarnia—Lambton (Mr. James). He has some views about just how important this Bill is.

In closing I wish to congratulate the Hon. Member for Bow River for this very worth-while initiative. I can tell him that this week I will be communicating to my constituents that his Bill is moving through the House. I will be providing copies of it to them. I know that they will be simply delighted to read this Bill and to see that this important initiative is being considered by the House. I hope that all Members will see fit to support it.

Mr. Ken James (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, I would like to thank the Hon. Member for Bow River (Mr. Taylor) for introducing Bill C-205, an Act which is designed to protect heritage railway stations. These stations are very important to the lives and memories of Canadians and represent an important part of Canada's history. The Hon. Member for Bow River is doing us all a great service by reminding us of how important these heritage railway stations really are, and by reminding us that measures are needed to protect such stations, many of which are in serious jeopardy.

Indeed, as most of us are aware, far too many heritage railway stations have already collapsed under the wrecker's ball, or have crumbled before bulldozers. Often, too, heritage stations have been demolished with no warning at all, or, just as bad, after so little warning that organizing to save a station has been next to impossible. It seems to compound the tragedy when we lose a heritage building that might have been saved simply because of a lack of time to organize a community preservation effort.

Canadians have already lost too many of their heritage railway stations. These may have been built with public funds or with railway funds. However, it is indisputable that they have become part of our common heritage, and in a very real sense they belong to all Canadians. Thus, when a heritage station is lost in west Toronto, or in Ottawa Valley towns such as Pembroke and Arnprior, all of which have lost their cherished stations, often with little or no notice, the loss is felt by all Canadians with a sense of history.

However, despite the sad litany of irreplaceable stations that are gone forever, there is cause for optimism with respect to built heritage preservation, generally. We are already beginning to see concrete results as stronger measures to preserve the totality of Canada's built heritage are put in place. Now, under the present Government, the Minister of the Environment (Mr. McMillan) has set up a national cost-sharing program to assist in the restoration of nationally significant examples of our built heritage. Under this program the Minister of the Environment may contribute up to 50 per cent of the approved preservation project costs for each eligible site or structure, to a maximum of $1 million.

This cost-sharing program was only recently announced. However, five cost-sharing agreements have already been signed, among them a project to restore the historic George Brown House in Toronto, and another to preserve the cherished and celebrated Saint John City Market in Saint John, New Brunswick. All together some 15 additional national historic sites from British Columbia to Nova Scotia are now under consideration for preservation or restoration cost-sharing.

I wish to talk for a moment about how maintaining these older railway stations is important to communities. For example, the railway station in Sarnia, Ontario, is a historical building. After submissions were made to VIA it undertook a major restoration job on this historic railway station. Rather than tearing it down and building a new one it was restored. Substantial amounts of money have been invested in it. It probably cost more to restore it than it would have cost to build a new station.

The original building was brought back to life, just as the original brick was brought back to life by removing from it all the ugly paint and so on that had been put on it through the years. The superstructure of the building was restored in order to make it safe. VIA spent the total estimated cost of restoring the whole railway station just to restore the structure of the building. It is of pride to our community. The area about it is now being landscaped and proper parking is being made and so on. It is an attraction to our American neighbours who drive across the border to take the train to other places in Ontario and the rest of Canada.

I was remiss not to mention the railway station in Sarnia earlier. I know that my colleague from Bow River will be very interested in it. I hope that he will be able to come to Sarnia some time in order to visit it. Perhaps he could take the train from Ottawa in order to have a good look at it. He could even take an overnight train and have a sleep on the way down. He could visit me when he comes to Sarnia and we could tour the facility together.

The cost-sharing program to which I referred under the auspices of the Minister of the Environment is being administered by the National Historic Parks and Sites Directorate of Environment Canada. It is the Historic Sites and Monuments Board of Canada that recommends candidate sites for possible cost-sharing.

There are further encouraging signs in the specified field of preserving heritage railway stations. Some 24 of these have already been officially designated as national historic sites on the recommendation of the Historic Sites and Monuments Board of Canada. Doubtless, more will be so recognized in the future. Such a designation, while not placing owners under any but a moral obligation to preserve their buildings, do bring

home to us how important such structures are to all Canadians.

Beyond that the railways, and CN specifically, have become very conscious of the high public profile that protecting heritage railway stations has received. CN has signed preservation agreements with the provinces of Saskatchewan, Manitoba and Ontario.

It would seem that this is the direction that offers the best opportunity for the effective preservation of our heritage railway stations. Given the heavy weight of public opinion it seems quite possible that such agreements as these might become more and more feasible, in the same way that total community efforts to save heritage buildings are becoming more and more common.

All Canadians are stakeholders in the effort to preserve our common heritage but this effort would be worthless if it were not a shared responsibility. To quote the slogan of last year's Environment Week, "It's up to all of us". Co-operation and consultation are hallmarks of the present Government.

• (1800)

The Acting Speaker (Mrs. Champagne): The time provided for the consideration of Private Members' Business has now expired.

Pursuant to Standing Order 36(2), the order is dropped to the bottom of the list of the order of precedence on the Order Paper.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

A motion to adjourn the House under Standing Order 66 deemed to have been moved.

TAX REFORM—WAYS AND MEANS MOTION—PRIME MINISTER'S STATEMENT/PRIME MINISTER'S STATEMENT.

Mr. Dave Dingwall (Cape Breton—East Richmond): Madam Speaker, on June 19, 1987 I put a question to the Minister of Finance (Mr. Wilson) with regard to a statement which we deemed to be a budget because of the various matters contained therein. In fact, it had to do with a much touted program of the Government of Canada concerning tax reform. The substance of that Bill, and indeed the substance of many things which have come from this particular Government in the last number of years as it relates to tax related matters, have become a very serious issue for Canadians.

I was in my riding on the weekend, and a constituent came up to me and said: "Mr. Dingwall, Revenue Canada was good to me this year—they let me keep my mother".

Conservatives have talked about tax reform since the Prime Minister (Mr. Mulroney) ran for the leadership of the Party, but they have done nothing but put taxes up. I say that with a great deal of regret, but the facts speak for themselves.

Today 99 per cent of Canadians are paying more in taxes than when the Conservatives came to power in 1984. That is a rather substantial increase, particularly in view of the fact that Ministers, when they occupied positions somewhat different from what they presently occupy, indicated that there would be no tax increases under a Conservative Government. The remaining 1 per cent paying less in taxes earned approximately $117,000 annually. Canadians who earn $20,000 a year are paying $390 more in taxes than in 1984, while those who earn $40,000 are paying an additional $840 and those who earn $120,000 a year are paying $3,570 less.

These figures deal with personal income taxes alone and do not include sales and excise charges, and the partial deindexing of family allowances. When the total impact of the tax changes under the four Budgets of the Minister of Finance is calculated, the average Canadian family with two children earning $40,000 per year is paying $1,439 more in total tax burden than in 1984.

I bring those figures to your attention, Madam Speaker, not only for your reflection but to bring them to the attention of the viewing audience, as well as Members in the Chamber. What has been talked about as tax reform, what has been referred to as a White Paper by the Minister of Finance and by the Prime Minister, has been substantially more than a White Paper. What we have had is new taxes added on to other taxes in previous years to give a cumulative effect of a major significant tax grab by the Government of Canada. Time and time again we see that it is the average Canadian who is paying through the nose for the various programs of the Government of Canada.

• (1805)

One has to ask oneself: Where is the fairness or where is the equity in such a system making demand after demand upon the average Canadian relating to taxes? This is the same Government that while in opposition, and indeed in the midst of the 1984 election campaign, talked about a new tax reform scheme for Canadians, but it conveniently did not want to talk about the increases it had intended to put into effect. As a result the average Canadian today, in 1988, who makes $40,000 a year is paying in excess of $1,439 more than he or she would have paid in 1984.

That is rather shameful for a variety of reasons. It provides no equity or fairness to those individuals. It discriminates against those who are less fortunate than others and, at the same time, it gives preferential treatment and shows favouritism to those individuals who are in a position to pay.

I would have hoped the Government of Canada would have seen through its ways and revised many of its calculations relating to taxes, particularly tax increases, in order to provide average and lower income Canadians with fairness and equity. It is now what can best be described as a system which is

discriminatory and unfair. It hurts average Canadians to an unbelievable extent.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of Finance): Madam Speaker, I am sorry to hear what my colleague from the other side is saying because it is completely wrong. When he says that taxes have gone up for 99 per cent of Canadians, he is wrong. When he says that only 1 per cent of Canadians are paying less tax, he is wrong again. And when he talks about tax increases, Madam Speaker, I would like him to tell me who established the minimum income tax in Canada so that all Canadians would pay their fair share of tax. Who put an end to tax shelters, including the one for scientific research, that cost Canadians $4 billion tax shelters that his government put in that cost Canadians $4 billion, with no benefits at all in terms of scientific research for Canadians and Canadian researchers. Madam Speaker, we put an end to that. We have removed everything called tax shelters; we have had a real tax reform. Madam Speaker, we have changed what were called exemptions into tax credits, so as to make the Canadian tax system fairer and more equitable.

The Hon. Member of the Opposition, Madam Speaker, does not mention those things. He does not mention that with a $1,000 tax credit, whether a Canadian taxpayer earns $10,000 or $100,000, he has the same tax advantage, whereas under his government, with a $3,000 exemption, the high-income earner making $100,000 was at an advantage compared to the person earning $10,000. He does not mention that. He does not say that the changes brought in in our tax reform are so good that the Liberal Government of Quebec adopted them in its budget two weeks ago. That is fair and equitable tax reform, and it was done in Canada for Canadians.

[*English*]

CANADA PENSION PLAN—ELIGIBILITY FOR DISABILITY BENEFITS

Mr. Geoff Wilson (Swift Current—Maple Creek): Madam Speaker, I am pleased to take this opportunity to enlarge upon the subject matter of the question I put to the Minister of National Health and Welfare (Mr. Epp) on May 6, 1988. The question at that time related to the plight of a number of Canadians, perhaps not a large number but nonetheless an important grouping of Canadians, who have applied for a Canada Pension Plan disability pension but have been denied it as a result of applying late. In other words, their applications were received some time after their eligibility had run out.

• (1810)

A number of Members of the House will be aware of cases of deserving and needy Canadians who have been denied disability benefits under the Canada Pension Plan, denial having been based on a lack of application within the prescribed time. Eligibility, in fact, is subject to a test of recency.

The individual must have contributed in two of the last three years or five of the last ten years before the application. Although one may have at one time met the contributory requirements, the failure to apply can mean that the entitlement in effect expires.

The failure to apply is fatal, even in those cases where the omission was due solely to the contributor being unaware of the need to apply or unaware of the availability of disability benefits under the plan. It seems to me that as a result of this innocent lack of knowledge an injustice results. All of this is regardless of the fact that the applicant has paid into the plan for many years on a mandatory basis while employed and that employment was terminated and wages lost for serious health reasons and because of an individual's disability.

I understand that as a result of such cases departmental policy has been changed to one of notifying potential recipients of their rights and opportunities. This new policy and direction are not of much help to cases such as that of a constituent of mine, Mrs. Donna Sinclair, who has given me permission to refer specifically to her situation.

Mrs. Sinclair is a resident of Swift Current, Saskatchewan, who is presently 59 years of age. She worked as a shoe store clerk and paid into the Canada Pension Plan from its inception in 1966 until 1978. Records indicate that she contributed for 11 of those 13 years. She was obliged to retire from her employment in 1978 as a result of diabetes.

Subsequently, Mrs. Sinclair has had to endure the amputation of both legs. She and her family have faced this situation in a very admirable way. She has displayed a lot of courage.

There is no question that a disability benefit at this time would be of considerable assistance to Mrs. Sinclair, and I might add that it seems to me it is a benefit to which she is fully entitled, having contributed to the Canada Pension Plan throughout her employment. I might also add that there is absolutely no question, from a medical point of view, that Mrs. Sinclair is disabled and has been at all material times. That fact is simply not in dispute. The problem lies at this time with the legislation.

As I stated earlier, an application for disability benefits is subject to a test of recency. This test is set out and contributions are required from the employee for a minimum qualifying period, which requirement Mrs. Sinclair met. The contributions must have been for at least two of the last three years or five of the last ten calendar years.

Had Mrs. Sinclair made the application when her employment terminated, she would of course have qualified. Unfortunately, through no fault of her own, she was simply unaware that a disability benefit might exist, let alone the fact that she could apply to receive one.

By the time she learned of the availability and the need for application it was 1987, and of course her application was denied on the basis that it was too late. It seems to me that the rights of the pension should vest in law at the point in time when the contributor is entitled to the benefit without regard to whether the application was made on time.

I find it difficult to understand the logic of the Department in this regard. I wrote to the Hon. Minister. Indeed, I have high regard for the Minister of National Health and Welfare who has brought forward a number of outstanding initiatives, including, I might add, some very worth-while changes to the very Canada Pension Plan we are talking about.

Nonetheless, the Minister corresponded with me in regard to Mrs. Sinclair's case and indicated that it was unfortunate that she did not apply for disability benefits at the time when she met the contributory requirements. He indicates he is afraid that he can but confirm the decision of his officials that she does not now meet them. He says that the legislation is specific in this regard and he is permitted no discretionary powers whereby these minimum requirements may be waived, regardless of any personal sympathy he might feel for a particular individual's situation.

• (1815)

It seems to me, again with all due respect, that this answer just does not suit the requirements of the situation. I say with respect that it is simply insufficient and inadequate. I urge the Department to bring forward some amendments to the legislation to enable deserving and needy individuals such as Mrs. Sinclair to apply retroactively.

In conclusion, it is certainly my intention to bring forward a Private Member's Bill in this regard, and I will be seeking agreement to its speedy passage by all concerned.

Mr. Murray Cardiff (Parliamentary Secretary to Solicitor General of Canada): Madam Speaker, the issue raised by the Hon. Member for Swift Current—Maple Creek (Mr. Wilson) is certainly serious, but let me begin by explaining that in order to qualify for disability benefits payable under the Canada Pension Plan a contributor must have made contributions to the plan in two of the last three years or in five of the last ten years. Those rules came into place in January, 1987, replacing rules which require contributions in five of the last ten years and one-third of all contributory years.

It should be remembered as well that the years spent raising young children up to age seven can be dropped to help meet the requirements. With retroactivity provisions, it is possible to qualify for benefits in some cases on an application made more than six years after leaving the paid labour force. Nevertheless, a number of contributors failed to qualify for CPP disability benefits because their application was just too late.

The existence of a test of recent contributions reflects an intent to provide benefits only where there is, in some sense, a loss of earnings due to disability. The test was also considered reasonable, given the generous disability benefits provided by the plan relative to the contributions paid.

As I mentioned earlier, the 1987 amendments to the plan make it easier to meet the contributory requirements. This important change did not of course receive as much attention as the increase in the flat rate portion of CPP disability benefits. These were raised by about $150 per month in recognition of the income situation of one of society's most vulnerable groups.

The Minister has asked his officials to examine the possibility of some further extension of the contributory rules. However, what is being suggested by the Hon. Member would require a further Act of Parliament and provincial approval. It would therefore be misleading to promise that any action would take place at an early date.

Another way of attacking the problem of late applications is raising public awareness of this issue. In addition to the communications activities surrounding the introduction of new CPP legislation in 1987, continuing efforts are being concentrated on the disabled. The Department is also investigating ways to reach potential beneficiaries and to improve the knowledge and understanding of Canadians in general regarding CPP disability benefits.

[*Translation*]

The Acting Speaker (Mrs. Champagne): The motion to ajourn the House is now deemed to have been adopted. Accordingly this House stands adjourned until tomorrow at two o'clock, pursuant to Standing Order 3(1).

The House adjourned at 6.19 p.m.

HOUSE OF COMMONS

Wednesday, May 25, 1988

The House met at 2 p.m.

Prayers

STATEMENTS PURSUANT TO S. O. 21

[*Translation*]

UNEMPLOYMENT INSURANCE

ALLEGED DISCRIMINATION AGAINST OLDER WORKERS

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, everybody here and all Members of this House will recall that the Conservative Government, and more specifically the Minister of Finance (Mr. Wilson) and the Minister of Labour at the time, cut unemployment insurance benefits for older workers who had lost their jobs and were receiving payments from their private pension plans.

Tomorrow, I will be visiting the area of Trois-Rivières, where thousands of older workers are to hand us a petition to force the Government to change its discriminatory attitude to older workers. I hope all Conservative Members from the Trois-Rivières region will be at this meeting tomorrow and that they will dig in their heels and force the Minister of Finance to treat older workers fairly and let them receive the unemployment insurance benefits they paid for throughout their working lives. And the same applies to members of our armed forces.

* * *

[*English*]

NORTHERN AFFAIRS

FRONTIER DEVELOPMENT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, one of the recommendations made by the Canada Employment and Immigration Advisory Committee in its recent report, "Canada's Single Industry Communities: In Search of a New Partnership", is that a study should be undertaken to determine if "frontier development" presents a viable economic option for Canada.

This, Sir, is unrealistic. If this attitude had prevailed a couple of hundred years ago, Canada would still be no more than a scattering of villages around the Upper St. Lawrence.

The frontier regions are an integral part of Canada. The people who live there must be permitted the same rights to develop their resources as those who live in the more settled areas.

It makes sense to debate the best way in which to develop the North, but no sense whatsoever to debate whether or not this should be done. That is contrary to the Canadian spirit and to our concept of liberty.

* * *

• (1405)

ENVIRONMENTAL AFFAIRS

CALL FOR ESTABLISHMENT OF GREAT LAKES-ST. LAWRENCE PROTECTION FUND

Mr. Iain Angus (Thunder Bay—Atikokan): Mr. Speaker, last week the mayors of the cities situated around the Great Lakes and along the St. Lawrence River gathered in Duluth, Minnesota, for their second annual conference. I attended that meeting on behalf of my constituents, and also on behalf of the New Democratic caucus because we place a high priority on matters affecting the Seaway system.

The mayors dealt with many issues facing the Great Lakes-St. Lawrence Seaway system. I would like to mention just a few of the initiatives they took.

They called for the establishment of a Great Lakes-St. Lawrence protection fund, and for the restoration of full federal funding from both countries for research and monitoring programs to help clean up this vital drinking water supply of more than 25 million people.

They called on both federal Governments to review formally all policies and legislation affecting the movement of grain through the St. Lawrence Seaway, to ensure that this system is allowed to compete on an equal basis with other grain export routes.

They called for new approaches to developing plans for waterfront use by Great Lakes-Seaway communities on a year round basis.

This kind of planning and co-operation by the mayors of our communities will go a long way to helping us resolve our

common problems regardless of the difficulties our two federal Governments are getting us into.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—ECONOMIC BENEFITS

Mr. John Oostrom (Willowdale): Mr. Speaker, by 1992 the European Community will remove all the remaining physical, fiscal, and technical barriers to trade in goods and services between its members. This action will create one of the world's formidable trading blocs, which will make Canadian trade with Europe more difficult.

Fortunately, the Prime Minister (Mr. Mulroney) anticipated this initiative, and protected Canada by concluding a free trade agreement with the United States. Free trade with the United States will allow Canadian companies access to a market roughly the size of the EEC.

With the removal of frontier controls Canadian industries will have bigger economies of scale, be more competitive, and have more access to capital, which in turn will make our products as competitive as those in Europe.

It is really unfortunate that the Opposition does not realize the importance of the agreement to Canada's future in light of the major economic developments taking place in the world today.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—EFFECT ON CHICKEN INDUSTRY

Mr. Dave Dingwall (Cape Breton—East Richmond): Mr. Speaker, I would like to bring to the attention of the House and of all Canadians the serious concerns the Canadian poultry producers and chicken farmers have with respect to the Mulroney trade deal.

Free trade will hurt the Canadian chicken industry. Canada had a healthy chicken industry in the past due to a strong chicken marketing board and a healthy attitude among government officials toward the benefits of this industry to Canada.

Due to the economics of scale it is just not reasonable to think that the Canadian chicken industry, which serves 25 million people in a 4,000-mile corridor, can fairly compete, as it will be forced to do, with an American industry which has several 4,000-mile corridors serving, on average, 60 million people.

Most of the chicken which will flood the Canadian market, should this trade deal be implemented, will be processed chicken. The future of chicken lies in processed products. By the year 2000, 50 per cent of all chicken will be in processed products. A flooding of the Canadian market by American processed chicken producers will surely destroy our chicken industry.

Therefore, I urge the Government to give the Canadian marketing board the right to put any processed food containing 10 per cent or more chicken content on the import control list.

* * *

TRADE

PACIFIC ECONOMIC CO-OPERATION CONFERENCE

Mrs. Mary Collins (Capilano): Mr. Speaker, last week I had the honour to participate in the Sixth Pacific Economic Co-operation Conference in Osaka, Japan, as part of Canada's delegation led by Dr. Bill Saywell of Vancouver.

Much was accomplished at this meeting to further understanding and co-operation among the 17 Pacific members represented, and between the private, government, and academic sectors which make up this tripartite organization.

The economic forecasts for the region were generally optimistic, but can only be realized if substantial progress can be made to strengthen an open world trading system. Certainly an essential priority in co-operation among developed and developing countries is to build consensus in macro-economic policies and to reject protectionist trade policies as remedies for economic problems.

• (1410)

PECC believes the Pacific region has a critical contribution to make to bring the Uruguay Round of multilateral trade negotiations to a successful conclusion, and particularly urges negotiators to achieve substantial progress on reducing agricultural subsidies.

I was pleased as well that the Canada-U.S. Free Trade Agreement was cited by the conference as an example of a successful achievement of sub-regional co-operation, the negotiation and implementation experience of which could provide a basis for the general application of new techniques of trade liberalization in the Pacific region and beyond.

AWARDS AND DECORATIONS

FIRE SERVICES EXEMPLARY SERVICE MEDAL—INELIGIBILITY OF RETIRED FIRE-FIGHTERS

Mr. Neil Young (Beaches): Mr. Speaker, the Toronto Fire-fighters War Veterans Association has been making a reasonable request that Canadian fire-fighters who retired from fire-fighting on or before August 28, 1985, be given the right to be considered for the award of the Fire Services Exemplary Service Medal.

They do not feel their request has been given sympathetic consideration and this is why they have written to every Member of Parliament to solicit support. They have also widely circulated a petition to be presented to Members of Parliament to show support for their cause by their friends and neighbours.

Surely, Mr. Speaker, those veteran fire-fighters should not be forced into petitioning their Members of Parliament to have their service to Canada recognized. That service was appreciated and it should be recognized now by granting the award they should be entitled to receive without any further delay.

* * *

[*Translation*]

THE CONSTITUTION

SEPARATION OF POWERS

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, the Meech Lake Accord and the free trade agreement respect and reflect the existing division of constitutional powers. Both initiatives reflect this Government's commitment to and its respect for a strong federal Government and strong provincial governments. Since 1984, federal-provincial relations have been marked by consultation and consensus, instead of the kind of confrontation we saw under the previous Government. The Meech Lake Accord continues this policy by establishing mechanisms to promote harmony between both levels of government.

On both the free trade agreement and the Meech Lake Accord, the provinces were frequently consulted and fully informed. The Bill does not impinge on areas of provincial jurisdiction, it amends relevant federal legislation and authorizes the Governor in Council to adopt any regulations it deems necessary to implement the agreement, to the extent that such regulations are essential to the application of the chapter on wines and spirits and are not provided under provincial legislation.

S. O. 21

UNEMPLOYMENT INSURANCE

QUALIFYING CRITERIA

Mr. Fernand Robichaud (Westmorland—Kent): Mr. Speaker, last week, the Department of Employment and Immigration announced to the people of Southeast New Brunswick that from now on, they must have sixteen weeks of insurable employment instead of ten, to be eligible for unemployment insurance. Mr. Speaker, this will have a devastating effect on the economy of the districts of Westmorland, Kent and Albert, which largely depend on seasonal jobs that cover periods of not more than ten weeks.

Statistics Canada reports that the unemployment rate for Southeast New Brunswick, which includes the districts of Westmorland, Kent and Albert, averaged 13.4 per cent for February, March and April. These are the figures the Department uses to calculate the number of weeks of insurable employment. However, if we look at those districts without including the city of Moncton, the unemployment rate for the same months works out at about 26.4 per cent. Mr. Speaker, that is how people are being treated in rural areas!

Last week, I asked the responsible Minister to put the period of insurable employment back at ten weeks, but she refuses to do anything about it. Mr. Speaker, I repeat my request on behalf of the people of Southeast New Brunswick. The period of insurable employment must be put back at ten weeks.

* * *

[*English*]

NUCLEAR ARMAMENTS

NUCLEAR WEAPONS ON WARSHIPS VISITING CANADIAN PORTS

Mr. Jim Manly (Cowichan—Malahat—The Islands): Mr. Speaker, last year warships carrying nuclear weapons, mostly from the United States, visited Canadian ports 63 times. A retired United States admiral has said that any vessel capable of carrying nuclear arms is, in fact, carrying them.

But Canada, while claiming to be a country that does not permit nuclear weapons on its territory, does not even ask visiting ships whether or not they carry them. We are like the legendary Sunday school teacher who had a Saturday night job playing the piano but said he did not understand what was going on in all those little rooms upstairs.

Canadians do not appreciate this kind of hypocrisy on a question so important to world peace and security. We want our Government to defend our policy of not allowing nuclear weapons.

• (1415)

We look at the example of New Zealand. If such a small country can show integrity and courage on this issue, why can't we? If the Conservatives are not willing to insist that

visiting warships honour our no nuclear weapons policy, let us have an election and get a Government that will.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—CALL FOR BAN ON EXPORT OF WATER

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, repeatedly Canadians have been told that water exports to the United States are not in the trade deal. Last November the Minister of the Environment (Mr. McMillan) said that water had never been negotiated in the free trade talks. Yesterday the Parliamentary Secretary told the House that water is not part of the trade deal.

Despite such denials, Article 22.01 of the Canadian tariff schedule specifically refers to: "waters, including natural or artificial mineral waters and aerated waters, not containing added sugar or other sweetening matter nor flavoured; ice and snow".

There is nothing in the trade deal preventing the export of water as was done with logs, unprocessed fish, and beer. The absence of a specific exclusion of water from the trade deal is dangerous. Further, it makes a mockery of the Minister of the Environment's water policy, with the promised legislation to ban water exports. We urge the Government to ban the export of water in the proposed trade legislation.

ORAL QUESTION PERIOD

[*English*]

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—PROVINCIAL COMPLIANCE

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I have a question for the Minister for International Trade. In the last several months we have heard repeatedly from the United States Government and from the U.S. Congress that they would only ratify the Canada-U.S. trade agreement on the grounds that the federal Government would intrude into provincial affairs and require full compliance by the provinces.

Yesterday we saw once again how the federal Government capitulates to those demands. The trade Bill tabled yesterday provides the federal Government with a loaded gun that will completely and totally intrude into a wide range of provincial jurisdictions to force compliance with the Canada-U.S. agreement.

Is it not true that the American Government is now becoming in effect a third party to federal-provincial relations in Canada, and that the federal Government has decided to take the power of intrusion into key areas like energy, resource pricing and service management simply in order to meet those American demands?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the Hon. Member knows that that, of course, is entirely incorrect. He should also know that under the BNA Act the regulation of interprovincial trade and commerce and international trade and commerce is a jurisdiction given to the Government of Canada. Without that jurisdiction, Canada could not enter into an international agreement with any other nation in the world and enforce such an agreement. If that were the case, then Canada would be ignored by the world community because it would not have a federal Government that could agree to and enforce trade and commerce arrangements entered into.

Finally, I might remind the hon. gentleman when he talks about resource pricing that it was his Party that introduced the national energy policy, that attempted to crush the provinces and crush provincial rights to price their resources, and crush the provinces entirely.

Mr. Broadbent: So why are you doing it?

Mr. Crosbie: They were assisted by the hypocrite who leads the New Democratic Party who gave them full assistance in that object.

PROVISIONS OF BILL—FEDERAL POWERS

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, I would say that the great strategy of reconciliation has become the great crusher of all times. We have seen in this Bill a major takeover of provincial jurisdictions, contrary to the interpretation that has been provided by the courts over the past half century.

Clause 8 of the Bill the Minister tabled yesterday also provides for a total override of the laws of this federal Parliament. The trade agreement supersedes and overtakes laws provided by this Parliament on affirmative action, on human rights, and on freedom of information. Is the Minister for International Trade aware that he has created this major imbalance, that the trade deal will now supersede federal law, and that the sovereignty of this Parliament has been undermined? At the same time the U.S. Congress has taken a totally opposite stand. Why has the Minister countenanced this total capitulation and undermining of the rights of this Parliament?

• (1420)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman is referring to a clause which says that the provisions of the Bill implementing the free trade agreement will override any inconsistent provision of other federal legislation. That is all it says.

Some Hon. Members: That's all!

Mr. Crosbie: It is a rule of legislative draftsmanship. Any provisions of Canadian federal law inconsistent with the free trade agreement are amended by the agreement. That is all it says. There is no takeover of provincial powers. There is a most careful attempt to fail to intrude upon provincial powers except in one area with reference to wine and spirits. The Government takes to itself the authority to ensure that the FTA is observed and that provisions which discriminate against American wine and liquor sales in Canada cannot be put in place by the Government of Canada.

Some Hon. Members: Time!

Mr. Crosbie: It is not time. I am asked a question and I have to be allowed the time to answer it.

Mr. Axworthy: Mr. Speaker, it is extraordinarily disappointing that a Minister of the Crown would treat in such a trifling manner the usurpation of the powers of this Parliament by the Act he tabled.

Some Hon. Members: Hear, hear!

REQUEST THAT ELECTION BE HELD

Hon. Lloyd Axworthy (Winnipeg—Fort Garry): Mr. Speaker, the Bill the Minister has tabled undermines provincial jurisdiction and the sovereignty of this Parliament. In fact, it undermines the sovereignty of this country. Therefore, will he take the offer he made this morning to call an election by the end of the summer and advance it by two or three months? Considering the enormous and dramatic impact this Bill will have on the very structure of Canadian society, why not call the election now and let the Canadian people decide what should be done?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, an election will be called sometime between now and the end of 1989 when the Prime Minister decides to recommend to the Governor General that Parliament be dissolved. The free trade agreement will be a central part of that election, whether it has been implemented before or after the election call.

The hon. gentlemen opposite, if they continue with their pledge to oppose the free trade agreement, do not have to waste their energy trying to rip the agreement in half. If they are elected in our stead all they have to do is give six months' notice under the agreement and they can terminate it, if they dare. But they will never dare do that, Mr. Speaker!

Mr. Axworthy: Watch us.

[*Translation*]

PROVINCES' RIGHTS—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is for the Minister for International Trade. I would like to point out to him that Clauses 6 and 9 of Bill C-130 on the trade agreement are the most blatant intrusion of the federal Government in fields of provincial jurisdiction in human memory. In electricity, gas, petroleum, wine, liquor, professional codes, wood-cutting fees, construction worker mobility, the federal Government is taking upon itself the power to intervene and go over the heads of the provinces to amend unilaterally laws that the federal Government or the government in Washington want changed.

Mr. Speaker, why has the federal Government decided to violate provincial rights to implement a trade agreement for which it has received no mandate from the Canadian people?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman talks about mandates. It was his Party that was elected on a platform that they were totally against wage and price controls, got elected, and implemented them immediately thereafter. What a gigantic example of hypocrisy; the hon. gentleman promised one thing and delivered exactly the opposite.

• (1425)

Anyone who cares to examine our legislation will see that we only exercise our jurisdiction in areas given to the Government of Canada under the BNA Act, and which have been given to the Government of Canada since 1867. These are areas, of course, that predecessors of the hon. gentleman opposite observed in every particular.

By golly, what can Mr. Trudeau be thinking when he looks at this pusillanimous display opposite today?

[*Translation*]

NATIONAL RECONCILIATION—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I regret that the Minister for International Trade takes such a tone to answer extremely serious questions. Tomorrow, we can begin a debate on . . .

[*English*]

I will return to my question. I do not want to engage in that type of thing.

[*Translation*]

Mr. Speaker, not only Ontario objects to the federal Government's intrusion into provincial jurisdiction. The Government of Quebec, through its Minister for International Trade, said yesterday that it was unacceptable for the federal Government to proceed in this way.

Mr. Speaker, the Minister said that. It is in this morning's newspapers, he mentioned it on television yesterday when I was debating this question with him.

Is the Minister aware that if the provinces refuse, Clause 6 could give the federal Government the power to change the pricing policies of Crown corporations like Hydro-Quebec and if these policies are displeasing to the federal Government or the United States, the federal Government can act to change

them? It will tell the provinces, "Change your laws, otherwise we will change them for you!"

Mr. Speaker, is that the policy of national reconciliation preached by the Prime Minister during the 1984 election campaign?

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, thank heavens we know about some sane Liberals in this country, for example, Mr. Donald Macdonald who chaired the Royal Commission and recommended the action which we are now carrying out, and the Hon. Gerry Regan who was Minister of International Trade for several years who supports this authority.

The legislation introduced here yesterday does not intrude one jot or tittle upon provincial jurisdiction. We do not have the power to intrude upon provincial jurisdiction. We can only exercise federal jurisdiction.

Any Government or person who believes that we are going beyond our jurisdiction can go to the Canadian courts, free and independent, and ask them for a verdict or an opinion on whose jurisdiction is whose. We are confident that this Bill concerns only our jurisdiction in the area of international trade and commerce. Without that Canada is not a nation and Canada does not have a Government.

PROVINCIAL JURISDICTION—POSITION OF QUÉBEC GOVERNMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the same Minister. We certainly heard the Minister's answer. If there had been as much light as there was sound we might have even been persuaded.

With reference to Clause 6 in the proposed Bill an important Minister in the Province of Quebec has said: "It's obvious this article is an interference in provincial jurisdiction".

Any number of lawyers who have since looked at the package, including some on the opposite side of the House, have said that Clause 6 is nothing other than an override of provincial jurisdictional authority.

Has the Minister been in touch with the Government of Quebec in the past 24 hours on this matter? The Québec Minister said that this was unacceptable to the Government of Quebec and that it violated the constitutional division of powers. Has the Government of Canada done the correct and co-operative thing, consulted with the Government of Québec and conveyed to it the federal Government's views on this matter?

• (1430)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, as I believe most Hon. Members of the House know, I had a consultation with all 10 Premiers of Canada before this Bill was introduced. I explained to them the various options that were available to the Government of Canada in order to carry out the free trade agreement and to meet our commitment to carry out the obligations of the free trade arrangement. The Bill that we introduced yesterday contains the least obtrusive methods of carrying out the free trade agreement. There is no interference with provincial jurisdiction in the Bill.

All that the Bill states in Clause 6 is that this Parliament reserves to itself the right to introduce legislation in the future to carry out the obligations of the Free Trade Agreement undertaken by the Canadian Government if we feel any other legislation is necessary, a reserve power.

We cannot arrogate to ourselves any other jurisdiction than we have. The courts will see that we are kept to our own federal jurisdiction. Anyone who fears that we are going outside it can go to the courts. I plead with them to go to the courts and let the courts decide this issue.

Mr. Rodriguez: How arrogant!

Mr. Broadbent: I am sure the Minister, who is well known for his thorough briefing sessions, has read the Bill with a great deal of care and will recall that Article 103 commits the federal Government to implementing the agreement with the United States, not only within traditional areas of federal jurisdictional authority but also in areas covered by provincial and local Governments.

REGIONAL DEVELOPMENT AND SOCIAL PROGRAMS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, whatever the Minister may think, most Canadians understand that the Canadian Constitution states the provincial governments have authority within local or provincial domain, not the federal Conservative Government of Canada. That happens to be the reality.

The accord also commits the Government to negotiate over the next five to seven years what is to be deemed to be a subsidy, and the Americans have already made it clear that all kinds of our regional development and social programs, most of which are in the provincial domain—

Some Hon. Members: Oh, oh!

Mr. Broadbent: Will the Minister at least do service to the House by telling us frankly—

Mr. Wilson (Etobicoke Centre): Why do you not do service to the House and speak the truth?

Mr. Broadbent: If this Government allows Clause 6 to proceed, it will enable the Government to interfere directly in social and regional development programs in the provincial domain. Will he admit that?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I say that that is entirely false, completely false, truly false, absolutely false. It is so false that it is the falsest statement I have ever heard falsely put.

Mr. Broadbent: You just convinced me that it is true.

Mr. Crosbie: Clause 6 gives the Government of Canada no jurisdiction that the Government of Canada does not now have.

Mr. Cassidy: Take it out.

Mr. Crosbie: We can only exercise—

Mr. Cassidy: Take it out.

Mr. Crosbie: This is so simple. We can only exercise the jurisdiction that the BNA Act gives us under Section 92 and the other powers of the BNA Act.

This House cannot exercise any other powers than those given it by the Constitution. Those are the only powers that we are exercising in this legislation. Anyone who has a different opinion can go to the courts, as has been done hundreds upon hundreds of times in our Confederation—

Mr. Rodriguez: Arrogance of the Tories.

Mr. Crosbie: —since 1867, and ask the courts to rule whether Clause 6 does anything other than that. Put your money where your mouth is and take a challenge to the courts once we enact this legislation.

Mr. Rodriguez: Arrogance of the Tories.

Mr. Broadbent: Mr. Speaker, I just say that all those wonderful denials coming from the Minister have absolutely convinced me that what I said was true. Three other Ministers of the Crown, including the Prime Minister, also said in 1983 that they would never negotiate such a deal. We know now how they deal with the truth on the other side of the House.

POSITION OF PREMIERS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, considering what the Minister just said, could he explain to the House why the Premier of Prince Edward Island has said that it violates provincial jurisdictional authority? A key Minister in the Province of Quebec has now said it. The Premier of Nova Scotia recently raised a question, and the Premier of Ontario says that it violates provincial rights.

Mr. McDermid: He is a great authority.

Mr. Broadbent: Why is it that everyone else is wrong and the Minister is right? That is what we want to know.

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, the hon. gentleman and his Party have said that they are going to prevent this legislation going through this House of Commons. They are going to obstruct at every point. They are going to disregard the rules—

Mr. Broadbent: No, no. Another lie. Another one.

Mr. Crosbie: They are going to twist the rules.

An Hon. Member: Your nose is growing, John.

Mr. Nystrom: Pinocchio.

Mr. Crosbie: On March 27, 1981—

Mr. Speaker: The Hon. Minister will answer the question.

Mr. Crosbie: On March 27, 1981, who said this?

> I am one who believes that the majority must have the right to decide at some point, which is the essence of my question of privilege. At this point the will of the majority is being frustrated by the irresponsibility of the minority.

It is the same Hon. Leader of the New Democratic Party who, seven years later, says that he is going to use the rules to stop the majority, to stop Parliament from reaching a decision—

Some Hon. Members: Oh, oh!

Mr. Crosbie: What a hypocrite, Mr. Speaker.

* * *

AGRICULTURE

DROUGHT IN WESTERN CANADA—EFFECT ON LIVESTOCK HERDS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. He knows that the western drought situation is getting worse every day, that feed supplies and water supplies in the drought area are becoming desperate for many farmers and their herds. He knows that some herds are being dispersed and sold off because of lack of feed supplies.

Is the Minister willing to make a commitment today for funds to provide an emergency herd maintenance program so that feed supplies can be maintained for these herds and for the farmers concerned?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am not so sure whether the Hon. Member, by his question, is trying to indicate whether or not we knew we had a drought situation in western Canada.

The fact is that we have been working with the provinces and with the farm organizations on a day-to-day basis since February. As I indicated before, we are meeting with my provincial counterparts in Calgary next Tuesday where we will be receiving a series of recommendations that will include all of the suggested options that the Hon. Member has put forward today, plus many others I would expect.

If this develops into a full blown drought, then we see action being taken in about five different areas.

Mr. Foster: The farmers want to know when the Government is actually going to do something. We know he has been meeting, been considering, been studying, and has been

thinking about it. He may actually do something, but they want to know when he is going to do something.

Some Hon. Members: Hear, hear!

EMERGENCY WATER SUPPLIES—REQUEST FOR FEDERAL COMMITMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, the Minister talks about the provincial Governments. The provincial Governments have already made a commitment of $28.5 million for emergency water supplies. Is the Minister prepared to stand in his place this afternoon and give a similar commitment of $28.5 million for emergency water supplies for the herds in these two provinces? Is he willing to do that?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, all of the requests that have been put to us by the provincial Governments to date have been met within the PFRA budget. I do not know why the Hon. Member gets so excited because when I talk to people in western Canada they simply look at our record, and look at yours which provides no satisfaction or comfort at all. When they look at our record they know very well that we were there in 1984, in 1985, and we will be there tomorrow.

Some Hon. Members: Hear, hear!

Mr. Foster: You are not doing anything and you know it.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—PROVINCIAL JURISDICTION

Mr. Steven W. Langdon (Essex—Windsor): Mr. Speaker, my question is directed to the Minister for International Trade. I am holding a set of questions and answers on the subject of free trade which has been circulated to all Conservative Members of Parliament.

• (1440)

The first question which is set out asks why has the federal Government taken the decision to impinge on the domains of competence of the provincial governments with its legislation with respect to the free trade accord.

Some Hon. Members: Read the answer!

Mr. Langdon: The answer, since they want to hear it, is that Article 103 of the agreement obliges the American and Canadian Governments to take these measures and impose them on both states, provincial and local.

In view of the fact that these questions clearly indicate that the Conservative Party, and this Conservative Government, have made a decision to take these steps against the provincial powers in our country, why will the Minister not in fact stand up in the House and frankly admit it?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, apparently, from what the Member says, he has some suggested questions the Opposition might ask, and suggested answers. When these kinds of exercises are being done, the person drafting the questions puts himself into the mind-set of the Opposition.

Mr. Broadbent: What about the answer?

Mr. Crosbie: Then he knows he has to think of something that is twisting, that is false, that is malicious, that is devious—

Mr. Broadbent: Answer the question.

Mr. Crosbie: Then he puts the question and he asks how this is impinging, because that is the kind of question the hon. gentleman opposite asks day after day after day. So I congratulate the drafter. He has himself exactly in the mind-set of the hon. gentleman opposite and his paranoia that has existed here every day of the week.

Mr. Broadbent: What about the answer?

Mr. Langdon: Mr. Speaker, the intemperate and irrelevant response of the Minister shows how out of touch he is.

Some Hon. Members: Order!

Mr. Speaker: I think it might be observed that if we are going to get very many Members up, some of the rhetoric will have to be dropped on both sides. The Hon. Member for Essex—Windsor will put his question.

Mr. Langdon: I suggest, Mr. Speaker, the Minister start—

Some Hon. Members: Sit down!

[*Translation*]

POWERS OF PROVINCES—MINISTER'S POSITION

Mr. Steven W. Langdon (Essex—Windsor): I would like to put this question to the Minister, considering the answer provided in his Conservative notes. The answer indicates that the agreement obliges the U.S. and Canadian governments to take all measures that are necessary for the provisions of the agreement to come into effect.

Considering his answer, why won't the Minister admit to the House that we are telling the truth and that the Government has decided to impinge on provincial powers across this country?

Mr. Speaker: Order. I notice the question is almost identical to the question that was asked in English.

The Chair's concern is very straightforward. This is certainly not customary practice in the House, and I would like all Members to be careful and refrain from repeating a

question, in English or in French. It is not customary practice in this House.

[*English*]

Hon. John C. Crosbie (Minister for International Trade): Thank you, Mr. Speaker, and I certainly agree with you that it is odd.

The situation is that there is nothing in the legislation before this House that intrudes upon or impinges upon the powers of the province. But it is a well known tenet of constitutional law that one jurisdiction exercising its authority can affect matters in another jurisdiction's authority in an incidental manner. And, of course, that occurs on all occasions. There is no hiatus between federal law and provincial law. There is no clearly demarked line that one is on one side and the other is on the other side.

In this particular legislation we exercise only the authority given to us by the Constitution of Canada necessary so that Canada can hold its head up in the community of nations and agree to treaties that affect trade and commerce and carry them out as any sovereign nation can.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

AEROSPACE

QUEBEC'S SHARE

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, in the absence of the Minister of Regional Industrial Expansion and Minister of State for Science and Technology, my question is directed to the Deputy Prime Minister and concerns the contracts for space research. Last Friday, the Leader of the Parti Quebecois, Mr. Jacques Parizeau, stated that never before had Quebec been treated in such a miserly fashion by the federal Government.

Could the Deputy Prime Minister explain why, despite the promise and commitment made on April 21 by the Conservative Government that as part of the Canadian Government's contribution to the U.S. Space Station, Quebec would receive a fair share of the research, that is, 35 per cent, just like Ontario, could he now explain why today, Quebec will get only 18 per cent, while Ontario is getting 78 per cent? Could he explain why Quebecers are once again being deceived?

[*English*]

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, I thank the Hon. Member for his question. The fact is that if he looks at the total expenditures when the program is said and done, he will find that 35 per cent will accrue to Quebec, 35 per cent to Ontario, 10 per cent to, generally, the West, 10 per cent to British Columbia, and 10 per cent to Atlantic Canada. That message was clearly conveyed, together with the supporting statistics, to that hon. gentleman by the Minister a few days ago.

[*Translation*]

SPACE AGENCY—IMMEDIATE ANNOUNCEMENT DEMANDED

Mr. Jean-Claude Malépart (Montreal—Sainte-Marie): Mr. Speaker, a similar message was sent to Quebecers about the shipyards. We were going to get everything. We got nothing. We were conned. Two shipyards were shut down in Quebec.

My supplementary to the Parliamentary Secretary is this: Wouldn't it be better for the Government to announce the space agency immediately, since at this rate, all the contracts will be gone, and the space agency will be nothing but an empty shell? Why not announce the location of the space agency right away and let this new group be responsible for contracts, since Quebec is being conned on this whole issue?

[*English*]

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Regional Industrial Expansion and Minister of State for Science and Technology): Mr. Speaker, the hon. gentleman, of course, is speaking from a parameter and point of view that satisfy his political needs immediately. The fact remains, and I will repeat it to him, the balance is there. In the beginning the balance was not there and it was corrected by this Minister. The Minister and this Government will ensure that distribution does in fact take place.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—IMPLEMENTING LEGISLATION AMENDING 27 STATUTES

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, my question is directed to the Minister for International Trade. I am sure the Minister is aware that the Bill introduced by himself yesterday, and I underline the word "himself", amends some 27 statutes. I am sure the Minister also recalls that back in 1982 when the former Liberal Government introduced the energy Bill amending some 15 statutes, at that time the federal Tories said it was terrible, it was wrong, that it was an awful thing to do, and they rang the bells for almost two weeks in protest to have the Bill split.

Mr. McDermid: You are comparing apples to oranges.

Mr. Nystrom: If the logic of splitting a Bill was right when it amended 15 statutes, why will the Government not do the same thing now when one amends some 27 statutes? Can we have a straight answer? Can the Minister stop playing court jester to the Prime Minister, stop being a buffoon and tell us why he will not split the Bill?

• (1450)

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, Shirley Carr is certainly well served by the hon. gentleman—and he is just as curly as Shirley.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The Bill introduced yesterday has only one object, and that is to implement the Canada-U.S. Free Trade Agreement. It has only one item, and that is the legislation that is necessary to implement the agreement.

There is no comparison to the energy Bill that the Official Opposition introduced. There were a whole host of disparate issues in that omnibus energy Bill; there were several unrelated new Acts, unrelated amendments. One could not vote on one principle in that Bill; it had to be divided. It was divided into eight separate pieces of legislation.

The principle of our Bill introduced yesterday is: do you favour the free trade agreement or not? Put up or shut up.

GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton—Melville): Mr. Speaker, in the energy Bill six years ago all those issues were either directly or indirectly related to energy. Inasmuch as all the issues in this Bill are directly or indirectly related toward economic union with the United States; why is the Conservative Party not using the same logic it used in 1982? Why is it afraid of democracy? Why is it afraid to face the Parliament of Canada and have a real debate?

What would John Diefenbaker say now if he were in the House?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, how the views of the New Democratic Members change with the circumstances. In 1982 they were there chin to chin, jowl to jowl with the Liberal Party, trying to cram the energy Bill down the throats of Canadians, eight separate pieces of legislation.

Mr. Speaker: The Hon. Member for Western Arctic.

* * *

REVISED STATUTES OF CANADA

PUBLICATION DATE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I have a slightly quieter question on a different subject. It is directed to the Minister of Justice. Some months ago the House passed legislation to authorize the publication of a new set of Revised Statutes of Canada, the last set being of 1970 vintage and hopelessly out of date.

When will the new Revised Statutes of Canada be published?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am certainly aware of the fact that the Revised Statutes of Canada are being eagerly anticipated.

The bound volumes of the new Revised Statutes are printed and ready for distribution. The loose-leaf version is also printed, but it is not yet ready for distribution due to technical delays.

Notwithstanding this fact I anticipate that both versions will be ready this summer, so that members of the Opposition will have something to do here in Ottawa during the evenings.

* * *

CRIMINAL CODE

ACTIVITIES OF PRIVATE PARA-MILITARY SCHOOLS—POSSIBLE AMENDMENT OF CODE

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, my question is directed to the Minister of Justice. Last August Remi Lahaie of Ile Parrot, Quebec, was shot, strangled, stabbed 14 times, and had his throat slit by the operator of a survival-combat school in Quebec, as a result of an $1,800 contract with Lahaie's neighbours who disliked the noise of his automobile.

In rendering judgment in this case last week, Judge Martin of the Quebec Superior Court urged an investigation into and control over these academies of violence.

Would the Minister tell us what steps he has taken, or will take, to limit the activities of these private para-military schools? Has the Minister considered amendments to Article 71 of the Criminal Code?

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I think all of us in the House very much regret the circumstances outlined by the Hon. Member.

I certainly have been in receipt of a number of representations with respect to this issue. It is one which is receiving attention. The Hon. Member will understand that there are very complex questions that have to be addressed with respect to amendments to the Criminal Code which might have the effect of putting limitations on the right of association, and the right of carrying out a variety of training academies.

The Hon. Member can rest assured that we are giving it the most serious attention. It is a matter that is very much on my mind and that of my Department.

FEDERAL-PROVINCIAL DISCUSSIONS

Hon. Warren Allmand (Notre-Dame-de-Grâce—Lachine East): Mr. Speaker, this is not the first time that this matter has been raised with the Minister.

On November 4 and 5, 1985, more than two years ago, I raised the case of the Eagle Combat School in British Columbia, which was allegedly linked to terrorist activities. At that time I asked the Minister to raise the subject with the provincial Attorneys General, and he said he would consider that.

I want to know what has been done in those two years about this. The Minister should know that there is a growing number of these schools in Canada and in the United States, and they are very dangerous.

Hon. Ray Hnatyshyn (Minister of Justice and Attorney General of Canada): Mr. Speaker, I know that the Hon. Member would want to wish me a long and extended career as Attorney General. I was appointed Attorney General in June, 1986. I know that the Hon. Minister for International Trade and myself are two look-alikes. Perhaps the Hon. Member confused us because of our good looks.

The reality is that we are considering these matters. I cannot accept, without question, the premise of the question, except to say that we are looking at the whole matter of federal jurisdiction with respect to these matters. There is also provincial jurisdiction, which the Hon. Member will understand is involved in the regulation of camps and other facilities across the country.

The Hon. Member can rest assured that the matter will receive attention, and it will be discussed between myself and my provincial colleagues tomorrow and Friday when we meet in Quebec City.

* * *

[*Translation*]

CANADA POST CORPORATION

DELAY IN DELIVERY OF RURAL DIGNITY'S MAIL—MINISTER'S POSITION

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is for the Minister responsible for Canada Post. Is the Minister aware that Canada Post delayed Rural Dignity's mail for three days? And does he agree that such action is unacceptable and constitutes harassment due to this campaign to protect rural post offices?

[*English*]

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, no, I am not aware of the situation the Hon. Member talks about. I will convey his concerns to Canada Post Corporation which is responsible.

REQUEST THAT MINISTER INTERVENE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, if the Minister confirms the facts as I have stated that Canada Post has held up the mail of Rural Dignity for three days, will he take action in order to tell Canada Post that it is unacceptable and it is wrong to interfere with the delivery of mail, just because that group is fighting against the government's policy of tearing apart rural post offices?

Hon. Harvie Andre (Minister of Consumer and Corporate Affairs): Mr. Speaker, I do not know about the facts. I have known from experience, and I hope that the Hon. Member will not take this unkindly, not to accept at face value the facts that he has laid out here.

As for Rural Dignity the Hon. Member knows, as I know, as the Post Office knows, that this is merely the Postmasters' Union going around the country making false accusations, false statements about the Government's intentions.

The number of postal outlets in rural Canada, which is currently 5,000, will rise to approximately 7,000 over the course of this corporate plan. There will be an increase in outlets in rural Canada, and an improvement in service as a result of what the Post Office is doing.

* * *

TRADE

CANADA-UNITED STATES FREE TRADE AGREEMENT—PROVINCIAL JURISDICTION

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Minister for International Trade. Clause 6 of Bill C-130, the trade Bill, is there to enable the federal Government to carry out its obligations to the United States under Section 103 of the trade deal.

Is it not true that Section 103 of the trade deal does not require the federal Government to ensure compliance of provincial and local governments only in areas of federal jurisdiction? If that is the case, is it not true that Clause 6 of the trade Bill is intended to give the federal Government the authority to interfere in matters of provincial jurisdiction as well as federal jurisdiction?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker, I will repeat this and be as short as I can because I like to comply with your wishes. This Parliament cannot give any authority to the Government of Canada that this Parliament does not have under the Constitution of Canada. The only authority we can be given is the authority of the federal Government.

• (1500)

With respect to the regulation of trade and commerce, interprovincial trade and commerce and international trade and commerce, the founders of this country gave the Government of Canada, and there is only one Government of Canada—there are 10 provinces but one national Government—authority over trade and commerce. That is the authority that we purport to exercise in this legislation because

we believe that Canada has to be represented in the international community and be in a position to enter into agreements, and carry them out, as our forefathers intended.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Windsor West. Keeping in mind the time I would appreciate a short question.

MINISTER'S POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, my supplementary question is for the Minister for International Trade. Is the Minister then not saying that at the present time provincial and local governments are acting in areas currently under federal jurisdiction, and that the federal Government is therefore going to use the authority of this trade deal to take away that jurisdiction from them? Is that not what he is saying?

Hon. John C. Crosbie (Minister for International Trade): Mr. Speaker—

Mr. McDermid: Be gentle with Herb.

Mr. Crosbie: —I am going to be gentle, and I am going to be calm.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Why don't you be smart for a change?

Mr. Crosbie: I will be reserved, polite, cool.

The Bill introduced yesterday takes no authority away from the provinces or municipalities of Canada. It does not add to the authority of the Government of Canada. It exercises the jurisdiction that we were given in 1867, in our opinion. Anyone with a different opinion can go to the Canadian judiciary and they will ultimately decide. I am satisfied that they will decide in our favour.

Mr. Speaker: A single question by the Hon. Member for Prince Albert.

* * *

AGRICULTURE

INTERNATIONAL GRAIN SUBSIDIES

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my question is for the Minister of State for Grains and Oilseeds. Chancellor Kohl puts Canada and the United States in the same basket in relation to subsidies in the grain trade. Will the Minister explain the difference between our position and that of the United States? Are we serious about reducing the subsidies, or is Chancellor Kohl correct?

Hon. Charles Mayer (Minister of State (Grains and Oilseeds)): Mr. Speaker, I am not quite sure what the Hon. Member is getting at. Chancellor Kohl is a fine one to talk about subsidies.

What the Hon. Member should know is that Canadian farmers are receiving about $65 or $70 per tonne for barley presently while European farmers are receiving approximately four times that amount. If one looks at subsidies then, obviously the Europeans in our opinion are way more guilty as far as subsidies are concerned.

Having said that, in order to protect our farmers the Government, under the leadership of the Prime Minister, has provided some financial support to get them through a difficult time. At the same time the Prime Minister is doing everything he can to pursue a solution internationally so that we can see Mr. Kohl back away from some of the ridiculous subsidies that are being provided to European farmers, which are one of the main reasons causing problems in international trade.

Mr. Speaker: A single question by the Hon. Member for Hamilton East.

* * *

HEALTH

AIDS DISEASE—RELEASE OF EXPERIMENTAL DRUGS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is for the Minister of National Health and Welfare. It concerns the number one health concern of Canadians—AIDS.

On October 6, 1986, the Minister pledged that he would do everything possible to release experimental drugs that might help fight the AIDS virus. Since that time his Department has released tens of thousands of drugs on an emergency basis. Yet during that time there has been only one drug related to the treatment of AIDS that has been released.

Can he explain to the House why on October 6, 1986, he said he was going to work quickly? Why, in reality, is his Department blocking the release of drugs to prolong potentially the lives of AIDS victims?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Department and I are doing everything we can to release drugs, both on an emergency basis and to get notices of compliance done.

If one takes a look at the various drugs involved, whether we look at Pentamidine, AZT, or others, the Hon. Member should know very fully and completely that, for instance, with Pentamidine there was an explanation given as recently as this morning by the Director of the federal Centre for AIDS in respect to the clinical trials in Vancouver and Montreal, and also the ethical question that has been raised in Toronto.

I repeat to the Hon. Member, as well as to the House generally, that we are moving as quickly as we can on experimental drugs, as well as having released, as I said earlier in the House, information to doctors concerning how experimental drugs and emergency drugs in fact can be released.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

GOVERNMENT RESPONSE

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, pursuant to Standing Order 106(8), I have the honour to table, in both official languages, the Government's response to 92 petitions numbered as follows: 332-4313, 332-4314, 332-4331, 332-4333, 332-4334, 332-4337, 332-4341, 332-4352 to 332-4354 inclusive, 332-4361 to 332-4370 inclusive, 332-4372, 332-4376, 332-4386 to 332-4447 inclusive, 332-4464 to 332-4466 inclusive, 332-4471 to 332-4473 inclusive, 332-4477 and 332-4480.

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

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ELDORADO NUCLEAR LIMITED REORGANISATION AND DIVESTITURE ACT

PRESENTATION OF REPORT OF LEGISLATIVE COMMITTEE

Mr. Marcel R. Tremblay (Québec-Est): Madam Speaker, I have the honour to present, in both official languages, the report of the Legislative Committee on Bill C-121, an Act to authorize the reorganization and divestiture of Eldorado Nuclear Limited and to amend certain Acts in consequence thereof.

I take this opportunity, Madam Speaker, to thank all the support staff, the researchers, the translators and especially our very devoted clerk, Christine Fisher, who helped make this committee one of the best that I have had the honour to chair.

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

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[*English*]

PETITIONS

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Vic Althouse (Humboldt—Lake Centre): Madam Speaker, I have a petition to present from some residents of my riding who point out that the present Government has no mandate from the Canadian people to conclude a free trade agreement with the United States. The Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canada's trading sovereignty would not be compromised. They believe it has been.

They believe that the proposed trade agreement would deny Canada the policy freedom to determine its own economic future, and undermines our ability to build a society distinct from the United States.

They go on further to state that the proposed trade agreement not only denies Canadians the secure access to the U.S. market that was the key objective in these negotiations, but also threatens the loss of hundreds of thousands of Canadian jobs. Therefore, they call upon the Parliament of Canada to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

PROTECTION OF RIGHTS OF THE UNBORN

Mr. Bill Vankoughnet (Hastings—Frontenac—Lennox and Addington): Madam Speaker, I have the honour to present a petition signed by a number of constituents in the federal constituency of Hastings—Frontenac—Lennox and Addington who are calling upon Parliament to pass into law legislation that will protect the life of the unborn child from conception and at all stages of development, with the exception of the extremely rare situation in which an abortion is performed in order to save the life of the mother.

Mr. Jim Jepson (London East): Madam Speaker, it is my pleasure to submit a duly certified petition pursuant to Standing Order 106. The undersigned do, by this petition, give notice to the Government of Canada that they are of the opinion that unborn children should be included within and protected by the Canadian Charter of Rights and Freedoms. Wherefore the undersigned, your petitioners, humbly pray and call on the Parliament of Canada to enact such legislation.

IMMIGRATION—SPONSORING OF RELATIVES

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour and pleasure pursuant to Standing Order 106 to present a petition from a number of residents of the City of Toronto. They point out that last year the then Minister of State for Immigration promised that unmarried sons and daughters of all ages would be considered as members of the family class of immigrants and that married children and brothers and sisters in the assisted relative class would get 15 points instead of 10 when assessed for immigration to Canada. They also point out that the former Minister of Justice in 1986 promised to remove the unfair distinction between Canadian citizens and permanent residents of three years or so in order that both groups would have equal rights to sponsor parents of any age. They point out that none of these important promises have yet been fulfilled by the Government and they call upon this House to ensure that the Government will fulfil its promises now.

Petitions

• (1510)

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Dan Heap (Spadina): Madam Speaker, I have a petition from a number of residents in the City of Toronto who point out that the recent signing of a trade deal between the Conservative Government of Canada and the President of the United States has no mandate from the Canadian people based on the last election campaign. The petitioners point out that it will severely reduce Canada's political and economic sovereignty by interfering with our ability to control foreign ownership, to develop Canadian energy resources in the best interest of Canadians or to equalize opportunities between the regions of Canada. Therefore, the undersigned, your petitioners, call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

OPPOSITION TO THE ACQUISITION OF NUCLEAR-POWERED SUBMARINES

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, I have two petitions here duly certified pursuant to Standing Order 106. The first is from residents of Ladysmith, British Columbia, concerning nuclear submarines. The petitioners point out that there is a great danger of accidents while nuclear armed or nuclear-powered ships are in Canadian ports. This is a threat to the environment and to Canadian citizens. Therefore, the petitioners humbly pray and call upon the House of Commons to ensure that the Government not purchase nuclear-powered submarines for Canada.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Jim Manly (Cowichan—Malahat—The Islands): Madam Speaker, the second petition relates to the Mulroney-Reagan trade deal, pointing out that in the course of the bilateral trade negotiations the Prime Minister (Mr. Mulroney) pointed out that Canadian sovereignty would not be compromised, that the Government had no mandate to conclude a trade agreement with the United States, that the trade agreement negotiated by the Conservative Government threatens the very fabric of Canadian political and economic sovereignty by removing the powers of the Canadian Government to control foreign ownership, to develop Canadian energy resources in the best interests of Canadians or to equalize opportunities among the regions. Therefore, the petitioners call upon Parliament to dissolve and to allow the people of Canada the opportunity to accept or reject the proposed trade agreement during a national general election.

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, it is my honour and duty on behalf of a group of citizens from the communities of Shellbrook and Holbein near Prince Albert to present to this House a petition which concerns itself with the free trade agreement.

These petitioners suggest that the Prime Minister (Mr. Mulroney) promised in the course of these negotiations that Canadian sovereignty would not be compromised. They feel that since it does affect the fabric of Canadian sovereignty that Parliament should dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement during a national general election.

Mr. Ernie Epp (Thunder Bay—Nipigon): Madam Speaker, I have the honour and duty to present a petition signed by various residents of the City of Thunder Bay. They note that the Conservative Government had no mandate from the Canadian people to conclude a free trade agreement with the United States, that the Prime Minister (Mr. Mulroney) promised in the course of the bilateral trade negotiations that Canadian sovereignty would not be compromised, but that the trade agreement negotiated by the Government threatens the very fabric of Canadian political and economic sovereignty by removing the power of the Canadian Government to effectively control foreign ownership, to develop Canadian energy resources in the best interests of Canadians and to equalize opportunity between the regions. Given this impact on Canada's policy freedom to determine our own economic future, these petitioners call on the Parliament of Canada to dissolve to give them the opportunity of rejecting the trade agreement in a national general election.

OPPOSITION TO BILL C-55—REFUGEE DETERMINATION

Mr. Sergio Marchi (York West): Madam Speaker, I have the honour and the responsibility on behalf of constituents from York West and constituents in various parts of Metro Toronto, Hamilton and Oshawa to present to the House and to the Government petitions relating to the Government's Bill C-55 which will reform the country's refugee determination system and is pending a ministerial decision. These petitioners are asking the Government to re-evaluate the safe third country concept and the prescreening stage that has been adopted to go along with the new reforms. The petitioners are asking for the Government to reconsider those tenets as parts of a major overhaul to ensure that our system is expedient, fair and effective.

CANADA-U.S. FREE TRADE AGREEMENT

Mr. Howard McCurdy (Windsor—Walkerville): Madam Speaker, pursuant to Standing Order 106, it is my pleasure to present a petition which has been properly certified by the Clerk of Petitions.

This petition is from a number of residents of Canada in the Ottawa area. They point out that the free trade agreement which is the subject of legislation in the House was negotiated with no mandate from the Canadian people, that it calls into question the future sovereignty of Canada, that it compromises the ability of Canadians to ensure our economic future and it undermines our ability to produce a society distinct from the American society. Therefore, these petitioners humbly pray and call upon Parliament to dissolve and allow the people of Canada the opportunity to accept or reject the proposed free trade agreement through a national general election.

QUESTIONS PASSED AS ORDERS FOR RETURN

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, if Questions Nos. 281 and 288 could be made Orders for Return, these returns would be tabled immediately.

The Acting Speaker (Mrs. Champagne): Is it the pleasure of the House that Questions Nos. 281 and 288 be deemed to have been made Orders for Return?

Some Hon. Members: Agreed.

[*Text*]

GOVERNMENT SPENDING IN CONSTITUENCY OF CROWFOOT

Question No. 281—**Mr. Malone:**

Since September, 1984, have any government departments or agencies spent money or provided grants in the constituency of Crowfoot, and if so, in each case (*a*) by which department or agency (*b*) in what amounts (*c*) under which categories and programs was the money spent?

Return tabled.

DREDGING OPERATIONS IN BRITISH COLUMBIA

Question No. 288—**Mr. Riis:**

1. In the last four fiscal years, has the Government contributed moneys to any dredging operations in (*a*) British Columbia (*b*) the constituency of Kamloops—Shuswap and, if so, what was the amount contributed in each year?

2. Since September 4, 1984, has any government department or agency contributed money to projects in the constituency of Kamloops—Shuswap and, if so, to what projects and, in each case (*a*) by what department or agency (*b*) in what amounts?

Return tabled.

[*English*]

Mr. Hawkes: Madam Speaker, I would ask that the remaining questions be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Jim Hawkes (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, the Government is willing to respond to Notice of Motion for the Production of Papers No. P-9 in the name of the Hon. Member for Skeena (Mr. Fulton). I do not see the Member in the House and I do not know if he has yet named an agent. I do not see any sign that he has. Therefore, I would ask that all Notices of Motions for the Production of Papers be allowed to stand.

The Acting Speaker (Mrs. Champagne): Shall all Notices of Motions for the Production of Papers stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed from Tuesday, May 24, consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee.

Mr. George Minaker (Winnipeg—St. James): Madam Speaker, I am very pleased to have the opportunity to speak on Bill C-129 in the House today because Air Canada is a major employer in my riding of Winnipeg—St. James. The international airport and terminal buildings are located within the riding. As well the overhaul maintenance base in Winnipeg is located in my riding, so many of my constituents are very interested in what happens and develops with Air Canada.

I have spoken with captains, first officers, flight attendants, ground crews, baggage handlers and so on from Air Canada. A total of some 2,100 people are employed by Air Canada in Winnipeg, the majority of whom are constituents of mine. As you realize, Madam Speaker, there is very keen interest on the part of residents in my riding in how this Bill develops and proceeds through the House of Commons.

• (1520)

I think it would be proper for me to give the House some background into the history of Air Canada in Winnipeg—St. James. Since the airline's inception in 1937, it has been located at the airport in St. James, and at that time, the airline was known as Trans-Canada Air Lines. Then, in 1966 to 1969, the then Liberal Government decided to move the Winnipeg overhaul base from Winnipeg. In December of 1968, Prime Minister Trudeau's office would not interfere with the decision of Air Canada to move the base, so the move proceeded to take place.

At that time, the lives of many of my friends and their families and relatives were disrupted for several years because of that decision. The people of Winnipeg have never forgotten that decision. There were families with the husband living in Montreal and the rest of the family living in Winnipeg, not seeing each other for weeks at a time or even for months on end. It disrupted many families.

Then, in 1975 or 1976, the Government decided, I believe under pressure from representatives of the Opposition of the time, the Progressive Conservatives from the Winnipeg area, to reinstate the overhaul base in the Winnipeg region. There is

now an overhaul base in the area, and it is doing very well, I might add.

The legislation that is before us states very clearly that the Government wants the maintenance base to remain in Winnipeg. It also wants the bases to remain in Toronto and in Montreal. That is in the legislation that we are dealing with today. Those maintenance bases will remain where they are and, I say, rightfully so. Not only that, but the locations of the maintenance bases in Winnipeg, Toronto and Montreal will be in the Articles of Incorporation of the new company.

If in the future the company that operates Air Canada as a private corporation decides that it wants to move a maintenance base, it will have to come here, to the House of Commons, to get the legislation changed. I suggest that there could not be a better safeguard than that.

The PC Government wants to protect the jobs in Winnipeg, not like the Liberals of 1966 to 1969. The Liberals disrupted families and caused unknown hardships through separations, lay-offs and forced retirements because people did not want to relocate their families for whatever reasons. That is what happened under a Liberal Government, but our Government does not want that to happen and will not let that happen. It has made sure that it is in the legislation that that will not happen.

The Liberal Party was not satisfied with that. It even went so far as to use scare tactics during the provincial election campaign that just passed. Again, it had to scare the people who work for Air Canada by telling them that they would be out of work, laid off or moved. That is exactly what happened.

I would like to read into the record something that was left in prominent locations the night before the Manitoba election, just to give Hon. Members an idea of how the Liberal Party orchestrates things to scare people. I would imagine that this was orchestrated by the Hon. Member for Winnipeg—Fort Garry (Mr. Axworthy).

This letter comes from the Campaign '88 election in Manitoba, the Sturgeon Creek Liberal campaign headquarters, No. 5, 2631 Portage Avenue, and the heading of this letter which, I might say, was signed by the Liberal candidate, reads: "Manitoba loses another multi-billion dollar aerospace contract!". That is an outright lie. An outright lie was used in an campaign to scare people about Air Canada.

The letter reads:

> Dear Resident:
>
> Brian Mulroney and his Conservative government made a decision on March 31st that will see another multi-billion dollar aerospace maintenance contract go to Montreal instead of Winnipeg.
>
> According to the media, Provincial Conservative Leader Gary Filmon knew of this decision when it was made. Apparently, Mr. Filmon has chosen not to fight the decision but rather to keep it from Manitobans until after the election.

What decision has been made? What multi-billion dollar contract has been lost to Manitoba? None, but that is the approach the Liberal Party uses, scare tactics, when it comes to Air Canada. Air Canada employees are tired of that.

The Progressive Conservative Government does not want to see people lose jobs in Manitoba or any other place through the privatization of Air Canada. This letter, which I will not read in its entirety, was signed: "Yours truly, Iva J. Yeo, Liberal Candidate, Sturgeon Creek, Competence with Heart". Scare tactics, but competence with heart.

This Government of Canada is not prepared to do the same thing. We are protecting that maintenance base, and rightfully so. The people who are opposed to the privatization have asked what assurance there is that the base will stay in Winnipeg. Private industry is different from government operations. First off, the overhaul base makes a profit for Air Canada. Second, it does outside contractual work for other airlines. It does work for airlines from the United States, for airlines from the Caribbean and for the Department of National Defence. In fact, I was advised that almost 20 per cent of the air base's revenue comes from outside contracts.

There is the technology, the expertise, the capital assets, the reputation which is very important and the legislation to back this all up. If I were in private industry and I had something that was profitable, everything was there and I had the manpower, I would expand it, and I suggest that that is exactly what will happen to the overhaul base in the Winnipeg area.

I am sure you have travelled with Air Canada, Madam Speaker. I do not know about you, but I have found that the employees are very proud people. They are very proud of their airline, and rightfully so, because it is one of the top airlines in the world. They want to see it remain so.

The employees recognize, and I am sure members of the Opposition recognize, that Air Canada needs equity. The employees want to have the most modern, efficient and safe aircraft in their fleet. I am sure they will have them. They want that so that they can compete in this very competitive field and remain as one of the top airlines in Canada and in the world. They recognize that to have a healthy future for their airline, they need that infusion of equity right now.

The employees want to have an opportunity to invest in the airline and to have a say in its operations as well. These desires are safeguarded in the legislation. The employees will have the first opportunity to buy shares in the new company. They want to invest in their company. I have talked to people who work for Air Canada. As recently as about a half an hour ago, an individual said: "Please sell our airline because we know it is good for the airline". Those were the exact words.

The Hon. Member for Winnipeg North (Mr. Orlikow), in his comments on this Bill yesterday, spoke about Crown corporations. I think he asked why we need to sell a Crown corporation, seeing as how we want to ensure that there are services to different parts of Canada. I think that the Conservative philosophy does not really vary that much from the

NDP philosophy when it comes to why Crown corporations are established.

A Crown corporation is established when there is a need in the community or in the country for a service, but private industry cannot supply that service for whatever reason. Perhaps the capital is not available or perhaps it would not be profitable, so private companies or individuals are not asked to subsidize communities. Then the Government sets up a Crown corporation. That is no different from our philosophy. Where it stops is over the question of how long you continue to have Crown corporations. Do you do it forever, particularly in the airline industry?

• (1530)

At present there are two other airlines operating in Canada, Wardair and Canadian Airlines. The situation is not what it was in 1937. This is 1988. These are quick changing times, and a highly competitive time for the airline industry. We no longer need a Crown corporation to provide this service to Canadians. That is the difference in philosophy between myself as a Conservative and the Hon. Member for Winnipeg North.

Why the need to privatize? As was indicated earlier in the debate by a Liberal Member, Air Canada received some equity funding in 1978 when it was separated from the CNR. Now it needs somewhere in the order of $3 billion over the next 10 years for aircraft purchases, $300 million of it right away. It would be nice to say that the Canadian taxpayers can give it to them. However, I know you have sat around the cabinet table and know what happens, Madam Speaker. I sat around a cabinet table in Manitoba when I was Minister of Community Services and Corrections. I had to compete for taxpayers' money with the Minister responsible for Crown corporations. Why take $3 billion of taxpayers' money and divert it to Air Canada when the airlines' own employees want to buy it and get the money from the private sector? We can then use that $3 billion over the next 10 years to deal with the elderly who need assistance, increasing health costs, and required social services. Instead of going to Air Canada the money will stay in the Treasury and decisions will be made by the Government in the role it should play, not that of an entrepreneur. We know what happens when Government tries to run a business.

I had the opportunity to speak in the debate on the privatization of de Havilland. Boeing bought it and Boeing has an operation in my riding. At that time the NDP and the Liberals stood up and said we were selling out de Havilland to the U.S. Jobs are going to go to the U.S. They will ignore us now that they have de Havilland. What happened? I know that in my riding there has been an increase in jobs since that privatization. Boeing expanded and brought technology to Winnipeg which we did not have before. You never hear about that anymore.

Air Canada

Yesterday an NDP Member said we should not sell Air Canada because we want service to every part of Canada. There will be service to every part of Canada whether Air Canada is a private or Crown corporation.

The Hon. Member for Winnipeg North talked about Crown corporations in Manitoba. He referred to the Manitoba Telephone System, a fine Crown corporation. No question about it. Many of the people that graduated with me in engineering worked for that company. It is a proud corporation. Yet the NDP Government of the day decided to play politics with it and tried to expand it. What happened? It lost something like $47 million invested in Saudi Arabian technology. Another $20 million was lost in foreign exchange transactions. The best example is Flyer Industries. That company was maintained for years by the Manitoba Government, ourselves and the NDP. It lost millions of dollars. There are a lot of buses operating in cities all over North America that were subsidized by Manitoba taxpayers. It was finally sold for $1 million. Then there was the famous aircraft industry for $40 million. They finally got three or four planes flying and then had to bring one back because it was sold to a banana republic which decided not to pay for it after it landed with its wheels up. That is the experience we have had in Manitoba with Crown corporations. Why should a Government continue a Crown corporation if the employees want to buy into it? Why would we stop them?

The next thing I am concerned about is how we protect the employees of Air Canada when it is privatized. It is in the legislation. The benefits they have now will be protected. The employee is protected whether the company is private or a Crown corporation. Those employees will have the first opportunity to buy the shares of Air Canada. We also want to make sure they have a strong voice, and they will have that because the way the legislation is written, no one can own more than 10 per cent of the shares. If 80 per cent or 90 per cent of the 20,000 employees are interested in seeing Air Canada sold and want to buy shares, all they have to do is get their proxies together, which they will do, and they will have members on the board. They will have a say in the operation of the airline.

What did the Hon. Member for Winnipeg North say when he debated this yesterday? He said the unions are opposed to the sale of Air Canada. They do not want to buy shares in Air Canada. In yesterday's *Toronto Star* at page 88 there is an article headed "Dog Fight Shaping Up Over Sale of Air Canada". The article states:

> MPs opposed to the Government selling most of Air Canada to private interests are going to find most employees support the sale, says a senior Air Canada pilot.
>
> Ed Godin, spokesman for pilots who have been trying for several years to buy shares of the airline, said in a recent interview that up to 90 per cent of Air Canada's 22,000 employees will buy shares.
>
> "There's nothing in the Bill that we didn't expect," Godin said. "Now the issue is what the price of shares is going to be."

It then goes on to state:

The unions representing company machinists, ticket agents and flight attendants have also vowed to fight the Bill, but Godin says they're not supported by their members.

"We find their members don't share the opinions of their union leaders," he says. "There's an effort within the unions to counter some of the statements of the union leaders.

"One flight attendant in Toronto has complained that her union is wasting its money to fight the deal while the pilots are using their money to get a good deal."

He said a meeting in Winnipeg to rally Air Canada employees against this sale attracted only 70 people.

That is 70 people out of 2,200 employees. The article continues:

From our poll of the employees, 80 per cent favour privatization, while 10 per cent say they don't know enough about it.

• (1540)

The Bill protects the employees. We need to protect Air Canada and we have. The Bill says that not more than 25 per cent of the shares can be owned by foreign investors. The employees are encouraged to buy shares and they have the pride in the company to do so. Let us go ahead and pass this Bill because all those concerns have been covered. It will be good for Canada and good for Winnipeg.

Mr. Manly: Madam Speaker, I have a couple of questions. The first relates to a comment made by the Hon. Member for Winnipeg—St. James (Mr. Minaker) about some Liberal campaign material. He referred to it as an outright lie. I would not want to get into that dispute. I certainly would not want to defend the Liberal campaign material. I have not seen it and so would not necessarily agree with the Member.

However, when he talked about outright lies it struck a chord with me. I thought of the statement of the Prime Minister (Mr. Mulroney) in 1985 when he said very clearly that Air Canada was not for sale. Yet, here we are debating the sale of Air Canada. I do not know what the Hon. Member wants to call that statement by his leader. How can people believe in a government that says one thing in 1985 and does completely the opposite in 1988?

Another example is the trade agreement with the United States. In 1983 the Prime Minister, along with the Minister of Finance (Mr. Wilson), the former Secretary of State and the Secretary of State for External Affairs (Mr. Clark), when running for the leadership of the Conservative Party, said that the trade agreement with the United States was a non-starter. There was no way they were going to get involved in something like that because it would be a disaster for Canada and would be rejected by the people of Canada. Yet today we have to deal with the Government trying to push through a trade agreement with the United States.

When the Prime Minister talked to the Canadian people in the 1984 election campaign, he talked about social security programs being a sacred trust. One of the first things he tried to do after he got elected was to cut the indexation of old age security. He succeeded in cutting family allowances for young people.

Getting back to the question of outright lies, how can the Hon. Member campaign in the coming election—and it is coming sooner or later, thank goodness—on the question of credibility and trust when his leader says one thing and leads a Government which does the diametrically opposite thing?

Mr. Minaker: Madam Speaker, the Hon. Member who just spoke gives half-truths. He left out what was actually said by the Prime Minister at that time. He made the statement that the Prime Minister said he was not going to sell Air Canada. I will quote exactly what the Prime Minister said and I hope the Hon. Member listens carefully this time. The Prime Minister's full statement was: "There may be some persuasive arguments in the case of Air Canada that some people can make in regard to the disposition of equity. I'll take a look at it, but Canada needs a national airline".

Three years later Canada has three national airlines. That is the result of deregulation and the passage of the National Transportation Act. They have created stable and viable airline services to the public of Canada. We can sell a portion of Air Canada at this time because we have three national airlines as a result of deregulation by the Government.

I suggest that the Hon. Member get the full facts before he gives half-true statements about credibility because his credibility suffers when he does that.

Mr. Taylor: Madam Speaker, I enjoyed the address of the Hon. Member for Winnipeg—St. James (Mr. Minaker). He made some reference to Crown corporations serving frontier regions. Some Crown corporations do serve frontier regions and that is a very worthy thing to do. However, I wonder how true that is in connection with Air Canada.

I noticed that the frontier regions of the Province of Alberta, the far northern areas including Fort McMurray, were not served by Air Canada. They were served by a private firm, PWA, which did the pioneering into the far north. Although there may have been a lot of jokes made about PWA in Fort McMurray, it was the only air service they had. It was not provided by a Crown corporation but by private people who had invested in an airline, who were willing to take a risk to bring that service to those people. I know that it was sometimes called "Please Wait Awhile" or "Pray While Aloft", but I do not know of an accident that PWA had while servicing that area.

Private industry has done much frontier work. As an example, the CBC has done some splendid work in the frontiers. Lake Louise, which is hardly a frontier region, but which is in the mountains, gets very little radio service. When they tried to get the CBC into the Lake Louise area, they were told that CBC does not have the money, yet it has thousands of dollars to spend on radio in places like Toronto. Perhaps the idea that Crown corporations serve frontier regions better than private industry is a myth, maybe it is only partly true.

Just because an apple tree is owned by the Government, or is a Crown corporation, will it produce more apples than a tree owned by John Jones operating as a free enterpriser?

Mr. Minaker: Madam Speaker, in answer to that question, if the verbal "b.s." of some politicians had solidity, maybe it could grow trees a little better. However, it would make no difference if it was Crown owned or privately owned.

I thank the Hon. Member for reminding me about the services to northern Alberta. To a large degree the same company served northern Manitoba and northern Saskatchewan. We had Lambair and other airways, but TransAir is the one I remember. TransAir flew to Thompson and up to Gillam. It was privately owned and served the North because at that time I do not think Air Canada was interested in going to the North.

Under the regulations at the time it had all the good spots, and I guess rightfully so, because we did not have two or three national airlines at that time. We had to ensure that we had one national airline. TransAir became Pacific Western Air and now Canadian Airlines.

The Western Aviation Museum is in my riding. It is one of the finest aviation museums on the North American continent, second not even to the one here in Ottawa. There is many a plane there from private airlines which opened the North for us.

The Hon. Member is completely correct, which really defeats the argument made by the Hon. Member for Winnipeg North yesterday that we need Air Canada as a Crown corporation in order to get service to all these remote areas.

In addition to the changes in regulations, the smaller airlines have teamed up with the three major airlines. I know that Canadian Airlines has different aircraft waiting in Toronto to take passengers to different spots in northern Ontario. The same is the case with Air Canada. I think it is affiliated with Air Ontario. We now have a unique situation of a Crown corporation working with private corporations and we also have private corporations working with other private corporations.

In the long run this has been very good for Canada and Canadians. There is now more competition, better service and, I might add, safe service because there are regulations which cover safety which will not allow any short-circuiting of safety when it comes to flying Canadians around Canada.

• (1550)

THE ROYAL ASSENT

[*English*]

The Acting Speaker (Mrs. Champagne): I have the honour to inform the House that a communication has been received as follows:

Air Canada

Government House
Ottawa

May 25, 1988

Sir,

I have the honour to inform you that the Honourable Gerard V. J. La Forest, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate Chamber today, the 25th day of May, 1988, at 4:45 p.m., for the purpose of giving Royal Assent to certain Bills.

Yours sincerely,
Anthony P. Smyth
Deputy Secretary, Policy and Program

GOVERNMENT ORDERS

[*Translation*]

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee.

Mr. Gilles Grondin (Saint-Maurice): Madam Speaker, I welcome this opportunity to speak to this Bill this afternoon, and I would like to be as optimistic as the Hon. Member for Winnipeg—St. James (Mr. Minaker) about the possibility of maintaining the same quality of service and number of jobs, even in his riding of Winnipeg—St. James, once the privatization of Air Canada takes effect.

Madam Speaker, a decision to privatize a company like Air Canada has some very serious implications for all regions served by this airline.

My colleague from Winnipeg—St. James said it would be possible to maintain the same quality of service and the same number of jobs, and that practically nothing would change, but I really wonder what will happen when the board of directors of the newly privatized corporation does its homework and looks at the viability of certain routes. I will bet you anything the corporation will decide to abandon certain services, certain routes, and this will have a direct impact, both on Winnipeg—St. James and on all other regions served by Air Canada, in terms of services, routes and the number of jobs there will be.

Madam Speaker, the Conservative Government is selling off Canada's identity, bit by bit.

It started its operation with a trade agreement that undermines our sovereignty, and it wants to continue by privatizing Air Canada.

Madam Speaker, Air Canada must remain fully owned by Canadians. The corporation is respected by everyone. It is a symbol, a tradition that goes back fifty-one years to when a

Liberal Government, at the instigation of C.D. Howe, Minister of Industry at the time, decided to create Trans-Canada Air Lines.

The reason for creating Trans-Canada Air Lines was a lack of initiative on the part of the private sector to take the risks involved in setting up a national airline. Canadians shouldered full responsibility for this undertaking.

In 1977, the Government adopted the legislation under which Air Canada is governed today. Although, there were financing problems at the time, the Government did not rush in to privatize the corporation but made the necessary changes in its corporate structure to provide for adequate financing. The present Government should do likewise.

Madam Speaker, the role of Air Canada is to operate in the interests of Canadians. The people of this country already own Air Canada. They don't have to buy it all over again. To Canadians, Air Canada is more than just another airline. It is a Canadian institution. This Bill leaves the door open to full privatization, and according to a number of polls, the majority of Canadians are opposed to the idea.

Air Canada provides a way to overcome the distances that separate Canada's various regions. Air Canada represents our Canadian community. Being subject to the Official Languages Act, Air Canada is an instrument for national unity. It is an integral part of our economy, in the same way as the railways and the CBC. It is part of that which helps Canada maintain its own identity. In the final instance, Canadians will have to pay the cost of privatization, because services and the safety of the travelling public would deteriorate, once profit becomes the sole incentive.

On January 15, 1985, the Prime Minister (Mr. Mulroney) told the Canadian public that Air Canada was not for sale. This is just another of the hundreds of promises the Prime Minister has chosen to ignore since 1984, at the expense of the Canadian public.

The Conservatives, Madam Speaker, are dismantling the infrastructure that contributes to maintaining and holding together Canada *a mari usque ad mare*.

Let us look briefly at the effects of the privatization of British Airways, in Great Britain, by the Government of the "Iron Lady." More than 20,000 employees were laid off; that is 30 per cent of the workers of that corporation. It is quite likely that a private board of directors would decide to do the same with Air Canada's employees, which could result in 7,000 or 8,000, out of a total of 22,000, being laid off.

The safety aspect was just mentioned. Madam Speaker, I think that is extremely important. Should the company decide to cut some positions, unfortunately, it could cut heavily into the number of employees assigned to safety, so one would think. Considering the problems inherent to all transportation companies and the articles on air safety that appear regularly in newspapers, I think that it would be most unadvisable to reduce significantly the number of workers assigned to safety or to the various other departments of the airline, for that matter.

Madam Speaker, I would not like to see Air Canada become another Eastern Airlines, which has had only problems since it was taken over by Texas Air. Closer to us, in Quebec, 372 jobs, of a total of less than 2,000, have disappeared at Quebecair.

Paragraph 6(1)(c) provides for the continuance of the maintenance centres located in Winnipeg, Montreal and Toronto. However, it does not provide for the volume of operations or the number of jobs at these centres. This means that the private board of directors could reduce operations and increase lay-offs as it saw fit. The same applies for the corporate head office in Montreal. The private board of directors would in no way be restrained if it decided to transfer a large number of employees from Montreal to Toronto or even to other centres in Canada.

According to the Pilots' Association, Montreal has already lost some 50 pilots, or 10 per cent, who were shifted to Toronto or Vancouver. Their number went from 488 in 1985 to 454 in 1988. With this bill, the drain will continue.

The Montreal head office, Madam Speaker, is in danger of becoming an "empty shell" under privatization. And it is a matter of concern that, as is often pointed out, airport activity is now highly concentrated in Toronto, which is steadily taking a larger share of air traffic in Canada, to the detriment of Montreal. This statement by the President of Air Canada speaks for itself, "That is normal; Toronto is the economic centre of Canada. We have to follow the market."

My fear, Madam Speaker, and it is a big one, is not so much for the future of the head office in Montreal, but rather on what it represents in the longer term. Montreal must remain the decision-making centre for Air Canada. Unfortunately, this Bill will centralize activities in Toronto.

Also, the dense fug of the Bill is hiding the Airbus A-320 project. A deal with Airbus requires capital, and to get it, the Government is dismantling and jeopardizing a corporation which has served as the perfect tool for regional and economic development. As usual, this Tory Government has made a complete about-turn.

Before the Government can privatize part of Air Canada, the 25 million Canadian men and women who are the present shareholders should speak out.

The Right Hon. Prime Minister (Mr. Mulroney) can sell a bill of goods to the Canadian public better than anybody else. During the last election, he never mentioned the privatization of Air Canada. Before selling the airline, he needs a mandate.

Madam Speaker, I am also concerned about the fact that together combination of deregulation and privatization will undoubtedly result in a mediocre service. Will Air Canada continue to serve the regions, when we know for instance that some regions are no longer served by Air Canada, because the routes apparently are no longer profitable? Studies will

certainly be made by the Government and the new board of directors in an effort to convince the corporation to check on the profitability of these routes. I feel that service by Air Canada will definitely stop in some regions. We did face a similar problem with a number of railway lines which had to be abandoned because they were no longer profitable. I should not like the same thing to happen following the privatization of Air Canada.

Madam Speaker, thousands of jobs are at stake. A private board of directors will not feel responsible for serving frontier regions or for regional development. Privatization will inevitably result in a major drop with level of service to our regional communities.

Has Air Canada really lost its public purpose to justify its privatization, or is it just an other one of this government's mischievous projects? The Government's only motive is profit. The Canadian people must be consulted on all these issues. The Tory Government is not concerned with providing the Canadian public with a fair and equitable air service from coast to coast.

• (1600)

Mr. Grisé: Madam Speaker, I listened with interest to my colleague from (Saint-Maurice) and although a newcomer in this House, or relatively so, since he has been here for nearly two years, unfortunately it hasn't taken him long—even if he does not run again—to acquire the same bad habit as his Liberal colleagues, of alarming Canadians with false information and unjustified fears. Where does the Hon. Member from Saint-Maurice get the notion that, by being partially privatized, Air Canada will abandon its lines? Where does he get the notion that 7,000 or 8,000 jobs will be lost?

Where does he get the notion that, if Air Canada is privatized, it will lose its identity and will no longer be identified as a Canadian airline? How can he say that the existing legislation guarantees that the operational and overhaul centres will be maintained in Dorval, Toronto and Winnipeg? Where is it written? Why does the Hon. Member resort to these fear-monger tactics when he states that the head office, even if it stays in Montréal, will lose its decision-making power? Has he no confidence in the ability of Air Canada's management? Is that what he is telling us? When he speaks of privatization and of its awful consequences, does he remember what happened with de Havilland? I want him to tell me how many jobs have been lost at de Havilland? How many jobs have been lost at Canadair since its takeover by Bombardier? Is he questioning the management of that company by Bombardier since it stopped to be a Crown Corporation? Is that what the Hon. Member for Saint-Maurice is telling us?

Madam Speaker, does it mean that Teleglobe Canada no longer belongs to the Canadian public and no longer serves it? That is, Madam Speaker, the type of falsehood that have to be exposed. The Hon. Member for Saint-Maurice is making those false statements without reason. On what basis can he maintain that the actual legislation protects the employees? On the contrary, it is the new Bill that confirms, that garantees that there will be headquarters in Montreal, and maintenance centres in Winnipeg, Toronto and Dorval. That is respected. It is clearly indicated in the Bill.

For once I would like to hear . . . I am disappointed, Madam Speaker, with the remarks of the Hon. Member for Saint-Maurice who is not used to speak so many untruths. I am sure he did not write that speech.

• (1610)

Mr. Grondin: For your information, my dear colleague, I should like to say that I feel that we are sitting in this House to protect Canadians, rather like you are trying to do, but not in the way you intend to do it. Then, it is not a matter of saying that a text is relevant or not . . . I think that I respect you as much for your comments which were perhaps whispered to you by the Deputy Prime Minister (Mr. Mazankowski) than for those which you could eventually made on the basis of my remarks which . . .

The Acting Speaker (Mrs. Champagne): Order. I would appreciate it greatly if the Hon. Member for Saint-Maurice (Mr. Grondin) directed his comments to the Chair rather than to his colleague.

Mr. Grondin: Madam Speaker, it is probably due, as my colleague said earlier, to my lack of . . . I have been sitting in this House for only two years. It may be the reason, the lack of experience.

However, Madam Speaker, I should like merely to repeat what I said earlier. I will repeat the fact that to maximize profits a private company must definitely make some changes and I think that all privatized companies have always tried in the past to reap maximum profits. Unfortunately, such is the concern of Air Canada. I think that it is important for all Canadians to be aware of the problems due to privatization which even if it is not complete at present opens the door to complete privatization. I think that we are not being partisan when we mention in this House how important it is for Canadians to follow closely the debate on the privatization of Air Canada to avoid a brutal awakening following the privatization of that company.

Mr. Keeper: Madam Speaker, I have a question for the Hon. Member. He suggested deregulation and privatization would lead to reduced service. That was his conclusion. I would like to know if he is aware the Liberal Government started deregulation. That was the first step along the road to privatization, the first step along the road to service reduction. Is the Hon. Member now ready to recommend to his own party that they admit they made the first step along the road to service reduction?

Mr. Grondin: Madam Speaker, I would simply like to assure the Hon. Member that we wanted to retain a degree of control, and at that time there was a will in Government to proceed,

not with the kind of privatization that is now proposed, but with a kind of privatization where the government would still exercise control as long as the company provided Canadians with adequate service.

Mr. Keeper: Madam Speaker, I have a supplementary.

The Acting Speaker (Mrs. Champagne): The Hon. Member for Winnipeg North Centre (Mr. Keeper) for a very brief supplementary.

Mr. Keeper: Madam Speaker, the Hon. Member suggested it is Liberal policy to have that kind of privatization where Governement retains control. This Conservative Government said the same thing, namely that such is its policy. What is the difference between Conservative and Liberal policies? The conclusion is that they mean the same service reduction.

Mr. Grondin: Madam Speaker, I will simply suggest to the Hon. Member that as far as we are concerned, normally, Liberal Party policy is the same in Quebec as anywhere else in Canada, as opposed to what we hear at times from the New Democratic Party. On the other hand—

Mr. Keeper: On a point of order, Madam Speaker—

The Acting Speaker (Mrs. Champagne): Order, please. The Hon. Member for Winnipeg North Centre (Mr. Keeper) on a point of order.

Mr. Keeper: Madam Speaker, the Hon. Member charged that our party has a policy for Canada and another for the Province of Quebec. That is false, and I ask that he withdraw.

The Acting Speaker (Mrs. Champagne): Order, please. The Hon. Member is certainly aware that is a matter for debate, rather than a point of order.

The period provided for questions and comments has now expired. Debate. The Hon. Member for Prince Albert (Mr. Hovdebo).

[*English*]

Mr. Stan J. Hovdebo (Prince Albert): Madam Speaker, I appreciate the opportunity to speak for a few minutes on the partial privatization of Air Canada.

More than 100 years ago Sir John A. Macdonald recognized that Canada needed a uniting force, otherwise it would not be able to stand the pressures of proximity to the United States. Sir John A. Macdonald, unlike the present Conservatives, believed that Canada had the potential to become a great nation, and that Canada could do it on its own, but it needed some protection from the United States in developing that nation. Sir John A. Macdonald believed that we in Canada did not need to use the United States as a crutch.

In fact, quite often in Parliament he expressed the fear that we could easily become an extension of the economy of the United States. To counter that tendency and to ensure that Canada had continuing national status from sea to sea, the then Prime Minister Sir John A. Macdonald began to build the unifying Canadian National Railway. The circumstances which led to building the national railway were circumstances of geography, distance and remoteness. In the basic sense, those circumstances have not changed. They have changed only in degree. They are still factors that must be dealt with in keeping Canada a viable economic unit and nation. The Government of Sir John A. Macdonald and succeeding Governments established a transportation policy based on that need, a policy which had as its aim a unified Canada.

Looking back in history with 20-20 vision, we recognize that there were many less lofty reasons for the railway policy. However, things like the supply of cheap raw materials from the West to manufacturers in central Canada was one of the policies of that day which still lives on today and is a thorn in the side of the West. Basically, the Government of the day and succeeding Governments decided that, to be part of a nation, one must have the best possible communication between each of the parts, and part of that communication had to be the railway. Further parts of that communication had to do with the telephone system and other systems which grew as Canada grew. As Canada and the transportation of communications technology grew so did the unification policy of the Government grow.

• (1620)

When the time came, Canada needed a national airline for exactly the same reason as Canada had developed a national railway 100 years before. If it had not been developed as a national airline, an airline which was directed by the Government of Canada within the policy of keeping a unified Canada, what would have naturally happened would have been the development of airlines which went the shorter and cheaper routes from north to south rather than from east to west.

One can easily imagine if we did not have an airline such as Air Canada. It would have been much easier for the coastal cities of Victoria and Vancouver to have attached themselves by air routes to the United States, down the coast. It would have been much easier for the central Prairies to have attached themselves naturally to the northern Prairies of the United States, and for Winnipeg to have joined Minneapolis, and for the joining of places such as Halifax to Boston. This happened to a certain extent. However, by establishing a Canadian national airline which had the type of policy direction which the Government put in place, we developed an airline which had an east-west flow rather than a north-south flow.

The question that we are being asked today is can that unifying movement, that east-west movement, survive without an airline whose policy is directed by the Parliament of Canada and which has as its basic policy unification? This particular Government has made several attacks on the ability of the country to survive under the present circumstances. The big attack with which we have a great deal of concern is of course the Reagan-Mulroney trade deal—

Mr. McMillan: Order!

Mr. Hovdebo: —which encourages a north-south flow rather than an east-west flow for the movement of goods. It will be much easier for goods to be moved into the United States in certain circumstances. That is probably the largest attack on Canadian unification and sovereignty.

What the Government is doing here today is changing Canada's transportation policy by eliminating this airline by privatization. It is another attack on the unification policy. We know, as Members of the Government know, that Crown corporations were put in place for public policy purposes. When the Minister responsible for privatization said that the Government was talking about selling Crown corporations, she gave several basic reasons under which circumstances Crown corporations could be sold. As it happens, the sale of Air Canada does not fulfil any of the requirements that were articulated by the Minister responsible for privatization. I would like to cover those arguments a little later in my remarks.

However, I know that members of the Government are going to tell us, or have told us already, that this will still be a national airline, whether it is privately owned or publicly owned. They will tell us that it does not make any difference. But for how long will it be a national airline? I know that members of the Government will tell us that the articles under which it will be incorporated will indicate that it must keep bases in places such as Winnipeg and Montreal. However, does anyone think that when the power of the shareholders of the airline move from Canada, or move to a different part of Canada, that there will be any reason to keep a maintenance station open in Winnipeg to service but one plane a year? That will not necessarily keep that place open or keep the people working in that particular community.

The philosophy and ideology of the Party in power at the present time, the Party which forms the Government, is aimed at integration with the United States. The trade deal acclaims that. The Minister for International Trade (Mr. Crosbie) has been acclaiming that since he fought the joining of Newfoundland to Canada. He ran his campaign in Newfoundland at the time saying: "We should not join Canada, we should join the United States". He is still at it.

Deregulation gives American multinationals a definite edge in the Canadian economy. That has been part of the policy of this Government and the previous Government. These movements toward integration of the Canadian economy with that of the American economy seem to be part of a very deliberate move on the part of the Government. It includes deregulation, privatization and free trade. It includes a group of policies which will make Canada much more dependent upon the United States and much less effectively a solid unit that we are proud of today.

It is quite possible that the control of Air Canada will eventually go to organizations such as Eastern, Pan Am and so on. Most of us are not ideologically attached to Crown corporations that do not serve a public interest, a public purpose. However, in the case of Air Canada and in the case of other transportation organizations that purpose is obvious. That purpose has not gone away. We would probably feel no different today than we would have back in John A. Macdonald's time when he established a Canadian national railway as a public service.

• (1630)

When the Minister responsible for privatization stated the Government would look at privatization she also stated that there were certain reasons for privatization. As I said before, those reasons are not applicable to Air Canada. First, the Minister said one reason would be if a corporation did not serve a public purpose, but Air Canada still serves a public policy purpose. She said that the Government would privatize a corporation if it were adding to the national debt. Air Canada has not added to the national debt. As well, she said, if a Crown corporation did not compete well in the private sector it would be privatized. Air Canada competes very well as a Crown corporation. Because of Canada's vast geography and sparse population it is vital that our east-west links be kept as a matter of public policy purpose. It is also important that marginal and uneconomic routes be kept in place by commercial carriers. We have examples of this in other transportation areas. If you have sparsely populated areas, eventually these areas lose service or the Government is required to subsidize a carrier that serves them. In the past it has been just as easy and almost as profitable in certain areas of transportation development to allow Crown corporations to pioneer the opening of certain lines and then to allow commercial companies to fulfil public policy requirements.

I have several other points I could make but I know my time is rapidly coming to an end. Let me summarize. The Government has said that the money it will get for Air Canada would be spent on social programs. We all know that this is a bit of a farce. One submarine less would cover the refurbishing of Air Canada entirely. I think the Government needs to take a good look at this program of privatization.

Therefore, I move, seconded by the Hon. Member for Winnipeg North Centre (Mr. Keeper):

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be not now read a second time but that the Order for second reading be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Transport."

The Acting Speaker (Mrs. Champagne): Questions or comments?

Mr. Grisé: Madam Speaker, I listened very carefully to the comments of my colleague, the Hon. Member for Prince Albert (Mr. Hovdebo). Once again, I must ask what else is new.

Mr. Keeper: You are persuaded.

Mr. Grisé: The Member was very persuasive, Madam Speaker, especially when he related the privatization of Air Canada to free trade and that it would have an impact on free trade. I doubt that. The Hon. Member said that the privatization of Air Canada would make our country more dependent on the United States of America. I do not know how he can relate the two.

[*Translation*]

Similarly, when he talks about deregulation in other sectors and affirms this has an exceedingly negative impact on Canadian unity and Canadian sovereignty, how is it, Madam Speaker, that we have not lost anything?

[*English*]

When we privatized Canadair we sold it to Bombardier, but I do not believe we lost our sovereignty then. The Hon. Member could ask the workforce of Bombardier in Montreal if they lost their sovereignty on the issue. I do not believe so. I am anxious to have the comments of the Hon. Member on that matter.

The Member said the national airline might phase out or give up service. He said it would not be a nationwide airline because of privatization. Let me ask the Hon. Member about Canadian Airlines International. As far as I am concerned that company is private. What about Wardair? The Hon. Member should know better than I about these things. He is from western Canada, and I understand that Wardair's head office is in western Canada. Are the people working for Wardair not Canadian any more? Are they losing their sovereignty? He said it is not good for the economy and people will lose their jobs. He said deregulation is very bad.

Mr. Belsher: That is the rationale of the New Democratic Party.

Mr. Grisé: Of course, it is the New Democratic Party's rationale. The New Democrats are so rational and are so democratic that, Madam Speaker, the Leader of the New Democratic Party, at a press conference at three o'clock this afternoon, imposed a candidate in the riding of Chambly which I represent and which I am very proud to represent, but the candidate does not even live in the riding. There was no consultation with the population of Chambly. The New Democrats decided this afternoon in the name of great democracy in Canada to impose on the great Canadians in my riding of Chambly a candidate from outside of the riding. The Hon. Member can tell his candidate and his Leader that we will have good news for them in the next election.

• (1640)

I will return, if I may, to the comments on the privatization of Air Canada. We hear the NDP saying that those people will lose their jobs. Where is the confidence of members of the NDP in those they call ordinary Canadians, those we call great Canadians, the people who work for Air Canada? They are proud employees. They are proud to work for Air Canada and they welcome the privatization of Air Canada because it gives them more opportunity to have a better fleet and to have more access to more markets, and eventually, of course, more business and more jobs. I would like the Hon. Member for Prince Albert (Mr. Hovdebo) to comment on what I have just said.

Mr. Hovdebo: Madam Speaker, obviously the Hon. Member was a little confused and unable to counter the arguments I had put before him. He had to talk about his home riding to talk about democracy. I know that the New Democratic Party does not allow the placement of any candidate anywhere without the consent of the members of the Party in that community. There was an open convention.

The Hon. Member attempted to make a point about privatization, deregulation and sovereignty. The point I was making follows very closely on his remarks. In fact, his remarks point out the point I was trying to make.

We have a package here consisting of deregulation which allows privatization and Americanization, which is the alternative of free trade. Americanization, deregulation and privatization are one package which this Government is foisting on the people of Canada by the process it is going through. I recognize that it is doing it in little bits, and I recognize that the privatization of this particular corporation is just one item on the list.

Deregulation of transportation was another one. If the U.S. transportation industry had allowed it, there would have been deregulation of the movement of those corporations into Canada, but the American industry did not want to follow the regulations that presently exist in Canada. Therefore, the Government started a deregulation process which will eventually allow the intrusion of the American transportation industry into Canada.

Until the U.S. transportation industry backed off because it did not want to give up the Jones Act, it was ready to take over most of the Canadian transportation industry. I think that we were fortunate in that case. Though we cannot give the same advice to the Canadian negotiators, we were fortunate that the transportation industry of the United States was concerned about losing the Jones Act.

The Hon. Member spoke about the confidence of ordinary Canadians. We think that ordinary Canadians do have confidence. They do not need the United States as the crutch on which they will build the best economy in the world. They can do it themselves. We do not need the United States to help us build the best economy. We do not need a free trade agreement which will allow them to take over our industries and our production.

Mr. Grisé: What about the Auto Pact?

Mr. Hovdebo: The Auto Pact works very well because 60 per cent—

Mr. Grisé: And what is it? Is it not free trade?

Mr. Hovdebo: The free trade agreement is doing away with the Auto Pact. Sixty per cent of the cars made in Canada have to be made of Canadian components. That will be lost. After the free trade deal, cars can be made entirely in the United States and there will be no need for them to have any components made in Canada. That is part of the free trade deal.

All of these together make a package through which the Government is selling off the power we have to make a good living in Canada. We will be dependent upon the power of the United States to develop the kind of life we want in Canada, the kind of life we have been used to.

[*Translation*]

Mr. Richard Grisé (Parliamentary Secretary to Deputy Prime Minister and President of the Privy Council): Madam Speaker, I am pleased to take part in today's debate on Bill C-129 designed to pave the way for public ownership of Air Canada, a crowning achievement in the history of Canada's commercial aviation.

Indeed, Madam Speaker, the period between the first Trans-Canada Airlines Vancouver-Seattle international flight and the thousands of Air Canada worldwide flights every year has been highlighted by the efforts and tenacity of thousands of people intent on making Canada one of the world's leading nations in the aviation industry.

Trans-Canada Airlines made its first flight in 1937. Yes, Madam Speaker, allow me to recall that TCA first took off in 1937 from the Saint-Hubert airport in the riding of Chambly which I have the honour to represent in the House. That same aircraft, a TCA DC-3, made the same flight in 1987 when it took off once again from Saint-Hubert in the riding of Chambly to commemorate the 50th anniversary of Air Canada, or Trans Canada Airlines as it was called at the time. Nobody could have predicted the huge success it would have. At the time Canada badly needed a national airline to serve a population scattered throughout our vast country.

The Government of the day had no other choice than to create a Crown corporation to undertake the development of the national air system on which we now rely. Since then, air transport has greatly changed. TCA has become, as I said a few moments ago, Air Canada and that corporation has developed at the same rate as the air industry to become a leading figure in the commercial and international air transport area.

Air Canada has now more than 22,000 employees. It carries 11 million passengers per year and its sales exceed $3 billion. Since its first flight in 1937, we have seen, Madam Speaker, a commercial revolution in the air industry. Today, we do not have one but two national airlines.

The deregulation implemented by the Deputy Prime Minister when he was a first-rate Minister of Transport now allows both airlines to compete with international air carriers. Such a competition has reduced fares, improved services provided to consumers and encouraged the growth of small airlines to meet regional needs.

The regulatory reform undertaken by our government has increased competition and improved services available to all Canadians. While trying to meet the needs of travellers rather than those of a regulatory body, the Canadian airlines are competing through innovation and efficiency. They are vying for more customers by improving their service and their fares everywhere in Canada. To face that competition, it is absolutely essential that Air Canada find new investments to develop new routes and improve its services. Above all, it needs new investments to buy new planes which will allow it to continue to represent proudly . . .

The Acting Speaker (Mrs. Champagne): Order!

• (1650)

THE ROYAL ASSENT

[*Translation*]

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

Madam Speaker, the Hon. the Deputy Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable Senate.

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

And being returned:

The Acting Speaker (Mrs. Champagne): I have the honour to inform the House that when the House went up to the Senate Chamber the Deputy Governor General was pleased to give, in Her Majesty's name, the Royal Assent to the following bills:

Bill C-67, an Act respecting Animal Pedigree Associations—Chapter 13.

Bill C-118, an Act to amend the Customs Tariff—Chapter 14.

GOVERNMENT ORDERS

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sales of shares thereof to the public, be read the second time and referred to a

legislative committee, and the amendment thereto by Mr. Hovdebo (p. 15767).

Mr. Grisé: Madam Speaker, would you indicate how much time I have left in debate?

The Acting Speaker (Mrs. Champagne): The Hon. Member has 17 minutes left.

Mr. Grisé: Madam Speaker, to continue the debate on Bill C-129, the Air Canada Privatization Bill, because we went up to the Higher Chamber for the Royal Assent to certain bills... If I may refer in the first place to the regulatory reform introduced by this Government, which enhanced competition and resulted in better service to all Canadians. By striving to meet the needs of the travelling public rather than the regulatory body, Canadian airlines are competing through their innovative spirit and efficiency, they are striving to attract more customers by providing better service at a better price across Canada.

The Government feels that the time has come for Air Canada to fend for itself and make its own financing and capitalization decisions. It will remain a world class airline and continue to develop provided it has the same access as its competitors to investment necessary to its expansion.

The Bill wants to make it possible for Canadians generally and Air Canada employees in particular to participate directly in the ownership of that corporation. Air Canada is a flourishing company which has built quite an international image. From now on, it will enjoy the necessary freedom and financial options it needs to develop and continue to serve the Canadian poeple while remaining under their control. Madam Speaker, this decision to allow Canadians to participate in the ownership of Air Canada is consistent with the Government's philosophy concerning Crown corporations. This Government believes that, whenever possible, people should have access to the benefits of the free market.

After reviewing the case of several Crown corporations, the Government found that some of them were no longer justified and would benefit from a greater flexibility. Air Canada may achieve its growth and success potential if it is given the possibility to secure the necessary investments to continue to play its leadership role in the air transport industry. The best way to secure these investments is to allow direct participation of the Canadian public in Canadian ownership.

A while ago, Madam Speaker, I heard my colleagues of the Liberal and Socialist Parties mention that the privatization of a Crown corporation would jeopardize our sovereignty. If I may, Madam Speaker, I should like to quote a statement made by the Leader of the Socialist Party as reported in a *Journal de Montréal* article, and I quote: Are such Crown corporations as de Havilland, Canadair and Teleglobe which have been privatized well administered, efficient and competitive? Yes, I think so. The NDP Leader of the Socialist Party had to admit it. In a reply to the *Journal de Montréal*, it is stated: Although he still opposes the partial privatization of Air Canada and continues to promote the need to maintain Petro-Canada as a federal Crown corporation, Mr. Broadbent wants to be more flexible as to the regulatory function of the state. Madam Speaker, he continued by saying that he would hesitate to nationalize again everything that has been privatized so far—because privatized corporations are well administered.

As you can see again, Madam Speaker, the Socialists and their Leader are making contradictory statements, claiming on the one hand, when faced with reality, that privatization is acceptable, and on the other hand that privatizing Air Canada does not make sense, for it would jeopardize Canada's sovereignty.

Madam Speaker, throughout its fifty-one years, Air Canada has never had the benefit of the equity financing enjoyed by its competitors in the private sector. The sale of shares to the public, as proposed in this Bill, will obviate the need for taxpayers to provide the necessary funds for expanding and improving the corporation.

From now on, Air Canada will be able to compete with private sector airlines that never had access to public funds. More importantly, it will have the financial and corporate flexibility it needs to respond quickly and independently to the demands of regulatory reform.

This Bill will give the Government the authority to transform a Crown corporation into a private corporation. I will now explain the procedure. The Bill authorizes the transfer of Air Canada shares held by the Minister of Transport to the Deputy Prime Minister, who will hold them in trust for Her Majesty in right of Canada.

The Bill provides for bringing Air Canada under the jurisdiction of the Canada Business Corporations Act. It also authorizes the Deputy Prime Minister to sell his shares in Air Canada and authorizes the corporation to issue and sell shares.

Over the years, Canadians have learned to identify with Air Canada, which has become our national airline. The Bill provides that Air Canada will continue, I repeat: continue, to remain Canadian-controlled. No major shareholder will be able to take control of the corporation.

Individual ownership of shares will be limited to 10 per cent of publicly issued shares, while foreign ownership will be limited to 25 per cent of said shares.

Madam Speaker, by permitting the public to participate directly in the ownership of Air Canada, the Government is taking special care to ensure that certain fundamental elements of the corporation are maintained. Thus, the Bill provides for maintaining the various locations of Air Canada's facilities which have contributed to its visibility and earned it the appreciation of Canadians. These locations were determined on the strength of decisions that reflected Air Canada's business acumen, and there is therefore no reason to make any changes in this respect. The Bill provides that Air Canada's national headquarters will remain in Montreal, its present

location, where it provides several hundred jobs for people in the Montreal region and the riding of Chambly.

Obviously, Air Canada will keep on serving the public in both official languages, thus continuing to recognize the essential duality of the country which colours it flies.

The major operating and maintenance centers that were established throughout the years in Montreal, Mississauga and Winnipeg resulted from a decision based on sound business principles. They are cause for pride and form an integral part of the company's success, so they shall be maintained in operation.

As far as security is concerned, the 1985 Aeronautics Act gives the government full powers regarding passengers' security. This forms the basis of all our transportation policies.

Madam Speaker, for all those concerned with Air Canada being present regionally, nothing will be changed with public participation to state ownership, and along with regional carriers, Air Canada will maintain these passengers services.

Air Canada has always been keen on offering a good service to consumers at a good price. If the company keeps offering good services at a good price, it will attract consumers, making the operation profitable to investors.

Madam Speaker, the government's decision to give the public an opportunity to participate in the ownership of Air Canada is a pragmatic one, based on the realistic evaluation of the changes necessary to the company's prosperity in the future.

This decision is in keeping with the Government's vision of an economic renewal. Between 1984 and 1987, Canada's economic growth was the best of all OECD countries. More than 1.2 million jobs were created and unemployment is at its lowest level in seven years. This prosperity that Canada is enjoying is due to the vision, the initiative and the hard work of individuals and companies who know how to grasp the opportunities provided by our vast country.

The role of the Government is limited to encouraging entrepreneurship, to supporting it as required and to helping businesses compete in the difficult world economy.

Madam Speaker, despite the criticism and the loud cries from the Opposition, public participation in the ownership of Air Canada was favorably received throughout the country by Canadians, be they from the Consumers Association of Canada, Air Canada itself or the aviation industry in general. For the first time, Canadians will have the chance to own a share of Air Canada directly. The most eager and enthusiastic are the employees of Air Canada themselves. It is this kind of enthusiasm shown by the employees and the general public that will ensure Air Canada's strength and growth in future.

The spontaneous support for our initiative is based on two main reasons. First, the Bill meets the changing needs of the air transport industry. It provides the freedom and flexibility that will help Air Canada face the challenge of the future.

Second, the Bill ensures that the transition of Air Canada from a Crown corporation to a private company will occur without sacrificing continuity. It will let Air Canada capitalize on the high standards it has set over its 51-year history.

Madam Speaker, I trust that my colleagues will join me to ensure passage of this Bill, so that Canadians can share in our future as soon as possible.

• (1710)

[*English*]

This very important piece of legislation must have the support of all Members of the House. It is supported strongly by all sectors of the air industry, especially the employees of Air Canada.

Therefore, to help Members of the House speak on the issue, I move:

> That the House continue to sit beyond the ordinary hour of daily adjournment for the purpose of continuing consideration of second reading of Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public.

The Acting Speaker (Mrs. Champagne): The House has heard the terms of the motion moved by the Hon. Parliamentary Secretary to the Deputy Prime Minister and President of the Privy Council. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): According to the provisions of Standing Order 9(4)(b), if 15 Members rise in their places to object, the motion is deemed to have been withdrawn. Shall the motion carry?

And fewer than 15 Members having risen:

The Acting Speaker (Mrs. Champagne): There not being 15 Members rising in objection to the motion, according to the provisions of Standing Order 9(4)(b) the motion is deemed to be carried.

Motion agreed to.

Mr. Manly: Madam Speaker, it seems to me that Bill C-129 provides for a system that is neither fish, nor fowl, nor good red herring. It is neither one nor the other. On the one hand it deals with privatization, but only 45 per cent privatization. The Government is supposedly retaining a majority of shares, but it does not really have control because it indicated that it will vote in accordance with the minority. That puts the Canadian people in the position of effectively owning non-voting shares.

There are also guarantees that no individual can have more than 10 per cent of the shares, yet 10 per cent of the total is 22 per cent of 45 per cent so that a couple of people, each with 10

per cent of the shares, could have effective control. The Government has committed itself to voting in accordance with the majority of that 45 per cent minority.

Similarly, there is supposed to be provision that no more than 25 per cent of the total shares can be owned outside the country. However, 25 per cent is 55 per cent of the shares that will be privatized. Therefore, again, effective control can be outside Canada.

How does the Member square that with any kind of public interest in Air Canada? How does he square that with Canadian sovereignty?

[*Translation*]

Mr. Grisé: Madam Speaker, once again Members of the New Democratic Party are distorting information. The Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly) is saying that we will allow outsiders to get a hold of 25 per cent of all shares. That is false! Totally false. They are allowed 25 per cent of the 45 per cent of shares which will be put on sale, period. No one will be able to hold more than 10 per cent of shares issued. The information and the bill must be interpreted in that context and should not be distorted.

Madam Speaker, once again, fear and uncertainty are being spread among Canadians. Air Canada employees themselves, yes, that is the case, Air Canada employees themselves accept this proposal and are interested in the privatization initiative. Being on the inside, one would presume that they have the right information. There is a board of directors, but as soon as the shares are sold, the shareholders will elect a new board. Decisions on the operations of Air Canada will no longer be taken by the Government. This is precisely the intent of the privatization bill: to make Air Canada a privately managed business, while retaining a certain percentage of share ownership by Government. But nobody can own more that 10 per cent of the shares issued, that is 10 per cent of the 45 per cent. The shares held by foreign interests cannot exceed 25 per cent of the shares issued, that is 25 per cent of the 45 per cent.

[*English*]

Is that clear enough? It is 25 per cent of what is issued. That means 25 per cent of 45 per cent that can be owned by people from out of the country. No individual can own more than 10 per cent of the shares issued, not the total. It is from the shares issued.

There will be 45 per cent of the total shares. It is 45 out of 100. Do you get that?

[*Translation*]

Mr. Cassidy: Are the shares issued or not?

Mr. Grisé: There are 100 per cent of shares in a company.

Mr. Cassidy: But 10 per cent are to be sold to the public, am I right? These shares may well be owned by Americans!

Mr. Grisé: Madam Speaker, the Hon. Member for Ottawa-Centre (Mr. Cassidy) is the genius of the socialist party.

• (1720)

[*English*]

Mr. Nystrom: Madam Speaker, I think to keep sanity in the House I should call quorum at this time.

The Acting Speaker (Mrs. Champagne): Call in the Members.

And the bells having rung:

The Acting Speaker (Mrs. Champagne): We now have quorum.

Mr. Lewis: Question.

Mr. Mazankowski: Question.

The Acting Speaker (Mrs. Champagne): Is the House ready for the question?

Mr. Nystrom: Madam Speaker, I was on my feet to—

Mr. Mazankowski: No, you were not. You were not in your seat. No way. Question.

Mr. Crosbie: Question.

The Acting Speaker (Mrs. Champagne): The question is as follows: Mr. Mazankowski, seconded by Mr. Lewis, moved:

> That Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee.

In amendment thereto: Mr. Hovdebo, seconded by Mr. Keeper, moved:

> That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:
>
> "Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be not now read a second time but that the Order for second reading be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Transport."

The question is on the amendment. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Yes.

Some Hon. Members: No.

The Acting Speaker (Mrs. Champagne): All those in favour of the amendment will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mrs. Champagne): All those opposed will please say nay.

Some Hon. Members: Nay

The Acting Speaker (Mrs. Champagne): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mrs. Champagne): Call in the Members.

• (1730)

During the ringing of the bells.

The Acting Speaker (Mrs. Champagne): In accordance with Standing Order 13(4), at the request of the Chief Government Whip, the vote is deferred until 6 p.m. this evening, at which time the bells will be rung for at most 15 minutes.

The House will now continue with Orders of the Day.

[*Translation*]

Therefore, the recorded vote now before the House is deferred to 6 p.m. tonight when the bells will ring no longer than 15 minutes. We will now proceed to government orders.

Mr. Cassidy: Madam Speaker, I rise on a point of order. When we left the House, we were told the vote would be held in half an hour. Now that the bells have stopped ringing, have the three parties agreed on that point?

The Acting Speaker (Mrs. Champagne): The Hon. Member for Ottawa Centre (Mr. Cassidy) rose on a point of order. I can assure him that I don't have a hearing problem. He does not have to shout. The Government whip asked that the vote be deferred to 6 p.m. tonight when the bells will ring no longer than 15 minutes.

It being 17.35 p.m., we will now proceed to government orders.

* * *

[*Translation*]

BRETTON WOODS AND RELATED AGREEMENTS ACT

MEASURE TO AMEND

The House resumed, from Friday, May 20, consideration of the motion of Mr. Hockin that Bill C-126, an Act to amend the Bretton Woods and Related Agreements Act, be read the second time and referred to a legislative committee.

[*English*]

Mr. Cassidy: Madam Speaker, I rise on a point of order. This is highly irregular procedure which is taking place in the House right now. It is highly irregular to call a Bill which was not called for today's business and then to expect the opposition Parties—

The Acting Speaker (Mrs. Champagne): Order.

Mr. Cassidy: This Bill happens to deal with a question of international financial institutions—

The Acting Speaker (Mrs. Champagne): Order.

Mr. Cassidy: —my Party has a number of people who wish to speak on that particular measure. They are not here right now—

The Acting Speaker (Mrs. Champagne): Order.

Mr. Cassidy: The Government is deliberately abusing the rights of Parliament by the way it is proceeding at this time. It is deliberately abusing the rights of Parliament. If it wants to have a fuss in this House, we will have a fuss in the House of Commons.

The Acting Speaker (Mrs. Champagne): Order.

Mr. Cassidy: Madam Speaker, this is quite outrageous. I want to point out that this particular procedure—

Some Hon. Members: Sit down.

The Acting Speaker (Mrs. Champagne): Order.

Mr. Cassidy: —by means of a vote called by the Chair without adequate notice when there were people who wished to question the Hon. Member who just finished speaking. Madam Speaker, that was a partisan act on your part and we intend to take it to the Speaker and to raise that question, and if this is part of a pattern that you have begun—

The Acting Speaker (Mrs. Champagne): Order.

Mr. Mazankowski: Get out.

The Acting Speaker (Mrs. Champagne): The Hon. Member was never given the floor.

Mr. Cassidy: Why should I take my seat when your Party is abusing Parliament? You are abusing Parliament with measures—

The Acting Speaker (Mrs. Champagne): Order.

Mr. Cassidy: You come up with the most ridiculous kind of measures, and now, Madam Speaker, is this the way we are going to spend the summer?

The Acting Speaker (Mrs. Champagne): Order. The Hon. Member will please sit down.

Mr. Skelly: Withdraw the Bill.

The Acting Speaker (Mrs. Champagne): The Hon. Member will please sit down.

Mr. Orlikow: I rise on another point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Hon. Member will please sit down.

Mr. Forrestall: And be respectful.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mrs. Champagne): The Hon. Member will please sit down.

Mr. Crosbie: We need a parliamentary psychiatrist.

Mr. Cassidy: Your Party needs a parliamentary psychiatrist.

Some Hon. Members: Oh, oh!

Mr. Cassidy: If you want to fight this way, we will fight this way.

You want the Speaker on your side, the way she was on your side. Is that what you want to do? Black Friday all over again, is that what you want to do?

Mr. Mazankowski: Shame on you.

Mr. Cassidy: Shame on yourself. Repeat the words the Minister of Defence (Mr. Beatty) used the other day.

The Acting Speaker (Mrs. Champagne): Order.

[*Translation*]

The Acting Speaker (Mrs. Champagne): Order, please. Standing Order 13(4) reads as follows:

> When the Speaker has put the question on any debatable motion, except as provided pursuant to section (2) of this Standing Order, the bells to call in the Members shall be sounded for not more than thirty minutes; provided that, while the Members are being called in, either the Chief Government Whip or the Chief Opposition Whip may approach the Speaker to request that the division be deferred, in which case the Speaker shall defer the said division until a specified time, but, in any case, not later than 6.00 o'clock p.m. on the next sitting day thereafter, when the bells to call in the Members shall be sounded for not more than fifteen minutes . . .

This is exactly what took place. As it was 5.35 p.m., we could simply go on with Government business. This is exactly what I did, as occupant of the Chair. The Hon. Member for Ottawa Centre may well disagree with this ruling, but it was made pursuant to our Standing Orders and I am sure the Hon. Member will want to reflect on the words he used which were heard by everyone in this Chamber, casting doubts about the impartiality of the Chair. As occupant of the Chair, I can only apply the procedural rules that were established in all fairness and without any prejudice.

• (1740)

[*English*]

Resuming debate. The Hon. Member for Ottawa Centre.

[*Translation*]

Mr. Cassidy: Madam Speaker, you have explained the way the Government is allowed to defer a vote according to our rules. But may I remind you that we, in the Opposition, believe that the Chair must maintain, broadly speaking, some sense of order, of fair play and of justice in our proceedings.

Now, Madam Speaker, you have called earlier a vote on the Bill before the House in a way that prevented the Hon. Member for Yorkton—Melville (Mr. Nystrom) and myself to ask any question. Honestly, we were truly disappointed!

I might not have been very warmly in my comments but I was very concerned because we thought that the Chair was prejudiced against one side.

Some Hon. Members: Oh, oh!

Mr. Cassidy: Secondly, Madam Speaker, you know that the situation will be critical should the Government decide, without notice, to call this Bill, in an orderless manner. This is what I objected to in the point of order I have just made.

Now, I could perhaps ask you, Madam Speaker, to take note of my comments, since I think that it is very clear that the House will not operate properly if there are constant changes to the order of business, the Standing Orders, from one bill to another . . .

Some Hon. Members: Order!

Mr. Cassidy: You know that this will not work out and that the House must proceed in an orderly fashion.

[*English*]

The Acting Speaker (Mrs. Champagne): The Hon. Member for Ottawa Centre (Mr. Cassidy) referred as well to the time or the way in which the question was put regarding Bill C-129. I would like to remind the Hon. Member that his colleague, the Hon. Member for Yorkton—Melville (Mr. Nystrom), rose on a point of order asking me to ensure that there was a quorum in the House, which as the Speaker I did promptly. Once a quorum was re-established in the House, once we proceeded again, I gave the floor to the Hon. Member who had been answering questions. Hon. Members at that point asked for the question to be put.

I must tell the Hon. Member that at that point neither he nor the Hon. Member for Yorkton—Melville were in the House.

Some Hon. Members: Shame!

The Acting Speaker (Mrs. Champagne): The Speaker was asked to put the question. No one rose to ask for the floor. I was asked to put the question. It was the question which I put to the House.

During his recent intervention the Hon. Member accused the Chair—

Some Hon. Members: Shame!

The Acting Speaker (Mrs. Champagne): —of a lack of fairness and of fair play.

An Hon. Member: Withdraw!

The Acting Speaker (Mrs. Champagne): I think that the Hon. Member will want to read the "blues", think it over, re-read the procedure book and he will realize that whatever has been done was done in all fairness and in accordance with all the rules of the House.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mrs. Champagne): I see that the Hon. Member for Comox—Powell River (Mr. Skelly) is now seeking the floor. I will now listen to him.

Mr. Ray Skelly (Comox—Powell River): Madam Speaker, I imagine that we have now moved on to discussion of the present proposition before us. I would assume that the term "all fairness" from the Chair certainly referred only to the rules and not to the kind of activity of the Conservative Government across the floor. The Bill—

Mr. Crosbie: Sit down, turkey!

Mr. Skelly: —that is before us here is certainly a matter that is very characteristic of this organization. The organization that it is proposing to support in this legislation is one that has attempted to propose Conservative philosophy on developing nations. There are a great many people in the Opposition who would like to—

The Acting Speaker (Mrs. Champagne): If I may, there is also a second point which I would like to bring to the attention of Hon. Members.

The Hon. Member for Ottawa Centre was saying that I should not have allowed Bill C-126 to be brought forward at this time. When I look at the *Projected Order of Business* I see that Bill C-126 is listed as a possible Bill to be studied today.

Further, Standing Order 22(2) states:

> Government Orders shall be called and considered in such sequence as the government determines.

Therefore, this time—

Mr. Fulton: Madam Speaker, I rise on a point of order—

Mr. Malone: She is ruling on a point of order.

The Acting Speaker (Mrs. Champagne): —resuming debate on Bill C-126.

Mr. Fulton: A point of order, Madam Speaker.

The Acting Speaker (Mrs. Champagne): The Chair recognizes the Hon. Member for Skeena on a point of order.

Mr. Fulton: Madam Speaker, I would like to seek some clarification. We were hearing witnesses at a meeting of the Standing Committee on Aboriginal Affairs and Northern Development when the first bell went. The Clerk of the committee phoned here to the Chamber and learned that it was simply a quorum bell. When the bell resumed ringing, a second call was made from the committee. We were told that there would be a recorded vote taken at 5.45 p.m.

I seek clarification as to what went on with the second bell.

Mr. Mantha: It's not true.

Mr. Fulton: If people from committees are going to phone and seek information from the Chamber on votes, then there has to be some clarification available to those committees that are hearing witnesses.

Some Hon. Members: Oh, oh!

Mr. Fulton: I know Government Members do not particularly care about aboriginal people, or anything else, Madam Speaker.

Mr. Andre: It is you we do not care about.

The Acting Speaker (Mrs. Champagne): I will try very succinctly to tell the Hon. Member what happened, as the Hon. Member said that he was in committee.

There was a first bell for a quorum count. Once a quorum was re-established the Hon. Member who had the floor asked that the question be put. The question was put. The bell then rang to call in Hon. Members for a vote.

Subsequently, the Government Whip asked for the vote to be delayed until 6 p.m. We then called Government Orders, which is now the point that we are at.

Resuming debate on Bill C-126. The Hon. Member for Comox—Powell River on debate.

Mr. Skelly: Madam Speaker, when I thought I had been recognized to speak on the Bill I found that we had continued on into further justifications of the ruling on the point of order. What I would ask of the Chair is, since there was a bit of confusion on the part of my colleagues and other Members of the House, that my time in this particular debate would commence—

• (1750)

The Acting Speaker (Mrs. Champagne): I am now recognizing the Hon. Member for debate on Bill C-126. He will have all the time that is normally allotted to him.

Mr. Skelly: Madam Speaker, as the din begins to subside in here, the matter before the House is certainly an extremely important one. A number of members of the Opposition have spoken on this Bill from a very informed point of view about the damage that has been put in place in various developing nations by the operation of the International Monetary Fund. Some speakers on this side of the House have prepared long and hard for this particular piece of legislation, and the Government's attempt to ram the Bill through without allowing a fair hearing is grossly unfair and characteristic of the Government in this particular phase of the operation of Parliament. At any rate, it was brought out in debate that

enforcing on many developing nations some extremely harsh programs to ensure they attempted to pay off massive debts left them in a condition of great hardship. Social programs were cut.

Members talked in this House about education being diminished or demolished and the absolute lack of Third World country Governments to provide education for children because of what the IMF and the Bretton Woods Agreement imposed.

We have heard that health care in many countries has been demolished by the policies of the IMF, controlled by western nations and the United States which are far more interested in the debt being repaid than in protecting citizens. The illiteracy rate in many countries is running 70-odd per cent and infant mortality is 50 to 60 per cent. These points were carefully made by previous speakers. It was pointed out that many of the aid programs are being skimmed off by government officials, by relatives and friends of ruling oligarchies. As a result, aid never reached the poorer sections of society. Corruption has led to divisions in countries. People have risen up in revolt against systems and regimes that attempt to extract every last penny there is available, money that people require for health care, education, pure water, and sanitation systems. Lives are jeopardized and revolutions and insurrections arise. The policies of the IMF have led to a great deal of discontent in the Third World resulting in insurrections yet we see the United States and other world powers contributing arms and military aid to put down insurrections in an attempt to provide stability in a country so it can get on with the business of addressing debt. In the same process the citizens of countries, again the poorer segments of society, are even further oppressed by military actions. This is what we see from the International Monetary Fund.

Our contributions under the renewal of Bretton Woods Agreement lead to that type of activity in Third World nations. We see insufferable crushing debt, which destabilizes countries that originally obtained loans. Other nations wind up contributing military aid to put down insurrections in places where people are attempting to re-establish democratic regimes and fair play. Why should Canada be contributing to that kind of an international policy which attempts to extract every last penny to get rid of health and social programs so that payments can be made on international debt? The poorer people suffer. It is not something we would tolerate in Canada, and there is no reason for us to contribute to a fund whose policy is to inflict hardship on others.

I am amazed that this Government has not heard the informed discussion that has taken place in this House. My colleague, the Hon. Member for Cowichan—Malahat—The Islands (Mr. Manly), and the Hon. Member for Spadina (Mr. Heap) have spoken in this regard. It is absolutely critical that the Government respond.

Before we contribute another penny to the International Monetary Fund we should insist that something be done to resolve the matter of Third World debt. Third World countries should be able to manage finances and provide some care and stability for their populations. They would then be able to begin looking at health care and building infrastructure to strengthen and develop economies.

On that basis I move:

That the motion be amended by deleting all the words after the word "That" and substituting the following therefor:

"Bill C-126, an Act to amend the Bretton Woods and related Agreements Act, be not now read a second time but that it be read a second time this day six months hence."

The Acting Speaker (Mrs. Champagne): Are there questions and comments?

Mr. Manly: Madam Speaker, would the Hon. Member explain the purposes for the motion he has just moved?

Some Hon. Members: Oh, oh!

Mr. Skelly: There are several important matters, Madam Speaker. It is not a laughing matter. The Conservatives are sitting over there giggling. This reminds me of the San Diego zoo. It is incredible the chatter and absolute nonsense that is going on. This is not a humorous motion.

Mr. Mayer: It is a joke.

Mr. Skelly: I think the Hon. Minister of State responsible for the Wheat Board, if he is looking at his repertoire of jokes, should not look at what is happening in Third World countries as a joke.

Mr. Mayer: You are a joke.

Mr. Skelly: He should look at the Canadian contribution to suffering, to infant mortality and to the absolute destruction of economies. I know his heart is bigger than that. Maybe his head cannot understand the implications of this Bill. I moved the motion so the very succinct, salient, cogent points made by my colleagues about the nefarious aspects of this particular legislation of Canada going on year after year amending these agreements and allowing this kind of policy to continue can be made one more time more fully and simply so as to be comprehended by my colleagues across the floor. They have not grasped the situation from the broad brush strokes created by the Hon. Members from Cowichan—Malahat—The Islands and Spadina.

• (1800)

[*Translation*]

AIR CANADA PUBLIC PARTICIPATION ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Mazankowski that Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be read the second time and referred to a legislative committee, and of the amendement of Mr. Hovdebo (p. 15767).

The Acting Speaker (Mrs. Champagne): It being 6 p.m., under the provisions of Standing Order 13(4)a), the House will now proceed with the differed division vote on the amendement concerning Bill C-129, an Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public.

Call in the Members.

The House divided on the motion (Mr. Hovdebo), which was negativated on the following division.

• (1810)

(Division No. 367)

YEAS

Members

Allmand	Gauthier	Nunziata
Althouse	Gray	Orlikow
Angus	(Windsor West)	Parry
Axworthy	Heap	Penner
Blaikie	Henderson	Robichaud
Boudria	Hopkins	Rodriguez
Caccia	Keeper	Skelly
Copps	MacLellan	Tardif
de Jong	Manly	(Richmond—Wolfe)
Epp	McCurdy	Young—32
(Thunder Bay—Nipigon)	McDonald (Broadview—Greenwood)	
Foster	Murphy	
Fulton		

NAYS

Members

Andre	Comeau	Gottselig
Belsher	Cook	Graham
Bertrand	Cossitt	Grisé
Blouin	Crofton	Gustafson
Bosley	Crosbie	Halliday
Brightwell	(St. John's West)	Hamelin
Browes	Darling	Hamilton
Cadieux	Domm	Hawkes
Cardiff	Dorin	Hockin
Champagne	Epp	Horner
(Champlain)	(Provencher)	James
Clinch	Fennell	Jelinek
Coates	Forrestall	Jepson
Collins	Girard	Joncas
Kempling	McKinnon	Shields
Kindy	McKnight	Siddon
Ladouceur	McLean	Sparrow
Landry	McMillan	Taylor
Layton	Nicholson	Towers
Lewis	(Niagara Falls)	Tupper
Mailly	Nickerson	Turner
Malone	Nowlan	(Ottawa—Carleton)
Mantha	O'Neil	Vankoughnet
Martin	Pietz	Vézina
Mayer	Ravis	White
Mazankowski	Redway	Wilson
McCain	Reid	(Swift Current —Maple Creek)—85
McCrossan	Reimer	
McDermid	St. Germain	
McDougall	St-Julien	
(St. Paul's)	Schellenberger	
McInnes	(Wetaskiwin)	
McKenzie	Scowen	

• (1820)

[*English*]

Mr. Speaker: I declare the amendment lost.

Resuming debate on the main motion, the Hon. Member for Hamilton East (Ms. Copps).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it certainly gives me great pleasure to speak on this motion. Before speaking, I would like to point out to the House that this is a special day in that it is the birthday of our honourable House Leader, the Hon. Member for Windsor West (Mr. Gray).

Some Hon. Members: Hear, hear!

Some Hon. Members: We want Herb.

Some Hon. Members: Herb for Leader.

Mr. Gray (Windsor West): I'm already a leader, I'm a House Leader.

Mr. Speaker: The enthusiasm for the birthday is getting in the way of the Hon. Member's remarks.

Ms. Copps: Thank you, Mr. Speaker. I realize that this has very little to do with the main motion, but given that recently so many days around this place have been characterized by acrimony, I thought it would be a nice opportunity to recognize one of those who is never involved in acrimony. Plus, it will probably give me a few brownie points to enable me to get up in Question Period next time.

However, that is not the point of my intervention. My intervention deals with another chapter in the sequence of the "Sale of Canada Act". I am speaking specifically now to the heinous motion of the Government to privatize Air Canada.

Last night I was at the nomination meeting of an extremely able and long-standing Member of Parliament, the Hon. Member for Ottawa—Vanier (Mr. Gauthier).

Some Hon. Members: Hear, hear!

Ms. Copps: It was a great meeting, Mr. Speaker. In its usual entrepreneurial fashion, the Liberal Party was selling things. We will do anything to dig our way out of debt. Last night at the Liberal Party nomination meeting in Ottawa—Vanier the hottest button for sale was going for $2. It was available from Carleton and University of Ottawa students and read: "Privatize Mulroney". I think that speaks to the notion of what the Government has been doing to the country over the last number of years.

My Leader said that the recent free trade agreement, which was finally tabled in the House, could best be called the "Sale of Canada Act". The Act that we are currently discussing in the House tonight for the privatization of Air Canada is another example of how the Government does not understand that our country was built on an east-west axis. Our country was built on the notion that there is a role for the private sector to play but that there is also a role for the public sector to play.

• (1830)

What would have happened in 1867 if the first Prime Minister of Canada, Sir John A. Macdonald, said that we would not build a Canadian railway but would let the private sector do it? What if they believed that there was no role for the public sector in a national rail system?

What if successive Governments said that about building the Trans-Canada Highway, probably the longest unified highway in the world that is maintained by public funds? We believe in links both from the public sector and the private sector.

Unfortunately, the government is so driven by a need to privatize that it does not recognize that there are certain integral links that keep this country hooked together from East to West. They include the CBC, a national broadcasting system whose integrity the Government, with its backroom committee, has been trying to cut back.

The same is happening with this sale of Air Canada Act. That may not be so serious if it were not for the fact that the Prime Minister (Mr. Mulroney) gave is own solemn oath. Do Members recall his sacred trust about senior citizens' pensions? The Prime Minister said about Air Canada: "Air Canada is not for sale. Canada needs a national airline".

Mr. Nunziata: Who said that?

Ms. Copps: That was stated by the Prime Minister of Canada.

How can we believe a person who says one thing on the campaign trail but, immediately upon being elected, sets an agenda to do exactly the opposite? The Prime Minister said over and over again that universality was a sacred trust. He promised senior citizens that the Conservatives would not touch their pensions because seniors worked hard for those pensions. Now we see the same about face.

[*Translation*]

. . . the same about-turn, the same hypocrisy with regard to Air Canada. I did not say, Mr. Speaker, and neither did the Liberal Party say that Air Canada was not for sale. We need a national airline. Those are the words of the Prime Minister (Mr. Mulroney).

[*English*]

What we are talking about tonight is a trend initiated by the Prime Minister, exacerbated by the free trade agreement, and increased by the Air Canada Bill which attempts to sell off the very nature and spirit of what we have developed as a sovereign nation. Our country has combined the best of the public and private sector. Unlike our friends to the south, we do not always believe that the private sector can do things better. We do not sell blood for profit in this country.

Frankly, I am glad that if I have to go to the hospital for an operation I do not have to check my credit card in to get blood for a transfusion. Yet, are you aware of the fact that blood banks are included as a potential service arrangement in the free trade agreement?

The Americans have always believed that one can make money from blood. If the poorest of the poor and those who need a dollar can be persuaded to stand in line in certain states to give their blood for money, they will sell it to the highest bidder.

However, we have created in Canada a society that has always believed in a primordial role for the public sector to play for the purposes of culture, broadcasting, and transportation.

That is why the first Conservative Prime Minister, Sir John A. Macdonald, pledged to the country that a railway to link East and West would be built at public expense. Similarly, when airlines became part of the technology, the Government and the nation decided to establish a national airline because we believed the public sector should be involved.

It may not be financially profitable to travel to Inuvik or Tuktoyaktuk. That may not be in the best interests of the bottom line on the balance sheet of a private corporation, but Canadians believe that there is a responsibility to service the far-flung corners of Canada by air, by rail, or by road. That is why successive Liberal governments endorsed the concept that a Crown corporation could play a role.

In one fell swoop, the Government is saying with this legislation that Air Canada is no longer a Crown corporation. However, in the typical Conservative Neanderthal way, the Government is trying to have it both ways. It is suggesting that it is only partly selling off Air Canada. That is like being partly pregnant. It is similar to the abortion resolution introduced by the Government in which one is for it, against it, or in the middle.

If the Government is intent upon privatizing a Crown corporation, it should come forward with specific legislation.

Instead, it is attempting to say that it is only partially privatizing Air Canada. The majority of shares, 55 per cent, will still be held by the Government, and 45 per cent by private shareholders.

However, when we listen to our very able critic on the Air Canada privatization, the Hon. Member for Cape Breton—The Sydneys (Mr. MacLellan), we learn that while the Government claims there will only be 45 per cent privatization, it has clearly indicated that it will proceed to instruct government shareholders to vote with the majority of the private shareholders. Therefore, the voting preference of the new Air Canada board will be specifically based on the bottom line.

I repeat that there may be instances when the bottom line will mitigate against travel to certain far-flung parts of this country.

What will happen to the Hon. Member for Humber—Port au Port—St. Barbe (Mr. Tobin) and his constituents if Air Canada suddenly decides, in its so-called private sector wisdom, no longer to fly into his riding because it is no longer economically feasible? The Conservative Government may believe that in order to do business and live in this country one must live in Toronto, Montreal, or Vancouver, but history has dictated a different development for this country. History has said that the Government, in the form of Crown corporations, has an extremely specific role to play in ensuring that constituents like those of the Hon. Member for Humber—Port au Port—St. Barbe, the Hon. Member for Gander—Twillingate (Mr. Baker), the Hon. Member for Grand Falls—White Bay—Labrador (Mr. Rompkey), the Hon. Member for Nickel Belt (Mr. Rodriguez), or the Hon. Member for Hamilton East should all have the same right to transportation services.

In its attempt to cease and desist public ownership of Air Canada, the Government is moving to destroy a nation-wide transportation network that was established on the notion that the public sector and private sector could play a role in moving Canadians from coast to coast.

There was a dream of a national railway because all Canadians should have an equal access to services. But that dream is being chipped away on a daily basis by a Prime Minister and a Government that do not understand that to be Canadian may mean paying a little more, but to be Canadian is a price worth paying.

This legislation is the thin edge of the wedge.

[*Translation*]

With the Bill tabled yesterday, we know for sure now that in the trade deal signed by Mr. Mulroney and the President of the United States, the Government reserved the power to amend any piece of legislation. It is unbelievable, Mr. Speaker. It is hard to believe that the Americans specified in their own bill that American law prevails over any trade treaty between two countries, when we are doing it the other way around here in Canada and saying that the trade deal takes precedence over any piece of legislation, be it federal or provincial, in matters concerning language, culture, way of life, or even municipal administration. So, Mr. Speaker, in a country that used to be called Canada and which is now disappearing with all those bills that are detrimental to our public policy, all future governments will have to ask Washington's approval before enacting any new legislation. Now, before introducing any legislation on transport, health or social services, before implementing a child care program in any province or before giving grants to mothers, as was proposed recently in Quebec, we will have to ask the United States for their permission, because if they claim that any federal or provincial law or municipal by-law goes against the Free Trade Agreement, it can be a problem. Why is it, Mr. Speaker, that here, in Canada, the Government introduces a bill that gives the free trade agreement precedence over all other legislation and processes, while the United States do exactly the opposite?

Mr. Speaker, it is because the Prime Minister and the Conservative Government unfortunately never understood the message that was given to them first and foremost by the first Canadian Prime Minister, Mr. MacDonald, when he tried to build a country from the East Coast to the West Coast. I live in Hamilton, which is only 60 kilometers from Niagara Falls, in the United States. Had Canada been developed differently, it would have been easier for us to join New York. Why do we belong to a country that links British Columbia to the Maritimes? Why do we not associate ourselves with New York, Vermont or other places that are closer to us geographically? Why do I associate myself geographically and historically with people who live 2000, 3000 or 4000 kilometers from me? It is because the Prime Ministers of the first successive Governments, both Conservatives and Liberals, had decided that, in order to establish and strengthen Canada as we know it, the Government had to get directly involved in the transportation network, in the communication network, in the culture network—that was CBC—and also in the social services network, through the Canada Health Act.

That is not exactly the course followed by the United States. Their wisdom made them follow different paths and they always believed that money and the private sector could always do things better. Good for them. If they prefer to have private blood banks and to sell blood as they would any other commodity, it is their business but, personnally, I don't want to see Canada follow the same route. And I wonder why in the free trade agreement, which has been tabled in this House, they even agreed to include blood banks as a potential service arrangement in Canada, similar to those in the United States.

Mr. Speaker, it is a shame that for the first time in the history of Canada the Minister of National Health and Welfare (Mr. Epp) approved two years ago the establishment of a profit-making blood bank located in Montreal. And we have now learned from the documents tabled with respect to the free trade agreement, that profit-making blood banks already existing in the United States will be allowed to come and do business in Canada.

We wondered, as the Deputy Prime Minister introduced in the House a Bill to abolish Air Canada as a Crown corporation, whether it was not the beginning of the end for Canada. We must recognize that in the case of Air Canada, we will have to make up deficits from time to time and pay more in order to provide service to all Canadian men and women because, whether they live in Hamilton, Paulatuk, Red Deer, Cold Lake or anywhere else, they should be entitled to the same services provided by a Crown corporation. Once Air Canada has been privatized under this legislation, why should it fly to Tuktoyaktuk or Inuvik? Why should it fly to the Northwest Territories or the Yukon if it is not profitable?

Mr. Speaker, I feel I have no choice but to ask the Deputy Prime Minister, who is a reasonable man, to accept the rationale I have put forward tonight. I have no alternative but to move the following amendment. Therefore, I move:

That the motion be amended by striking out all the words following the word "that" and substituting the following therefore:

Bill C-129, An Act to provide for the continuance of Air Canada under the Canada Business Corporations Act and for the issuance and sale of shares thereof to the public, be not now read a second time, but be read a second time six months hence".

Mr. Speaker, it is reasonable amendment and I know that the Government will accept this motion, seconded by the Hon. Member for Ottawa Vanier (Mr. Gauthier).

• (1840)

[*English*]

Mr. Speaker: The House has heard the terms of the amendment.

Some Hon. Members: Question.

Mr. Speaker: Continuing debate.

Some Hon. Members: Question.

Mr. Speaker: Is the House ready for the question?

Some Hon. Members: Question.

Mr. Speaker: Shall I dispense with reading the motion?

Some Hon. Members: Dispense.

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

Some Hon. Members: Yes.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

And more than five Members having risen:

Mr. Speaker: Call in the Members.

During the ringing of the bells.

Mr. Speaker: Under the appropriate rule, the Whip of the Official Opposition has requested that the vote take place at 7.30 p.m.

Mr. Gauthier: Mr. Speaker, I think my request to you under Section 13(4)(a) was that you defer the vote until six o'clock tomorrow.

Mr. Speaker: The vote is so deferred.

It being past six o'clock p.m., this House stands adjourned until tomorrow at eleven o'clock a.m. pursuant to Standing Order 3(1).

The House adjourned at 6.50 p.m.